

FILED

APR 10 2017

Superior Court  
Linda Wynne Enlow  
Thurston County Clerk

STATE OF WASHINGTON  
THURSTON COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

STROM PETERSON, individually, and  
FRIENDS OF STROM PETERSON, a  
candidate authorized political  
committee,

Defendants.

NO. 17-2-02223-34

COMPLAINT FOR CIVIL  
PENALTIES AND FOR INJUNCTIVE  
RELIEF FOR VIOLATIONS OF  
RCW 42.17A

I. NATURE OF ACTION

The State of Washington (State) brings this action to enforce the State's campaign finance disclosure law, RCW 42.17A. The State alleges that Defendants, STROM PETERSON, individually, and FRIENDS OF STROM PETERSON, a candidate authorized political committee, violated provisions of RCW 42.17A by failing to 1) timely file the candidate registration and reports of contributions received, 2) break down reportable expenditures, and 3) timely disclose orders placed, debts, and obligations. The State seeks relief under RCW 42.17A.750 and .765, including penalties, costs and fees, and injunctive relief.

II. PARTIES

2.1 Plaintiff is the State of Washington. Acting through the Washington State Public Disclosure Commission, Attorney General, or a local prosecuting attorney, the State

1 enforces the State campaign finance disclosure laws contained in RCW 42.17A.

2           2.2 Defendant STROM PETERSON (Peterson) is currently a State representative  
3 for the 21st Legislative District, and resides in Edmonds, Snohomish County, Washington.  
4 During 2016, he sought re-election to this position, and authorized a political committee,  
5 FRIENDS OF STROM PETERSON, to act as his candidate authorized political committee.

6           2.3 Defendant FRIENDS OF STROM PETERSON is a political committee  
7 authorized by Defendant Peterson during 2016 to support his candidacy for one of the 21st  
8 Legislative District representative positions and registered with the State Public Disclosure  
9 Commission.

10           2.4 Defendants Peterson and Friends of Strom Peterson are both responsible for the  
11 actions of Defendant Peterson and his campaign committee as alleged below. To the extent this  
12 Complaint alleges acts and omissions by Defendant Peterson or his campaign committee, the  
13 allegations are stated against both Defendants.

14                                   **III. JURISDICTION AND VENUE**

15           3.1 This Court has subject matter jurisdiction over the present case, in accordance  
16 with RCW 42.17A. The Attorney General has authority to bring this action pursuant to RCW  
17 42.17A.765.

18           3.2 This Court has personal jurisdiction over the Defendants, a resident of the State  
19 of Washington and a political committee registered and filing in Thurston County,  
20 Washington. Additionally, the acts alleged below occurred in whole or in part in Thurston  
21 County, Washington in that, as a result of Defendants' actions alleged below, incomplete,  
22 untimely, and inaccurate reports were filed with the Public Disclosure Commission in  
23 Olympia, Washington.

24           3.3 Venue is proper in this Court pursuant to RCW 4.12.020(1).

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1 IV. FACTUAL ALLEGATIONS

2 4.1 RCW 42.17A declares as a matter of public policy “[t]hat political campaign  
3 and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is  
4 to be avoided.” RCW 42.17A.001(1). Further, the statute provides that the provisions of the  
5 law “shall be liberally construed to promote complete disclosure of all information respecting  
6 the financing of political campaigns. . . .”

7 4.2 Washington’s campaign finance law requires a campaign to timely report  
8 contributions received, including in-kind contributions, and campaign expenditures, including  
9 orders placed, debts and obligations incurred. The candidate’s report disclosing in-kind  
10 contributions and expenditures is entitled “Campaign Summary, Receipts and Expenditures”  
11 and is designated by the Commission as form C-4, pursuant to WAC 390-16-041. This report  
12 is due monthly until the twenty-first day of the month before an election in which the candidate  
13 appears on the ballot, at which time the report is due 21 days before the election, seven days  
14 before the election, and on the tenth day of the month following the election. An expenditure is  
15 defined to include “a promise to pay, . . . . For the purposes of this chapter, agreements to make  
16 expenditures, contracts, and promises to pay may be reported as estimated obligations until  
17 actual payment is made.” RCW 42.17A.005(20).

18 4.3 “Expenditures made on behalf of a candidate or political committee by any  
19 person, agency, firm, organization, [or similar entity] employed or retained for the purpose of  
20 organizing, directing, managing or assisting the candidate's or committee's efforts shall be  
21 deemed expenditures by the candidate or committee. In accordance with WAC 390-16-037,  
22 such expenditures shall be reported by the candidate or committee as if made or incurred by the  
23 candidate or committee directly.” WAC 390-16-205.

24 4.4 Defendant Peterson filed a form C-1 (Candidate Registration) with the state  
25 Public Disclosure Commission on January 11, 2016, identifying himself as a candidate for the  
26 21st Legislative District representative position. According to the filing, his candidate

1 authorized committee was officially named "FRIENDS OF STROM PETERSON." Defendant  
2 Peterson began collecting contributions on October 30, 2015. He reported collecting  
3 contributions on October 30, 2015, November 30, 2015, December 4, 2015, and  
4 December 11, 2015. His candidate registration form should have been filed no later than  
5 November 13, 2015. As a result, he did not file contribution reports (C-3) that should have  
6 been filed no later than November 13, 2015 and December 10, 2015. These disclosures did not  
7 occur until January 11, 2016. As such, the C-1 report was 59 days late, and the two C-3 reports  
8 were at least 59 and 32 days late, respectively.

