



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN THE MATTER OF ENFORCEMENT)	PDC CASE NO: 10-038
ACTION AGAINST)	
)	Notice of Administrative
Robert Cerqui and 2008 Robert Cerqui)	Charges
Campaign)	
)	
Respondent.)	
)	

IT IS ALLEGED as follows:

I. JURISDICTION

1. The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17 RCW, the Public Disclosure Act; Chapter 34.05 RCW, the Administrative Procedure Act; and Title 390 WAC. These charges incorporate the Audit Report of Examination in PDC Audit No. A 09-05 and all of its exhibits by reference.

II. ALLEGATIONS

1. Staff alleges that Robert Cerqui and the 2008 Robert Cerqui campaign for State Representative committed multiple violations of RCW 42.17 as follows:
 - a. RCW 42.17.060, by failing to timely deposit contributions received by the campaign, totaling \$67,975.25, within five business days of receipt in an account established and designated for the campaign;
 - b. RCW 42.17.080(6), by failing to maintain all campaign records, receipts and other documentation for contribution and expenditure activities undertaken by the campaign; and
 - c. RCW 42.17.080 and .090, by failing to timely report monetary contributions received on Cash Receipts Monetary Contributions reports (PDC Form C-3), and



by failing to report the receipt of in-kind contributions on Schedule B to Campaign Summary Receipts and Expenditures reports (PDC Form C-4).

III. FACTS

2. Robert Cerqui was a candidate who sought election to the office of State Representative for the 25th Legislative District in 2008.
3. Mr. Cerqui filed a Candidate Registration (PDC Form C-1) on May 9, 2008. When he filed the C-1, he was an incumbent Fife City Councilmember, having been elected to that office in 2003 and 2007.
4. On March 17, 2009, PDC staff informed Mr. Cerqui and the Cerqui Campaign that a limited-scope audit was being conducted with regard to contribution and expenditure activities undertaken by the campaign during the 2008 election cycle. The findings of the limited scope audit were the basis for issuing the Notice of Administrative Charges.

Alleged failure to timely deposit campaign contributions within five business days of receipt (RCW 42.17.060)

5. Candidates are required to timely deposit monetary contributions received by the campaign within five business days of receipt. The campaign reported receiving \$140,461.72 in contributions, which included \$96,005.25 in monetary contributions from 205 contributors.
6. Based on the date of receipt listed on the campaign's C-3 reports, the campaign failed to timely deposit 98 of the 205 contributions received by the campaign, totaling \$67,975.25 in monetary contributions that were not deposited within five business days of receipt.
7. The \$67,975.25 in late-deposited contributions represented 70.8% of the total dollar value of all monetary contributions received by the campaign. The late-deposited contributions were deposited between one and 43 days beyond the five business days allowed for depositing contributions. Of the 98 late-deposited contributions, contributions for \$800,

\$500, \$500, \$800, \$800, \$2,000, \$800, \$8,000, and \$500 were deposited 43, 42, 16, 12, 14, 34, 35, 13, and 30 days late, respectively.

Alleged failure to maintain campaign records of contributions and expenditures (RCW 42.17.080)(6)

8. Candidates are required to: a) maintain books of account that accurately reflect all contributions and expenditures on a current basis within five business days of receipt or expenditure; and b) preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for no less than five calendar years.
9. On March 17, 2009, the Cerqui campaign was asked to provide documentation of its contribution and expenditure activities during the 2008 election cycle. Despite repeated requests, no documentation was provided by Mr. Cerqui. Therefore, staff was unable to verify, from campaign records, whether monetary expenditures were timely reported, or whether expenditures should have been reported as orders-placed on prior C-4 reports.

Alleged failure to timely file Monetary Contributions Reports (PDC Form C-3) (RCW 42.17.080 and .090)

10. Beginning in June of 2008, all candidates were required to file C-3 reports each Monday for bank deposits made during the preceding seven calendar days.
11. PDC staff reviewed the campaign's C-3 reports along with information contained in the PDC campaign database. Staff reviewed the 14 C-3 reports filed by the campaign during the period May 10 through November 7, 2008. Staff evaluated the campaign's timeliness with regard to filing C-3 reports.
12. The 14 C-3 reports filed by the campaign totaled \$96,005.25 in contributions received. Of the 14 C-3 reports, five were timely filed electronically, a 38.6% compliance rate. The nine late-filed C-3 reports were filed between one and 43 days late. Of the nine late-filed C-3 reports, contributions for \$2,800, \$6,005, \$1,210, and \$3,815 were filed 43, 13, 15, and 13 days late, respectively.

Alleged failure to disclose in-kind contributions on Schedule B to C-4 reports (RCW 42.17.080 and .090)

13. The campaign reported receiving one in-kind contribution from the Washington State Democratic Central Committee (WSDCC) during the 2008 election cycle, totaling \$16,120. The in-kind contribution was reported as received by the campaign on October 20, 2008, and was included on the timely filed 7-day pre-general election C-4 report filed October 27, 2008.
14. At the request of PDC staff, Tony Yuchasz, Director for the House Democratic Campaign Committee, provided three Chinook Consulting invoices which listed three mail pieces paid for by the WSDCC totaling \$32,627.47 for the Cerqui campaign. Therefore, the Cerqui campaign failed to disclose receiving an additional in-kind contribution from the WSDCC, totaling \$16,507.47.

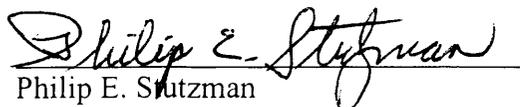
IV. LAW

RCW 42.17.060(5) requires that all monetary contributions received by a candidate must be deposited by the campaign within five business days of receipt of the contribution.

RCW 42.17.080(6) requires the campaign to preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

RCW 42.17.080 and .090 requires candidates to file timely, accurate reports of contribution and expenditure activities undertaken by their campaigns, including both monetary and in-kind contributions.

RESPECTFULLY SUBMITTED this 14^h day of January, 2010.


Philip E. Stutzman
Director of Compliance