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Via Electronic Delivery

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Re: *Citizen Action Notice Against State Representative Melanie Stambaugh*

Dear Attorney General Ferguson and County Prosecuting Attorneys Tunheim and Lindquist,

I write to notify you that there is good reason to believe several violations of chapter 42.17A RCW, Washington State's campaign finance law, have been committed by State Representative Melanie Stambaugh and Friends of Melanie Stambaugh, a candidate authorized committee (the "Respondents"), between 2015 and the present. Please note that, as provided by RCW 42.17A.765(4), if you do not initiate an action against the Respondents within the applicable statutory notice periods for this Citizen Action Notice, I intend to satisfy any applicable notice requirements and proceed with an action in the name of the State. This message is being sent to each of you at the e-mail address you have provided to the Washington State Bar Association to ensure you receive notification of these allegations as required by RCW 42.17A.765(4).

This notice details twenty-five violations of Washington's campaign finance law committed during Respondents' campaign to elect Ms. Stambaugh to the House of Representatives for Legislative District 25 in the 2016 general election. The violations include filing untimely forms to disclose Respondent Stambaugh's candidacy in the 2016 general election, and to disclose various campaign expenditures, debts, orders, and obligations; and by failing to disclose various debts, orders, and obligations apparently incurred by the campaign. The total dollar value of the late-reported expenditure activity is over \$12,500, and the value of the apparently unreported debts, orders, and obligations is \$7,510. The cumulative lateness of the reporting included in this notice is, as of today, at least 5,918 days late, and growing, as noted below. The Respondents have apparently violated chapter 42.17A RCW as follows:

A. Failure to timely file Public Disclosure Commission form C-1 report ("Candidate Registration") (1 Apparent Violation)

The Respondents were required by law to file form C-1 to declare Stambaugh's candidacy for the State House of Representatives no later than "within two weeks after the date the

committee first has the expectation of receiving contributions or making expenditures in any election campaign.” RCW 42.17A.205(1). As numerous filings with the Public Disclosure Commission later revealed (in September and December 2015), the Respondents began making expenditures in support of her campaign on January 26, 2015, and incurred a \$12,500 debt to a campaign consultant the same day. It appears that Respondents should have filed form C-1 by approximately January 26, 2015, as they clearly had an expectation of making expenditures in support of her campaign before they began to make expenditures, starting on that date. As such, the form C-1 filed on May 13, 2015 was at least 107 days late.

B. Failures to timely file and/or amend Public Disclosure Commission form C-4 reports ("Summary, Full Report Receipts and Expenditures") (Sixteen Apparent Violations)

The Respondents apparently filed sixteen untimely Form C-4 reports required by law to be filed with the Public Disclosure Commission, RCW 42.17A.235 and .240, on the following occasions; the cumulative lateness of these filings is apparently 2,449 days late (bold and underlined dates indicate when Respondents’ form C-4 reports were filed):

1. **September 1, 2015 (four form C-4 reports, numbered 100654663; 100654664; 100654665; 100654653).** These reports for the reporting periods of January, February, March, and April 2015, respectively, were not filed in any form until September 1, 2015 (they were also later amended on December 16, 2015 to reveal an additional \$12,500 debt to a campaign consultant incurred January 26, 2015 and carried forward throughout the following months, as shown in **Section C** below). However, the Respondents filed form C-1 designating Tina Stambaugh as campaign treasurer on May 13, 2015. Accordingly, the Respondents were required by law to file by no later than May 13, 2015 “a report of all contributions received and expenditures made prior to that date, if any.” RCW 42.17A.235(1).

These form C-4 reports were each no less than 111 days late, counting from the actual date when disclosure would be due based on the filing of form C-1. The total delinquency should add up to approximately 650 days late, as shown below:

- a. **Form C-4 for January 2015.** This form was due on or around January 26, 2015, the date Respondents began to make expenditures in support of Stambaugh’s campaign and *should have* filed form C-1; the filing dated September 1, 2015 was therefore at least 218 days late.
 - b. **Form C-4 for February 2015.** This form was due March 10, 2015, and the filing dated September 1, 2015 was therefore 175 days late.
 - c. **Form C-4 for March 2015.** This form was due April 10, 2015, and the filing dated September 1, 2015 was therefore 144 days late.
 - d. **Form C-4 for April 2015.** This form was due May 11, 2015, and the filing dated September 1, 2015 was therefore 113 days late.
2. **September 1, 2015.** This report, for July 2015, disclosing \$413 in expenditures made and \$1,405 in contributions deposited, was apparently due by August 10, 2015, and was 22 days late.

