

Marko Lias  
2306 119th Street SW  
Everett, WA 98204

November 16, 2017

Tony Perkins, Investigator  
Washington Attorney General's Office  
tonyp@atg.wa.gov

**SENT VIA EMAIL**

Re: Citizen Action Notice

Dear Mr. Perkins,

This letter responds to the Citizen Action Notice you transmitted to me on November 3, 2017 from Mr. Glen Morgan concerning various campaign and personal finance disclosure issues. Please consider this letter as my response to the allegations included in the Citizen Action Notice.

**1. Timely and accurate C3 and C4 Reports.**

Of the thirteen C3 and C4 reports identified as "late" in the Citizen Action Notice, only three correspond to my campaign for State Treasurer. The other ten are filed in relation to my campaign for State Senate and each one was filed on time.

- a. **C4 (Reference # 100734989):** The C4 report for covering October 1 to October 31 was filed on its due date, November 10, 2016.
- b. **C3 (Reference #100734984):** The C3 report for the \$89.29 deposit made on October 21, 2016 was filed on its due date, November 10, 2017.
- c. **C4 (Reference #100728901):** I did not advance to the General Election in my campaign for State Treasurer. After the August Primary election, my campaign continued to file reports as required until the committee could be closed. Believing the activity for September was under the \$200 reporting threshold, a C4 was not originally filed for September. During an internal and routine records inspection, My Treasurer identified an unanticipated credit card fee from September 6, which had been overlooked. While the \$309.83 credit card processing fee could not reasonably have any bearing on the outcome of the election from a month earlier, our campaign team was committed to full transparency and rectified this error immediately by filing a report on October 20.

**2. Timely and accurate reporting of debt.**

My campaign appropriately reported debt items on each monthly C4 report. It appears in the relevant exhibit to the Citizen Action Notice that the complainant simply lists committee expenses and claims they should have been reported as debt on the previous C4 report without explanation or review. For example, he claims a media production debt owed to Kully Hall Struble, LLC should have been reported on the 7-day pre-primary due on July 26. This debt was reported on the 7-day pre-primary and was filed on July 26.

### **3. Expense descriptions.**

The description of each campaign expenditure at issue is identified in our campaign reports. The reports identified the parties to whom expenditure were paid, the dollar value, and the purpose of the expenditure, which is not inconsistent with the requirements of state law under. More detail can be provided upon request.

### **4. PERS pension account.**

In completing my personal financial disclosure statement, I was under the impression that I did not have control of my pension account assets until I left public employment or retired. The Department of Retirement Systems provides notice on account balances that states in part, "Contributions are not available until termination from employment/retirement." As a result, I did not include it as an asset under my control. Upon receipt of the Citizen Action Notice, I sought clarification from the Public Disclosure Commission and learned that my understanding was incorrect. I have subsequently corrected my 2017 Personal Financial Affairs statement, and I would happily correct any past statements as needed.

### **5. Transportation Choices Coalition contributions.**

RCW 42.17A.710 requires disclosure of "(ii) the name of each governmental unit, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from which the entity has received compensation in any form in the amount of \*ten thousand dollars or more during the preceding twelve months and the consideration given or performed in exchange for the compensation." In the Citizen Action Notice, the complainant alleges that this requires the disclosure of all donors to an entity, in this case the Transportation Choices Coalition. When filing the report, I did not consider contributions to be compensation, as there is no consideration given or performed for the charitable gifts the organization receives. Upon receipt of the Citizen Action Notice, I sought clarification from the Public Disclosure Commission and learned that my understanding was correct. My Personal Financial Affairs statement accurately discloses the required information for the Transportation Choices Coalition.

The complaint further alleges that any potential violations were committed maliciously, but does not provide any evidence to substantiate this allegation. I have served in public office since 2006, and have made every effort to accurately and completely disclose all required information about my personal financial affairs and my campaign contributions and expenses. I have consulted with the Office of Senate Counsel and the Public Disclosure Commission about my personal financial affairs statements in an attempt to understand the law and fully comply with it. I have hired a professional campaign compliance consultant for my campaigns for the State Senate and State Treasurer, in order to ensure that my campaigns comply with a complex and comprehensive legal and regulatory disclosure system. In short, I have made every reasonable effort to comply. Any errors or omissions were accidental and unintentional, and I have worked to immediately correct them.

I am happy to provide any additional information or answer any questions that might aid in your investigation. While the volume of Citizen Action Notices has dramatically increased in recent months, I appreciate the professionalism and care with which your office has handled this situation and stand ready to help you complete your work in any way I can.

Sincerely,  
Marko Liias