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I hereby file a complaint against the Buxbaum for Olympia committee ("Committee") for the following:

1. Under-reporting the fair market value of in-kind contributions from James "Jim" Lazar, Microdesign Northwest (a sole-proprietor business owned by Mr. Lazar), and Karen Messmer (former Olympia City council member and Mr. Lazar's domestic partner),
2. Accepting more than $800 from Mr. Lazar/Microdesign Northwest during the 2011 primary election, and
3. Reporting Mr. Lazar's in-kind contributions under Ms. Messmer's name.

## Under-reporting the fair market value

Several in-kind contributions from Mr. Lazar, Microdesign Northwest, and Ms. Messmer were reported below the fair market value. The following estimates are based on printed material disseminated by the Committee (some of which I have in my possession) and reputable retail sources of printing service.

1. Stickers. The Committee reported accepting $11.50 worth of stickers from Mr. Lazar on February 11, 2011. The Committee's stickers are ~2" circle, multiple-color, and bleed-through (meaning that the printing goes all the way to the edge rather than stopping short of the edge). The Committee got hundreds of these stickers.

   Typically, the minimum number of stickers you can order from a printer is a roll of 500. If you were to order a roll of 500, 2.5" circle, multiple-color, bleed-through stickers from FedEx (located in Olympia, WA), it would cost you $86.96 (including tax). This is the cheapest price I was able to find in town.

   The $86.96 quote from FedEx is more than seven time greater than the $11.50 amount reported by the Committee. The Committee grossly under-reported the fair market value.

2. "Thank you" cards. The Committee reported accepting $5 worth of "thank you" cards from Mr. Lazar on May 27, 2011. This is a gross under-reporting.

   Assuming that the committee mailed 100 "thank you" cards during the 2011 primary, that breaks down to $0.10 per card. This is far below fair market value. "Thank you" cards at Hallmark at South Sound Center range from $2 to $4 each. A box of 50 low-quality "thank you" cards costs $16.77 (+ tax, shipping and handling) on Amazon.com.

   If the Committee were to make its own "thank you" cards, the cheapest 8.5" x 11", 67-lb. card stock at Office Depot Online is $10.99 (+ tax) for 250 sheets. The cheapest, plain-white, card-sized envelopes cost $7.95 for 50 envelopes and $27.95 for 250 (+ tax, shipping and handling) at www.envelopes.com. So if the Committee were to make 250 "thank you" cards, buy separate envelopes, buy ink, and pay to use a printer or copier machine, the cost for each card/envelope would be at least $0.20 (still a remarkably cheap price).

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3. Flyers for "firefighter lit drop". The Committee reported accepting $86 worth of flyers for a "firefighter lit drop" from Mr. Lazar on July 22, 2011. These single-sided, black-and-white, 8.5" x 11" flyers were printed on color paper and distributed throughout numerous neighborhoods and precincts. I estimate that at least 3000 flyers were printed for the "firefighter lit drop," making the unit price $0.0287 per flyer/sheet.

   When I asked ABC Printing (located in Lacey, WA) how much they would charge to print 3000, single-sided, black-and-white, 8.5" x 11" flyers on color paper, they quoted $250-300 (including tax), the unit price being $0.083 to $0.10 per flyer/sheet. This quote is three times the amount reported by the Committee – a gross under-reporting of the fair market value.

   On November 9, 2008, Thurston County Democratic Party Treasurer Joe Hyer reported accepting 18,000 copies from Mr. Lazar (Microdesign Northwest). The reported value was $900, making each copy $0.05. This $0.05 unit price was for a large quantity (which would receive a quantity discount in the fair market) and in 2008 dollars (consider subsequent inflation), yet the unit price reported by Mr. Hyer is almost twice the amount reported by the Committee. The Committee, once again, grossly under-reported the fair market value.

4. Post cards. The Committee reported spending $489.90 for "set up and delivery of 1,970 campaign postcards" on August 5, 2011. The Committee reported accepting $92 worth of printed postcards from Mr. Lazar on August 4, 2011.

   Typically, printers offer quantities in round amounts. For example, if you want 1,970 postcards, a printer would print and charge you for 2,000. When I asked ABC Printing (located in Lacey, WA) how much they would charge to print 2000, black-and-white, double-sided postcards, they quoted $397.85 ($366 + tax). This fair market value is over four times the amount reported by the Committee. Once again, the Committee grossly under-reported the fair market value.

## Exceeding the $800 contribution limit

Mr. Lazar donated more than $800 to the Committee during the 2011 primary. The chart below shows the reported donations from Mr. Lazar, their reported value ("reported amount"), the cheapest price I was able to find in the area ("fair market value") except for "thank you" cards (Amazon.com had an amazing price), and the running total of the fair market value. Items reported under fair market value are noted in yellow background.

As you can see, Mr. Lazar's donations to the Committee for the 2011 primary greatly exceeded the $800 contribution limit. This $1,253.26 preliminary fair market value is very conservative. I suspect that the fair market values for the 2011-05-16 printed flyers, 2011-06-03 printing letters for campaign mailing, and 2011-07-22 printing for firefighter lit drop were much higher than $39, $39, and $250, respectively.