Untimely Disclosure of Debt, Order, or Obligation on Schedule B

In addition to the above violations, the Respondents apparently filed no Schedule B reporting from January through November 2015. On December 16, 2015, the campaign amended ten form C-4 reports it had filed to date, disclosing a debt or obligation of \$12,500 to “AB Hays,” apparently a campaign consultant, incurred January 26, 2015 and carried throughout the following reporting periods. The Respondents apparently failed to timely report this debt or obligation, and to file Schedule B reports attached to Forms C-4, as required by law to be filed with the Public Disclosure Commission, RCW 42.17A.235 and .240, during each reporting period from January through November 2015. The total delinquency period for these amendments is apparently 1,748 days late as explained below:

1. January 2015 report. This report due on or around January 26, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was approximately 324 days late.
2. February 2015 report. This report due March 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 281 days late.
3. March 2015 report. This report due April 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 250 days late.
4. April 2015 report. This report due May 11, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 219 days late.
5. May 2015 report. This report due June 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 189 days late.
6. June 2015 report. This report due on or around July 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 159 days late.
7. July 2015 report. This report due on or around August 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 128 days late.
8. August 2015 report. This report due September 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 97 days late.
9. September 2015 report. This report due on or around October 12, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 65 days late.
10. October 2015 report. This report due on or around November 10, 2015 was not corrected to show Respondent’s debt of \$12,500 until December 16, 2015, which was 36 days late.

Following the campaign’s amending its 2015 reporting, Respondents untimely amended form C-4 for the December 2015 reporting period *again*. The disclosures due January 10, 2016 were reported in an amended form C-4 filed February 8, 2016. This amended form C-4 filing clarified that Respondents’ campaign retired the debt of \$12,500 to AB Hays on December 14, 2015; the disclosure was due January 10, 2015 and was 29 days late.

C. Failures to timely report orders, debts, and obligations in Public Disclosure Commission form C-4 reports and Schedule B ("In Kind Contributions, Pledges, Orders, Debts, Obligations") (Eight Apparent Violations)

Additionally, the Respondents apparently failed to report \$7,510 in debts and obligations for campaign management, treasurer, and assistant services, incurred starting in January 2016 and not fully discharged until August 2016, which reporting is still outstanding. The eight additional debt or obligation disclosures apparently needed to correct Respondent's reporting would total at least 3,362 days late as of today, and amendments to reflect these debts, orders, and obligations would still be outstanding as of the date of this writing:

1. **June 10, 2016 form C-4.** This filing reveals payments dated May 31, 2016 to Kristina and Tina Stambaugh in the respective amounts of \$2,155 and \$550, and a payment dated May 16, 2016 to Harper Peterson in the amount of \$500, all for campaign services performed in April 2016. If the campaign incurred debts and obligations to compensate these individuals during April 2016, Respondents owed a report of debts and obligations to each of these vendors in Schedule B to form C-4 for April 2016, due by May 10, 2016. No such filing has been made to date; as of this writing, the debt or obligation disclosure would be 479 days late and still outstanding.
2. **September 9, 2016 form C-4 (seven violations).** This filing dating after the August 2016 primary election reveals payments dated August 1, 2016 to Kristina Stambaugh, Tina Stambaugh, and Harper Peterson in the total amount of \$4,305 for campaign services performed in January, February, and July 2016. If, as appears to be the case, the campaign incurred debts and obligations to compensate one or more of these vendors starting in January 2016, Respondents owed a report of debts and obligations in Schedule B to form C-4 for each reporting period starting in January 2016, and continuing until the debts or obligations were discharged with the August 1, 2016 payments. Voters should have been informed of these debts, orders, and obligations prior to the August 2016 primary election, but Respondents only reported the payments to satisfy these debts after it had taken place. The Respondents would therefore be obligated to amend seven form C-4 reports to disclose the debts or obligations carried forward starting in January 2016. No such filings have been made to date; as of this writing, the delinquency periods for these required debt or obligation disclosures would be as follows:
 - a. **Schedule B to form C-4 for January 2016.** This filing due February 10, 2016 would be, as of the date of this writing, 569 days late and still outstanding.
 - b. **Schedule B to form C-4 for February 2016.** This filing due March 10, 2016 would be, as of the date of this writing, 540 days late and still outstanding.
 - c. **Schedule B to form C-4 for March 2016.** This filing due April 11, 2016 would be, as of the date of this writing, 508 days late and still outstanding.
 - d. **Schedule B to form C-4 for April 2016.** This filing due May 10, 2016 would be, as of the date of this writing, 479 days late and still outstanding.
 - e. **Schedule B to form C-4 for May 2016.** This filing due June 10, 2016 would be, as of the date of this writing, 448 days late and still outstanding.

- f. **Schedule B to form C-4 for June 2016 / three-week pre-primary report.** This filing due July 12, 2016 would be, as of the date of this writing, 416 days late and still outstanding.
- g. **Schedule B to form C-4 for July 2016 / one-week pre-primary report.** This filing due July 26, 2016 would be, as of the date of this writing, 402 days late and still outstanding.

I await your position as to whether there is reasonable cause for a civil enforcement action based on these allegations, and whether you will file such an action in the name of the State.

Sincerely,



Walter M. Smith

cc: Linda A. Dalton, Senior Counsel, Attorney General's Office (via e-mail)
Public Disclosure Commission staff (via e-mail)