9 4.5 Throughout the campaign, Defendants reported campaign expenditures based  
10 on the date the campaign paid the invoices for goods and services. Defendants did not disclose  
11 any orders placed, debts or obligations which were incurred during one reporting period and  
12 yet were paid for in a subsequent reporting period. Defendants incurred campaign debts and  
13 obligations in a reporting period that were not fully paid until subsequent reporting periods. As  
14 such, Defendants knew or should have known that they were required to report the orders  
15 placed, debts or obligations on Schedule B to a C-4 report to the extent they were reasonably  
16 anticipated to exceed \$250 in value. On information and belief, the dollar amount of orders  
17 placed, debts and obligations that should have been reported, but were not, exceeded  
18 \$2,346.00. All such transactions were for the services of vendor Northwest Passage  
19 Consulting. The amount of orders placed, debts and obligations that Defendants failed to report  
20 includes:

21 a. Northwest Passage Consulting (print campaign literature used while  
22 doorbelling): invoice received on July 1, 2016, \$276 paid on October 1, 2016, and transaction  
23 reported in C-4 report filed October 18, 2016. Defendants should have reported the transaction  
24 as an order placed on their C-4 report due on July 12, 2016. As such, this disclosure was 98  
25 days late.

1           b. Northwest Passage Consulting (printed mailer): invoice received on  
2 July 25, 2016, \$1,798.50 paid on July 26, 2016, and the transaction reported in a C-4 report  
3 filed September 13, 2016. Defendants should have reported the transaction as a debt or  
4 obligation on their C-4 report due on July 26, 2016. As such, this disclosure was 48 days late.

5           c. Northwest Passage Consulting (print campaign literature used while  
6 doorbelling): invoice received on October 7, 2016, \$271.50 paid on November 11, 2016, and  
7 the transaction reported in a C-4 report filed on December 12, 2016. Defendants should have  
8 reported the transaction as a debt or obligation on their C-4 report due on October 18, 2016. As  
9 such, this disclosure was 55 days late.

10           4.6 Throughout the campaign, Defendants reported making various payments to  
11 Northwest Passage Consulting. As a consulting firm, Northwest Passage Consulting did not  
12 itself print campaign literature, contribution envelopes, or mailers for Defendant Peterson's  
13 campaign. It subcontracted these services to third parties. Defendants were required to report  
14 the names of the sub-vendors and related information. On information and belief, a total of  
15 \$3,255 in services attributed to Northwest Passage Consulting by the Defendants should have  
16 disclosed the true sub-vendors. The amount includes the following activity:

17           a. July 1, 2016 invoice from Northwest Passage Consulting reflecting \$276 in  
18 services by Overnight Printing.

19           b. July 25, 2016 invoice from Northwest Passage Consulting reflecting \$1,798.50  
20 in services by Capitol City Press.

21           c. September 13, 2016 invoice from Northwest Passage Consulting reflecting \$276  
22 and \$475.93 in services by Overnight Printing.

23           d. October 7, 2016 invoice from Northwest Passage Consulting reflecting \$271.50  
24 in services by Overnight Printing.

25           e. November 7, 2016 invoice from Northwest Passage Consulting reflecting  
26 \$158.04 in services by Angle Mastagni Mathews.

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**V. CLAIMS**

The State re-alleges and incorporates by reference all the factual allegations contained in the preceding paragraphs, and based on those allegations, makes the following claims:

4       5.1     First Claim: The State reasserts the factual allegations made above and further  
5 asserts that Defendants, in violation of RCW 42.17A.235(2) and .240, failed to timely file  
6 candidate registration form and reports of contributions received and expenditures made,  
7 including orders placed, debts and obligations incurred, with the total number of violations to  
8 be proven at trial.

9       5.2     Second Claim: The State reasserts the factual allegations made above and  
10 further asserts that Defendants, in violation of WAC 390-16-205, failed to accurately disclose  
11 the vendors who performed services paid for by his campaign, with the total number of  
12 violations to be proven at trial.

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**VI. REQUEST FOR RELIEF**

WHEREFORE, the State requests the following relief as provided by law:

15       6.1     For such remedies as the court may deem appropriate under RCW 42.17A.750,  
16 including but not limited to imposition of a civil penalty, all to be determined at trial;

17       6.2     For all costs of investigation and trial, including reasonable attorneys' fees, as  
18 authorized by RCW 42.17A.765(5);

19       6.3     For temporary and permanent injunctive relief, as authorized by  
20 RCW 42.17A.750(1)(h); and

21       6.4     For such other legal and equitable relief as this Court deems appropriate.

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1 DATED this 7th day of April, 2017.

2 OFFICE OF THE ATTORNEY GENERAL  
3 State of Washington

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