#### **Respondent Name**

Linda Farmer

## **Complainant Name**

Glen Morgan

# **Complaint Description**

Glen Morgan reported via the portal

(Wed, 25 Oct 2023 at 11:17 PM)

To whom it may concern,

It has come to my attention that Lakewood City Councilmember (And current Pierce County Auditor) Linda Farmer has violated Washington State's campaign finance laws (RCW 42.17A). The details are as follows:

#### 1) Illegal and false reporting of expenditures and contributions (Violation of RCW 42.17A.235, RCW 42.17A.240)

Linda Farmer, in her 2019 campaign for the Lakewood City Council (position 6), appears to have concealed the source of a large amount of campaign contributions from the public. Evidence of this can be seen in her final C4 filed on 12/31/2019 (See PDC Report # 100950982, attached for staff reference). As can be seen on Line 18, Linda Farmer reported a negative balance of \$11,252.89, which is impossible if this politician had tried to follow the law and match the line 18 report with the actual bank account balance, which the C4 report clearly requires (and even helpfully explains on the report itself).

These missing funds have never been accounted for by this politician, which is particularly disturbing considering her current position as Pierce County Auditor. If she can't figure out who gave her the missing \$11,252.89 (or more) and refuses to report the truth about this, how can anyone believe she is paying any attention to the finances of Pierce County?

It is critical that this politician resolve the mystery of the missing contributions, the secret donations (and donors) and come clean about her public finances in this matter. The public has a right to know if their auditors know anything about finances, banks, missing funds, or math.

I will note for the record, that this politician has already been investigated by the PDC in a separate case (See PDC Enforcement Case #110885, reminder letter attached).

I hope these funds and the source of these mystery funds can be resolved.

Let me know if you need additional information on this one.

Best Regards,

Glen Morgan

(For Internal PDC Staff reference – based on my written testimony submitted to the PDC last month, I am counting this as complaint #7 for October)

#### What impact does the alleged violation(s) have on the public?

The public has a right to know who gave this politician the secret cash stash which went unreported by this politician. Clearly, some dark money has gone missing and since this politician is now Pierce County Auditor, it is extremely concerning that she has never resolved this obvious problem from her Lakewood City Council days. Something is wrong and the public has a right to know what it is, and they have a right to know if their current elected auditor understands math.

### List of attached evidence or contact information where evidence may be found

C4 expenditure report is attached for reference

#### List of potential witnesses with contact information to reach them

This politician and the treasurer should be contacted. It is extremely concerning that this has not been resolved before now.

## **Certification (Complainant)**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.



# State of Washington PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 (360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

October 3, 2022

Delivered electronically to Damon Townsend at "electdamontownsen@gmail.com"

Subject: Complaint regarding Linda Farmer, PDC Case 110885

#### Dear Damon Townsend:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on July 12, 2022. The complaint alleged that Linda Farmer, a candidate for Pierce County Auditor in the 2022 election, may have violated RCW 42.17A.235 and .240 for failure to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing contributions and expenditures undertaken by the Campaign.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response provided by the Respondent; the applicable PDC reports filed by the Respondent; and queried the Respondent's data in the PDC contribution and expenditure database, to determine whether the record supports a finding of one or more violations.

Based on staff's review, we found the following:

- On May 11, 2022, Linda Farmer submitted a Candidate Registration Statement (C-1 report) declaring her candidacy for Pierce County Auditor in the 2022 election, selecting the "Full Reporting" option and listing Marsha Evans as Treasurer.
- The C-1 report was amended on June 6, 2022, removing Ms. Evans and listing Andy Lo as Ministerial Treasurer.
- RCW 42.17A.235 describes the required filing deadlines for disclosure of campaign finance activities including monetary contributions, in-kind donations of goods or services, and expenditures made by the campaign.
- RCW 42.17A.240 describes the required content of each campaign reports including the name and address of each person making contributions and to whom an expenditure was made.
- WAC 390-16-042 defines the terms "debt" and "obligation" and describes when and how to report such activity.
- The complaint alleged that at the time of the complaint, the Respondent had: (1) failed to file the C-4 report disclosing activity for June 2022; (2) incorrectly disclosed the candidate filing fee, a photo shoot and payment to a consulting firm, as debts rather than expenditures; (3) failed to disclose expenditures for envelopes and campaign signs; and (4) over reported the receipt of an in-kind contribution from the Washington State Democratic Central Committee (WSDCC).

