

DATE FILED PDC

DEC 17 2010

**Formal Complaint to the Washington State Public Disclosure Commission
Relating to: The Chairperson and Treasurer
of a Political Party Legislative District Committee**

Name of Committee: 5th District Democrats Non Exempt
Street Address of Committee: PO Box 1853
City, State and Zip Code Issaquah, WA 98027 - 0076
Chairperson of Committee: Jennifer Sutton
Treasurer of Committee: Dorothy Willard
Treasurer's Telephone: (425) 657-0579
Treasurer's Email (optional) _____

Your signature 
Your printed name: David R. Olson
Your Street Address: 14226 442nd Ave SE
City, State and Zip Code North Bend, WA 98045-9208
Telephone Number: (425) 888-6046
Email Address: dbolson72@comcast.net
Date Signed December 17, 2010
Place Signed North Bend, WA

Complaint: (Attach Complaint and Certification)

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**Certification for a
Complaint to the Washington State Public Disclosure Commission
Relating to: The Chairperson and Treasurer
of a Political Party Legislative District Committee**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that the facts set forth in this attached Complaint are true and correct.

Your signature: David R. Olson

Your printed name: David R. Olson

Street Address: 14226 442nd Ave SE

City, State and Zip Code North Bend, WA 98045-9208

Telephone Number: (425) 888-6046

Email Address: dbolson72@comcast.net

Date Signed December 17, 2010

Place Signed North Bend, WA

* RCW 9A.72.040 provides that: "(1) A person is guilty of false swearing if he makes a false statement which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."

COMPLAINT ATTACHED

Washington State Public Disclosure Commission
711 Capitol Way, Room 206
PO Box 40908
Olympia, WA 98504 – 0908

DATE FILED PDC

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FAX # (360) 753-1112
PHONE: (360) 753-1111

December 17, 2010

To whom it may concern,

I am making this formal complaint against Jennifer Sutton, current Chairperson for the 5th Legislative District Democrats, and Dorothy Willard, current Treasurer for the 5th Legislative District Democrats. In an obvious and relevant conflict of interest, Dorothy Willard is also the Treasurer of her husband Dean Willard's campaign for the House of Representatives for the 5th Legislative District.

I, David R. Olson, am the elected Democratic Precinct Committee Officer (PCO) for Sean Precinct in the 5th Legislative District since 2004. My wife, Elizabeth D. Olson, was the Treasurer for the 5th Legislative District Democrats until September 2008. We believe that the Chair and Treasurer of the 5th Legislative District Democrats have failed to comply with Public Disclosure Commission rules and Washington State laws in the reporting of their Non-Exempt Committee Account as described below.

#1: On June 7, 2010, the Treasurer for the 5th District Democrats, Dorothy Willard, filed a C3 report indicating two Low Cost Fund Raisers, both of which supposedly took place on May 8, 2010. One low cost fund raiser raised \$270.00 and the **second low cost fund raiser apparently also held on May 8th raised \$1,250.** Our concern is that the 5th District Democrats have held Low Cost Fund Raisers (Raffles) at monthly meetings for several years. None of these raffles have ever raised more than \$300 and typically the amount raised at these Low Cost Fund Raisers was much less than \$200. We contend that the second Low Cost Fund Raiser was not actually a Low Cost Fund Raiser, but instead was an attempt to funnel \$1,250.00 from a secret donor or donors to the campaign of the Treasurer's husband, Dean Willard. In an obvious conflict of interest, Dorothy Willard was also the Treasurer for Dean Willard's campaign and Jennifer Sutton was a vocal supporter of his campaign.

#2: On July 26, 2010, the Treasurer for the 5th District Democrats, Dorothy Willard, filed another C3 report indicating **another questionable Low Cost Fund Raiser which was supposedly held on July 20, 2010 and raised \$1,882.00.** Again, there is no indication of who the donor(s) were for this very large and unusual donation. We contend this was also an attempt to funnel \$1,882.00 from a secret donor or donors to the campaign of the Treasurer's husband, Dean Willard, who was running for the Washington State House of Representatives at that time.

