

## **File a Formal Complaint - Walter Smith (Complaint submitted on behalf of Karen Hardy)**

[Walter](#) reported (Tue, 17 Oct at 11:36 AM) via Portal [Meta](#)  
To whom it may concern,

I write on behalf of my client, Karen Hardy, 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 Senator Shelly Short (the "Respondent"), between 2015 and the present. My client has requested that you treat this filing as a complaint to the Public Disclosure Commission as provided by RCW 42.17A.105(5). A related citizen action notice was sent to the Attorney General's Office and county authorities on October 13, 2017.

This complaint and the attached spreadsheet detail 61 apparent violations of various provisions of Washington's campaign finance law by the Respondent committed in her campaign for the State House of Representatives in 2016, and her campaign for State Senate in 2017. The cumulative days late for all of the apparently untimely reporting included in this notice is 2,047 days as of today. The Respondent has apparently violated chapter 42.17A RCW as follows:

### **A. Failure to timely deposit contributions and file Public Disclosure Commission form C-3 and C-4 reports ("Summary, Full Report Receipts and Expenditures" and "Cash Receipts Monetary Contributions") (Forty-Eight Violations)**

The Respondent filed a large volume of late reporting of deposits of contributions, and of expenditures, on forms C-3 and C-4 between 2016 and 2017. The attached spreadsheet identifies forty-eight apparent violations of the law requiring timely deposit and reporting during this period. RCW 42.17A.235, .240. Notably, eight contributions due to be deposited prior to the 2016 primary election were not deposited until much later; additional late deposits occurred around the time of the primary and general elections in 2016. The apparent violations break down as follows:

TOTAL DAYS LATE / REPORTS (2016) 33  
TOTAL DAYS LATE / DEPOSITS (2016) 1,826  
TOTAL DOLLAR VALUE LATE (2016) \$36,640

TOTAL DAYS LATE / DEPOSITS (2017) 14  
TOTAL DOLLAR VALUE LATE (2017) \$500  
GRAND TOTAL DAYS LATE FOR REPORTS AND DEPOSITS (2015-17) 1,873  
GRAND TOTAL DOLLAR VALUES REPORTED OR DEPOSITED LATE (2015-17) \$37,140  
GRAND TOTAL NUMBER OF LATE DEPOSITS AND REPORTS 48

**B. 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") (At least two Apparent Violations)**

Respondent apparently filed no Schedule B reporting of debts, obligations, or orders from 2016 to the present. This would be appropriate if no orders, debts, or obligations exceeding \$250 in value were incurred in any given reporting period, but paid in full at a later time. RCW 42.17A.235, .240. It appears, however, that unreported activity occurred, and that various reports of debts, orders, and obligations remain outstanding to date. In particular, it appears that each of the following expenditures corresponds to an unreported order placed, debt, or obligation existing in a prior reporting period. The cumulative lateness for these outstanding Schedule B reports would be a total of at least 174 days as of today.

The specific instances of apparent violations include the following:

1. August 2017 Payment to the ROC Foundation. An expenditure by Respondent's Senate campaign was reported in the amount of \$10,000 to the ROC Foundation dated 8/14/17, apparently for consulting services. This is the largest reported expenditure of the campaign to date. To the extent this expenditure relates to services performed or ordered prior to the 2017 primary election, which seems likely, Respondent was required to report it on Schedule B but did not so report the transaction. At a minimum, the Schedule B for the pre-primary reporting period would have been due by July 25, 2017, making it currently 80 days overdue and still outstanding.

2. July 11, 2017 Reimbursements to the Candidate for Seven Expenditures. Respondent reported paying seven expenditures to herself dated 7/11/17 for various newspaper advertisements and yard signs. If the

Respondent ordered any of these services valued at over \$250 on or before July 10, 2017, or any of the other advertising services 30 or more days prior to July 11, 2017, then the transactions should have been disclosed on Schedule B but were not so reported. It is especially likely that a reportable debt, obligation, or order for the yard signs would exist on or before July 10 because Respondent reportedly was reimbursed by the 7th Legislative District Republican Party for the cost of purchasing yard signs on June 30, 2017. The Schedule B would be due for at least the reporting period ending July 10, 2017, making it 94 days overdue and still outstanding.