- During the investigation and review of the C-4 reports filed by the 2022 Farmer Campaign, staff found that the C-4 report disclosing activity from June 1 to July 11, 2022, was timely submitted on July 12, 2022 and that the C-4 report disclosing activity for May 2022 was timely filed on June 10, 2022 disclosing debts of \$1,000 for photography, \$1,456.51 for candidate filing fee, and \$3,500 for political consulting. All three debts were reported as being owed to the candidate, Linda Farmer.
- The May 2022 C-4 report was amended on July 12, 2022 to reattribute the \$1,456.51 filing fee as an in-kind contribution from Ms. Farmer and to disclose the \$1,000 photography and \$3,500 consulting fee as debts owed directly to the individual vendors.
- The complaint did not include evidence that envelopes were purchased by the campaign, however staff found that a \$2,491.50 debt owed to Progressive Strategies NW for 500 campaign signs was disclosed and dated July 10, 2022.
- Finally, staff found that the 2022 Farmer Campaign disclosed the \$4,66.57 in-kind donation from the WSDCC based on an invoice received from WSDCC. In addition, the C-4 report submitted by WSDCC on July 12, 2022 disclosed the same in-kind contribution amount. It appears that the \$250 paid by the Respondent to WSDCC and referenced in the complaint was the amount owed for this transaction and itemized on the invoice from WSDCC.
- In her response, Ms. Farmer stated that the committee's expenditures, debts and loans are reported accurately according to the guidelines set out by the PDC. The filing fee was paid by the candidate, with the expectation that she would be reimbursed by the campaign. The campaign reported it as a debt because the committee owes an unpaid debt to the candidate and then, after three weeks any unpaid debts to a candidate become loans to the campaign, so the report was amended to reflect that the filing fee was no longer a debt but had become a loan.

It appears that the campaign reporting for the 2022 Linda Farmer Campaign was done in a substantially timely manner and that the activity was disclosed according to the campaign's understanding of the reporting requirements. Specifically, staff found that although the method used by the campaign to disclose funds owed to the candidate, first as a debt and then as an inkind loan, is not the current process, the activity was disclosed with some detail and available to the public prior to the primary election date.

Based on our findings staff has determined that, in this instance, failure to timely and accurately disclose candidate loans and debt on C-4 reports covering activity prior to the August 2, 2022 Primary Election does not amount to a finding of a violation that warrants further investigation.

PDC staff is reminding Linda Farmer about the importance of the timely and accurate disclosure of all contribution and expenditure activities, including the candidate loans, debts and other obligations of all future PDC reports in accordance with the statutes and rules.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely, Endorsed by,

Electronically signed Electronically signed

Jennifer Hansen Compliance Officer Kim Bradford Deputy Director For Peter Frey Lavallee Executive Director

cc: Linda Farmer



# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

**C4**(3/97)

PDC OFFICE USE 100950982

12-31-2019

Candidate or Committee Name (Do not abbreviate. Include full name)