#3: On August 2, 2010, the Treasurer for the 5th District Democrats, Dorothy Willard, filed another C3 report indicating **yet another questionable Low Cost Fund Raiser which was supposedly held on July 29, 2010 and raised \$1,720.00.** Again, there is no indication of who the donor(s) were for this very large and unusual donation. We contend this was also an attempt to funnel \$1,720.00 from a secret donor or donors to the campaign of the Treasurer's husband, Dean Willard, who was running for the Washington State House of Representatives at that time.

The total of these three questionable "Low Cost Fund Raisers" was \$4,852.

#4: According to media reports, as noted on the Winpower Website, who were the campaign consultants for Dean Willard, on August 2, 2010, Winpower took a phone poll of 5th District voters. This poll indicated that Dean Willard was far behind the other two candidates (Glenn Anderson and David Spring) and thus had no chance of making it past the Primary as the ballots had been mailed out the week before and many had already been mailed back. Despite this fact, or because of it, on August 4, 2010, Jennifer Sutton and Dorothy Willard arranged for the Board of the 5th District Democrats to give a **\$5,000 donation to Dean Willard**. (see the Appendix for a copy of the Official Minutes of this meeting). These minutes included:

5th District Democrats August 4, 2010 Executive Board Meeting

Jennifer Sutton called the meeting to order.

It was held in the Issaquah Library meeting room.

In attendance; Mike Barer, Dorothy Willard, Di Irons, Reuben Powell, John Bunn, Gary Fancher, Robyn Scola and August (Barbara) Luniuck-Rakita

Minutes There was a motion to approve the minutes, there was a second, it carried.

Treasurer's Report Dorothy reported a balance of \$10,493.93.

Of the 8 people who attended this Board meeting, 7 were avid supporters of Mr. Willard and 6 were listed as Endorsers on Dean Willard's campaign website.

<http://www.deanwillard.com.php5-7.dfw1-2.websitetestlink.com/endorsements1.html>

At the bottom of these minutes is a very strange transaction:

Candidates

There was a motion to write Dean Willard and Greg Hoover each a check for \$ 4,000.00. There was a second, there was discussion, the motion failed. There was a motion to donate \$ 5,000.00 to Dean's campaign, there was a second, the motion carried. There was a motion to donate \$1,000.00 to Friends of Greg Hoover campaign, there was a second, there was a discussion, the motion carried.

There will be a fund raiser for Dean Willard at Zeek's Pizza, in the Issaquah Highlands on August 9th.

The meeting was adjourned.

WHY THESE MINUTES ARE FURTHER EVIDENCE OF IMPROPERLY FUNNELING MONEY TO MR. WILLARD

Historically, it has been the firm policy of the 5th District Democrats to divide campaign donations evenly between endorsed candidates. For example, in 2008, the 5th LD had three endorsed candidates and the Board insisted on giving an equal amount to all three even though only one had done well enough in the primary to have a chance of winning the General Election.

Note that the original motion was to divide the money evenly between the two candidates. Since Mr. Willard and Mr. Hoover were both endorsed candidates of the 5th Democrats, normal policy would dictate dividing the money evenly between them. If anything, Mr. Hoover should have been the only one to receive money because there was not another Democratic Primary challenger for Position 1 and thus Mr. Hoover was certain to be on the General Election Ballot.

A search of the PDC website confirmed that not a single one of the other 48 Legislative District Democratic Committees in the State of Washington gave even a penny to a candidate, endorsed or not, when that candidate was facing another Democratic Challenger in the Primary. Every Legislative District organization except the 5th District Democrats chose to allow the voters to decide whose name should appear on the General Election ballot before giving the winning candidate any contributions. Put another way, **Mr. Willard was the only Primary Election Loser to receive money from a Democratic Party Legislative District Committee in the 2010 election cycle.**

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What is particularly troubling about this vote was that it was taken AFTER the polls showing that Mr. Willard was so far behind that he had no chance of appearing on the General Election ballot.