3. Additional Expenditures Reported After 2017 Primary Election. Respondent reported paying expenditures dated 8/9/17 for robocalls (\$328.30); 8/1/17 for advertising (“6/21 & 6/28 ads”) in the Newport Miner (\$585); and 7/27/17 for reimbursements to the candidate to cover seven radio and newspaper advertising expenditures. The Respondent ordered at least some, if not all, of these services valued at over \$250 on or before July 24, 2017, or any of the other advertising services 30 or more days prior to the dates of the reported payments, meaning that at least some of the transactions should have been disclosed on Schedule B but were not so reported. Apparently, Schedule B reports should have been filed for the form C-4 reports due on July 11, 2017, and July 25, 2017, because at least the debt, order, or obligation for the June advertisements in the Newport Miner were reportable during these periods. The Schedule Bs are currently at least 94 days overdue (for the July 11, 2017 reporting deadline), and 80 days overdue (for the July 25, 2017 reporting deadline), and the reports are still outstanding.

### **C. Unlawful transfers of candidate’s authorized committee funds (Ten Apparent Violations)**

By law, contributions to political committees are not permitted from authorized committee funds although they may be made using surplus funds. RCW 42.17A.430(8). In her 2016 and 2017 campaigns, Respondent reported making ten expenditures totaling \$2,130 in value from her authorized committees’ funds that apparently benefited other political committees’ fundraising events. To the extent these transfers represented a contribution to the other committees from authorized committee funds, see RCW 42.17A.005(13)(a)(iv) and WAC 390-05-205 (contribution excludes costs of consumables furnished at fundraising event), they violated the prohibitions on making contributions from authorized committee funds to other political committees. The activity at issue includes:

- a. 7/26/17 expenditure to Republicans of Spokane County for tickets for law enforcement cruise (\$110);
- b. 7/6/17 expenditure to Shelly Short to reimburse for two tables at Spokane Lincoln Day Dinner (\$160);
- c. 5/4/17 expenditure to Pend Oreille County Republican Party for Lincoln Day Dinner (\$60);
- d. 6/24/16 expenditure to MTM Spokane for contribution (\$500);
- e. 6/13/16 expenditure to Shelly Short to reimburse for cost of Pend Oreille County Republican Party's Lincoln Day Dinner (\$60);
- f. 5/3/16 expenditure to Shelly Short, apparently to reimburse for cost of Spokane County Republican Party's Lincoln Day Dinner auction items (\$200);
- g. 4/18/16 expenditure to Spokane County Republican Party for 2 tables at Lincoln Day Dinner (\$640);
- h. 4/6/16 expenditure to Spokane County Republican Party for Lincoln Day Dinner tickets for assistant (\$150);
- i. 4/6/16 expenditure to Ferry County Republican Party for Lincoln Day Dinner (\$100);
- j. 2/12/16 expenditure to Spokane County Republican Party for Lincoln Day Dinner (\$150).

**D. Acceptance of contribution from 7th Legislative District Republican Party in violation of session freeze**

By law, an incumbent legislator may not accept contributions during regular or special legislative sessions. RCW 42.17A.560(1); WAC 390-17-400. On June 30, 2017, while the legislature was in the midst of its third special session, the Respondent accepted a contribution of \$1,617.77 from the 7th Legislative District Republican Party for a "Sign Purchase Reimbursement." This was a payment to either retire a campaign debt (for the signs purchased previously in the same month), or a contribution to the candidate's campaign, in violation of the session freeze. WAC 390-17-400(12)(a), (12)(e).

Please advise if you should have any question about this complaint, and please let me know if the Commission schedules any hearing, or Commission staff takes enforcement action or issues any other final action about the allegations listed above.

Sincerely,  
Walter Smith