(Friends of Linda Farm	er)	,					
Mailing Address 6909 75TH ST SW LAKEWO	OOD, WA				City <b>Lakewood,</b> N	WΑ	
Zip + 4	Office Sought (Candid	,		on Date			cus Committees: During
98498  Report Period From (last C-4	CITY COUNCIL	of period)	2019	Report?			nittee make an <u>independent</u> not considered a contribution)
Covered	· ·	. ,		-			or local candidate?
12/01/1	12/	31/19	Yes	No X			
RECEIPTS					*See next page		Yes No
Previous total cash and in kir (if beginning a new campaign	nd contributions (From li n or calendar year, see i	ne 8, last C-4) nstruction boo	klet)			····· <u> </u>	\$9,172.36
2. Cash received (From line 2, 9	Schedule A)				···· \$ \$:	200.00	
3. In kind contributions received	I (From line 1, Schedule	B)				\$0.00	
4. Total cash and in kind contrib	outions received this per	iod (Line 2 plu	s 3)				\$200.00
5. Loan principal repayments m	ade (From line 2, Sched	dule L)				\$0.00	
6. Corrections (From line 1 or 3	, Schedule C)			Show + or	(-)	\$0.00	
7. Net adjustments this period (	Combine line 5 & 6)				Sho	ow + or (-)	\$0.00
8. Total cash and in kind contrib	outions during campaign	(Combine line	es 1, 4 & 7	)			\$9,372.36
9. Total pledge payments due (	From line 2, Schedule B	s)		\$0.00			
EXPENDITURES							
<ol><li>Previous total cash and in kir (If beginning a new campaigr</li></ol>	nd expenditures (From li n or calendar year, see i	ne 17, last C-4 nstruction boo	l) klet)			<u> </u>	\$20,593.25
11. Total cash expenditures (Fro	m line 4, Schedule A)					\$32.00	
12. In kind expenditures (goods & services) (From line 1, Schedule B)					\$0.00		
13. Total cash and in kind expen	ditures made this period	I (Line 11 plus	line 12)			<u> </u>	\$32.00
14. Loan principal repayments m	ade (From line 2, Sched	dule L)				\$0.00	
15. Corrections (From line 2 or 3	, Schedule C)			Show + or	(-)	\$0.00	
16. Net adjustments this period (	Combine lines 14 & 15)				Sho	ow + or (-)	\$0.00
17. Total cash and in kind expen		•		and 16)			\$20,625.25
CANDIDATES ONLY  Won Lost U		CASH SUMMA		minua lina	17)		(\$11,252.89)
	onopposed on ballot				ance(s) plus your petty cas		(911,232.03)
Primary election		19. Liabilities:	(Sum of lo	ans and de	bts owed)	<u> </u>	\$0.00
Treasurer's Daytime Telephone No.:  20. Balance (Surplus or deficit) (Line 18				40 minus !:= = 40\		-	
(206)679-6876	2	zu. Baiance (S	urpius or d	ieficit) (Line	ιδ minus line 19)		(\$11,252.89)
CERTIFICATION: I certify that the in		companying sch				ne best of my ki	
Candidate's Signature	Date		I reasure	er's Signatu	re		Date
LINDA E FARMER	12/31/19 Marsha Evans					12/31/19	

# **CASH RECEIPTS AND EXPENDITURE**

SCHEDULE to C4

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

Canadate of Committee Name (Do not appreviate. Coc fair name.)								
(Friends of Lind	la Farmer)				12/01/19	12/31/19		
1. CASH RECEIPTS (C	Contributions) whic	h have been reported or	C3. List each dep	oosit made since last C4	report was submitted	l.		
Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits		
12/31/2019	\$200.00							
2. TOTAL CASH RECE	IPTS			Enter al	so on line 2 of C4	\$ \$200.00		
CODES FOR CLASS	SIFYING EXPEND	ITURES: If one of the fol	lowing codes is use	ed to describe an expend	liture, no other descr	iption is generally		

**CODES FOR CLASSIFYING EXPENDITURES**: If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- If expenditures are <u>in-kind or earmarked contributions</u> to a candidate or committee or <u>independent expenditures</u> that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE DEFINITIONS ON NEXT PAGE

- C Contributions (monetary, in-kind & transfers)
- I Independent Expenditures
- L Literature, Brochures, Printing
- B Broadcast Advertising (Radio, TV)
- N Newspaper and Periodical Advertising O - Other Advertising (yard signs, buttons, etc.)
- V Voter Signature Gathering

- P Postage, Mailing Permits
- S Surveys and Polls
- F Fundraising Event Expenses T - Travel, Accommodations, Meals
- M Management/Consulting Services
- W Wages, Salaries, Benefits

Enter also on line 11 of C4

\$32.00

G - General Operation and Overhead

#### 3. EXPENDITURES

4. TOTAL CASH EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below..
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	A	Amount
N/A	Expenses of \$50 or less	N/A	N/A		\$32.00
			Total from attached pag	es \$	\$0.00