It is also troubling that this was the largest single transfer of funds made by the 5th District Democrats in 2010 and it was done without the knowledge of or a vote by the full membership of the 5th District Democrats.

It is significant that the amount of this donation (**\$5,000**) is very close to the amount of the questionable secret Low Cost Fund Raiser Donations made to the 5th District in the weeks just prior to August 7, 2010 (**\$4,852**). As it is impossible to tell where the \$4,852 came from, **clearly the purpose of this money laundering scheme was to give Dean Willard \$5,000 and hide where the \$5,000 came from.**

CASH CONTRIBUTIONS	IN KIND CONTRIBUTIONS	EXPENDITURES					
Expenditures for: 5TH DIST DEMO NON EXEMPT							
Total Raised: \$23,542.44 Total Spent: \$21,511.25							
(Detailed Expenditures (Inkind							
\$21,714.00	\$195.19						
NOTE: Click on a column header to sort by that column, or click on the <input checked="" type="checkbox"/> icon to filter your results							
Drag a column header and drop it here to group by that column							
Report	Name	Date	Amount	City	State	Zip	Description
Report	FRIENDS OF DEAN WILLARD	8/7/2010	\$5,000.00	ISSAQUAH	WA	980270015	CONTRIBUTION

The following confirms that Dean Willard got only 17% of the vote on the August 2010 Primary:

Legislative District 5, State Representative Pos. 2 (Partisan office, 2-year term)		Last updated on 9/1/2010 12:10 PM	
Candidate		Votes	Vote %
David Spring	(Prefers Democratic Party)	8,144	25.05 %
Dean Willard	(Prefers Democratic Party)	5,536	17.03 %
Glenn Anderson	(Prefers Republican Party)	18,827	57.92 %
Total Votes		32,506	100.00%

The following are the State laws that we believe have been violated by Jennifer Sutton and Dorothy Willard:

RCW 42.17.060

Deposit of contributions — Investment — Unidentified contributions — Cash contributions. (Effective until January 1, 2012.)

- (1) All monetary contributions received by a candidate or political committee shall be deposited by the treasurer or deputy treasurer in a depository in an account established and designated for that purpose. Such deposits shall be made within five business days of receipt of the contribution.

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(4) **Accumulated unidentified contributions**, other than those made by persons whose names must be maintained on a separate and private list by a political committee's treasurer pursuant to RCW 42.17.090(1)(b), **which total in excess of one percent of the total accumulated contributions received in the current calendar year or three hundred dollars (whichever is more), may not be deposited, used, or expended, but shall be returned to the donor, if his identity can be ascertained. If the donor cannot be ascertained, the contribution shall escheat to the state, and shall be paid to the state treasurer for deposit in the state general fund.**

(5) **A contribution of more than fifty dollars in currency may not be accepted unless a receipt, signed by the contributor and by the candidate, treasurer, or deputy treasurer, is prepared and made a part of the campaign's or political committee's financial records.**

This law indicates that the maximum cash contribution is \$50 and the maximum for a low cost fund raiser in which the source of funds is not disclosed is \$300. All three of the questionable fund raisers clearly exceeded \$300 and therefore were NOT Low Cost Fund Raisers.

The following is the specific regulation for so called low cost fund raisers:

RCW 42.17.067

Fund-raising activities — Alternative reporting method. (Effective until January 1, 2012.)

(1) Fund-raising activities which meet the standards of subsection (2) of this section may be reported in accordance with the provisions of this section in lieu of reporting in accordance with RCW 42.17.080.