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**Chart: Mr. Lazar's donations to the Committee during the 2011 primary**

| Date | Reported amount | Description | Fair market value | Running total of fair market value |
|---|---|---|---|---|
| 2011-02-03 | $250 | cash donation | $250 | $250 |
| 2011-02-11 | $11.50 | stickers | $86.96 (assuming 500-sticker roll, 2.5" circle, multiple color, bleed print, includes tax) | $336.96 |
| 2011-03-18 | $94 | beverages for 3/18/11 fund raiser | $94 | $430.96 |
| 2011-05-16 | $39 | printed flyers | $39 | $469.96 |
| 2011-05-27 | $5 | thank you cards | $36.45 (assuming two boxes of 50 low-quality "thank you" cards, including tax, from Amazon.com) | $506.41 |
| 2011-05-27 | $10 | wine for 5/27/11 fund raiser | $10 | $516.41 |
| 2011-05-27 | $50 | cash donation | $50 | $566.41 |
| 2011-06-03 | $39 | printing letters for campaign mailing | $39 | $605.41 |
| 2011-07-22 | $86 | printing for firefighter lit drop | $250 (assuming 3000 sheets, 8.5" x 11", single-sided, B&W, colored paper, tax included) | $855.41 |
| 2011-08-04 | $92 | printing primary election post card | $397.85 (assuming 2000 postcards, 4" x 6", double-sided, $366 base + tax) | $1253.26 |

## Hiding contributions under someone else's name

The Committee reported two of Mr. Lazar's in-kind contributions under Ms. Messmer's name: 2011-06-27 "printing campaign letters," and 2011-07-22 "printing campaign letters."

First, Mr. Lazar is the sole proprietor of Microdesign Northwest (a commercial printer). Second, Ms. Messmer does not own a commercial printer. Third, Ms. Messmer uses Microdesign Northwest's printer without paying Mr. Lazar for the printing at fair market value. Ms. Messmer and Mr. Lazar are domestic partners and reside together at 1907 Lakehurst Dr. SE, Olympia, WA 98501 (property no. 54950005100, co-owned by Mr. Lazar and Ms. Messmer).

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**Chart: Mr. Lazar's and Ms. Messmer's reported in-kind contributions to the Committee**

| Date | Donor | Description | Reported amount | Running total reported amount |
|---|---|---|---|---|
| 2011-02-03 | Lazar | cash donation | $250 | $250 |
| 2011-02-11 | Lazar | stickers | $11.50 | $261.50 |
| 2011-03-18 | Lazar | beverages for 3/18/11 fund raiser | $94 | $355.50 |
| 2011-05-16 | Lazar | printed flyers | $39 | $394.50 |
| 2011-05-27 | Lazar | wine for 5/27/11 fund raiser | $10 | $404.50 |
| 2011-05-27 | Lazar | thank you cards | $5 | $409.50 |
| 2011-05-27 | Lazar | cash donation | $50 | $459.50 |
| 2011-06-03 | Lazar | printing letters for campaign mailing | $39 | $498.50 |
| 2011-06-27 | Messmer | printing campaign letters | $51 | $549.50 |
| 2011-07-22 | Lazar | printing for firefighter lit drop | $86 | $635.50 |
| 2011-07-22 | Messmer | printing campaign letter | $126 | $761.50 |
| 2011-08-04 | Lazar | printing primary election post card | $92 | $853.50 |

## Getting receipts from a "commercial advertiser"

I requested receipts from Microdesign Northwest (UBI#600522079) under the authority of RCW 42.17.110. Microdesign Northwest is a sole proprietorship owned and operated by Mr. Lazar. While Mr. Lazar and Microdesign Northwest have donated printing services to Stephen Buxbaum's campaigns in 2009 and 2011, Microdesign Northwest has also sold "printing" services to Stephen Buxbaum's 2009 campaign committee on May 31, 2009, proving that Microdesign Northwest is a "commercial advertiser."

I sent Mr. Lazar a certified letter requesting to review the receipts covering Microdesign Northwest's in-kind contributions. Mr. Lazar acknowledged acceptance of the letter on September 13, 2011. Mr. Lazar responded through his attorney that he is not a printing company and he has no duty to disclose anything.

I am pursuing this matter in a separate PDC complaint.

## In closing

The market value of cards and printing, combined with the records from the PDC database and the unwillingness of Mr. Lazar to provide public disclosure of Microdesign Northwest's campaign activities have moved me to file this complaint under the authority of RCW 42.17.360(5).

I request that the PDC thoroughly investigate my complaint and impose full penalties and enforcement action upon Mr. Lazar, Ms. Messmer, and the Committee. These violations were done repeatedly. Also,

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given that Mr. Buxbaum and Ms. Messmer have both run for elected office before and that Mr. Lazar is a commercial printer, all three are very aware of how much campaign printings retail at. None can convincingly plead ignorance.

Sincerely,

Justin Kover
522 Lilly Road NE #752
Olympia, Washington 98506
justinkover@hotmail.com

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## Certification

**In signing this complaint:**

- I have provided all information, documents and other evidence of which I am aware;
- If I become aware of additional information, documents or evidence related to my complaint, I will promptly provide it to the PDC; and,
- I am providing the PDC current information on how to contact me, and will promptly update that information if it changes.

**Your name (print or type)** Justin Kover

**Street address** 522 Lilly Rd NE #752

**City, state and zip code** Olympia, WA 98506

**Telephone number (including area code)** 360 951 6962

**E-mail address (optional)** justinkover@hotmail.com

## Oath

**Required for complaints against elected officials or candidates for elective office:**

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

**Your signature**

**Date signed** 21 Nov 11

**Place signed (city and county)**

Olympia — **City**

Thurston — **County**

## Attachments

☐ **Check here if you are attaching copies of documentary evidence or extra pages explaining your complaint.**

**RCW 9A.72.040 says 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."*