(2) Standards:

(a) The activity consists of one or more of the following:

(i) The retail sale of goods or services at a reasonable approximation of the fair market value of each item or service sold at the activity; or

(ii) A gambling operation which is licensed, conducted, or operated in accordance with the provisions of chapter 9.46 RCW; or

(iii) A gathering where food and beverages are purchased, where the price of admission or the food and beverages is no more than twenty-five dollars; or

(iv) A concert, dance, theater performance, or similar entertainment event where the price of admission is no more than twenty-five dollars; or

(v) An auction or similar sale where the total fair market value of items donated by any person for sale is no more than fifty dollars; and

(b) No person responsible for receiving money at such activity knowingly accepts payments from a single person at or from such an activity to the candidate or committee aggregating more than fifty dollars unless the name and address of the person making such payment together with the amount paid to the candidate or committee are disclosed in the report filed pursuant to subsection (6) of this section; and

(c) Such other standards as shall be established by rule of the commission to prevent frustration of the purposes of this chapter.

(3) All funds received from a fund-raising activity which conforms with subsection (2) of this section shall be deposited within five business days of receipt by the treasurer or deputy treasurer in the depository.

(4) At the time reports are required under RCW 42.17.080, the treasurer or deputy treasurer making the deposit shall file with the commission a report of the fund-raising activity which shall contain the following information:

(a) The date of the activity;

(b) A precise description of the fund-raising methods used in the activity; and

(c) The total amount of cash receipts from persons, each of whom paid no more than fifty dollars.

(5) The treasurer or deputy treasurer shall certify the report is correct.

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(6) The treasurer shall report pursuant to RCW 42.17.080 and 42.17.090: (a) The name and address and the amount contributed of each person who contributes goods or services with a fair market value of more than fifty dollars to a fund-raising activity reported under subsection (4) of this section, and (b) the name and address of each person whose identity can be ascertained, and the amount paid, from whom were knowingly received payments to the candidate or committee aggregating more than fifty dollars at or from such a fund-raising activity.

Note that the maximum contribution which can be hidden at a fund raising dinner is \$25. Thus, a low cost fund raiser which raises \$1,250 must have at least 50 donors and a \$1,880 low cost fund raiser must have had at least 75 donors. Yet these three low cost fund raisers were done without the knowledge of hardly any members of the 5th Legislative District. Furthermore, the Treasurer of the 5th District failed to fully report the information required by **RCW 42.17.067** (6).

RCW 42.17.090**Contents of report. (Effective until January 1, 2012.)**

(1) Each report required under RCW 42.17.080 (1) and (2) shall disclose the following:

(a) The funds on hand at the beginning of the period;

(b) The name and address of each person who has made one or more contributions during the period, together with the money value and date of such contributions and the aggregate value of all contributions received from each such person during the campaign or in the case of a continuing political committee, the current calendar year:

PROVIDED, That pledges in the aggregate of less than one hundred dollars from any one person need not be reported: PROVIDED FURTHER, That the income which results from a fund-raising activity conducted in accordance with RCW 42.17.067 may be reported as one lump sum, with the exception of that portion of such income which was received from persons whose names and addresses are required to be included in the report required by RCW 42.17.067: PROVIDED FURTHER, That contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum so long as the campaign treasurer maintains a separate and private list of the name, address, and amount of each such contributor: PROVIDED FURTHER, That the money value of contributions of postage shall be the face value of such postage;

(2) The treasurer and the candidate shall certify the correctness of each report.

Relief Requested

We ask that the PDC find Jennifer Sutton and Dorothy Willard in violation of **RCW 42.17.060 and/or RCW 42.17.067** (6).

We further ask that they be required to fully disclosure where these extremely large donations came from as required by Washington State law.

If the PDC finds that there is sufficient evidence to conclude that these three donations were a deliberate attempt to hide nearly \$5,000 in anonymous donations to Dean Willard, then we further ask, per **RCW 42.17.060 Section 4**, that the entire anonymous amount of \$4,852 of the contribution shall escheat to the state, and shall be paid to the state treasurer for deposit in the state general fund.

We ask this so that Jennifer Sutton and Dorothy Willard are not allowed to financially or politically benefit from this money laundering scheme.

Sincerely,

David R. Olson and Elizabeth D. Olson