



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE)	PDC CASE NO: 14-058
WITH RCW 42.17A)	
)	
Pam Roach Surplus Funds Account)	
)	REPORT OF INVESTIGATION
)	
Respondent.)	
_____)	

I.

BACKGROUND

- 1.1 Pam Roach is a State Senator serving Washington's 31st Legislative District. The district covers parts of south King County and northeast Pierce County, including the cities of Auburn, Bonney Lake, Buckley, Enumclaw, Sumner and Edgewood. Senator Roach was first elected to her legislative position in 1990, and has been re-elected six times. Her current term of office ends in January of 2019. In addition to her campaigns for State Senate, Senator Roach has conducted campaigns for county council, governor, and county director of elections.
- 1.2 On January 6, 2000, Senator Roach filed a C-1 Candidate Registration to establish a surplus funds account to report the disposition of surplus campaign funds under RCW 42.17.095. (**Exhibit 1.**) The account generated reports of surplus funds activity in 2000, 2001, and 2002, with the last report filed on September 18, 2002, for the period ending on September 14, 2002. (**Exhibit 2.**)
- 1.3 PDC records indicate that Senator Roach ended the majority of her campaigns since 2002 with a surplus of cash on hand, and carried forward less than that amount to her next campaign. (The exceptions were her 2009 campaign for King County Director of Elections, which did not end with a surplus, and her 2010 State Senate campaign, in which she carried forward slightly *more* than the ending balance from her 2006 Senate campaign.)

- 1.4 On June 2, 2014, a complaint against the Pam Roach Surplus Funds Account was received from State Representative Chris Hurst. **(Exhibit 3.)**

II.

ALLEGATIONS

- 2.1 The June 2, 2014 complaint filed by Rep. Chris Hurst in PDC Case 14-058 alleged that Senator Pam Roach violated RCW 42.17.095, .080, .090, and RCW 42.17A.430, .235 and .240 by failing to disclose any surplus funds account activity after September 18, 2002.¹

III.

FINDINGS

- 3.1 **Response from Pam Roach:** On June 27, 2014, an initial response to the complaint was received from Senator Roach. **(Exhibit 4.)** Senator Roach stated that she had attempted to piece together records documenting her activity from surplus campaign funds during the more than a decade covered by the complaint. She stated that doing so was made difficult by the unavailability of many of the records in question.
- 3.2 Senator Roach stated that at the conclusion of her 1998 re-election campaign, there was a balance of \$41,380.42 in her campaign account at Wells Fargo Bank, identified as "Citizens for Pam Roach." She stated that in December of 1999, this amount was moved to a Wells Fargo Bank interest-bearing account, and was designated as "surplus funds" with the PDC. (Here, Senator Roach appeared to refer to surplus funds C-3 and C-4 reports that she filed with the PDC on January 6, 2000.) Senator Roach stated that later in December of 1999, she transferred \$38,000 to a Wells Fargo Bank Money Market Access account, leaving a balance of \$4,032.74 in the interest-bearing account, which included \$652.32 accrued interest.
- 3.3 Senator Roach stated that in September 2001 as she began her 2002 re-election campaign, she withdrew \$3,985.78 from the surplus funds account for early campaign expenses. **(Exhibit 4, pp 1, 4.)** She stated that this left a balance of \$46.96 in this account, which was eliminated by monthly bank

¹ Also on June 2, 2014, Representative Hurst filed a separate complaint concerning Senator Roach, in this case alleging that she failed to timely disclose contribution and expenditure activity connected with her 2014 re-election campaign. That complaint has been formally investigated under PDC Case No. 14-057.

service fees. She stated that as her 2002 campaign progressed, it was necessary to take \$20,615.07 from the Money Market Access account for authorized campaign expenses. **(Exhibit 4, pp 2, 5 – 6.)** She stated that market losses/fees claimed \$7,850.61 during this period, leaving a balance of \$9,581.10 in the securities account, \$8,000 of which the senator transferred to her campaign account in March of 2007. She stated that this left a balance of \$1229.22 in the securities account, and that at that time, the account was closed and the \$1229.22 was used to open a new "Citizens for Pam Roach" account at Bank of America.

- 3.4 In reviewing Senator Roach's June 27, 2014 response to the complaint, staff noted that the entirety of the activity she described from the period of 1998 - 2007, including withdrawals, transfers, and expenditures out of the senator's surplus funds account and transfers into that account from her campaigns, all fell outside of the 5-year statute of limitations provided by RCW 42.17.410. At the time of Representative Hurst's complaint, only reporting or other violations that occurred after June 2, 2009 would be actionable.
- 3.5 Also on June 27, 2014, Senator Roach provided a supplemental response to the complaint filed by Rep. Hurst, under separate cover. **(Exhibit 5.)** In her supplemental response, she addressed expenditures from surplus funds following 2010, stating that at the conclusion of her 2010 re-election campaign, she had a balance of \$12,184.93. She stated that at the suggestion of her bank, she moved \$9,184.93 of that amount into an interest-bearing account at the same institution and left the remaining \$3,000 in the regular campaign account as it was the amount required to keep the account active without needing to apply for a new EIN number in the event of a future campaign.
- 3.6 Senator Roach stated that only two withdrawals were made from the interest-bearing account during the four years from her 2010 campaign to the time of the complaint. She stated that the expenses were both campaign-related: \$327.55 paid to Verizon Wireless on March 3, 2011 for campaign phone expenses, and \$1,375 withdrawn on June 14, 2012 to cover registration fees and airfare to the Republican National Convention (RNC) in Tampa, Florida. She stated that as of the date of her June 27, 2014 letter, the balance of the interest-bearing account was \$7490.22, which included \$7.84 interest over the three years.
- 3.7 Staff's review indicated that the 2011 and 2012 expenses for phone service and the RNC were not disclosed in Senator Roach's surplus funds and campaign reporting. At PDC staff's request, on October 14, 2014, Senator Roach included the expenses on the 21-day pre-general election C-4 report she filed for her 2014 campaign, recognizing that the expenses were the initiating expenses for that campaign. **(Exhibit 6.)**

3.8 Disclosure of the initiating expenses for Senator Roach's 2014 re-election campaign is discussed in further detail in the separate report prepared for PDC Case 14-057.

IV.

SCOPE

4.1 PDC staff reviewed the following documents:

1. A complaint filed Senator Pam Roach by Representative Chris Hurst on June 2, 2014;
2. Candidate registrations, campaign finance reports and data submitted by Senator Roach for her 2010 and 2014 re-election campaigns;
3. Expenditure reports filed by Senator Roach to disclose surplus funds activity; and
4. Written responses to the complaints in PDC Cases 14-057 and 14-058, received from Senator Roach on June 27, 2014.

4.2 PDC staff conducted an informal interview with Senator Roach on August 30, 2014.

V.

LAW

RCW 42.17.095 enumerates the authorized uses of a candidate's surplus campaign funds, including disposal by "[Holding] the surplus in the depository or depositories designated in accordance with RCW 42.17.040 for possible use in a future election campaign for the same office last sought by the candidate and [reporting] any such disposition in accordance with RCW 42.17.090." The law goes on to require that "If the candidate subsequently announces or publicly files for office, the appropriate information must be reported to the commission in accordance with RCW 42.17.040 through 42.17.090."¹

¹ Effective January 1, 2012, RCW 42.17.040, RCW 42.17.090, and RCW 42.17.095 were recodified as RCW 42.17A.205, RCW 42.17A.235, and RCW 42.17A.240, respectively.

Respectfully submitted this 10th day of February, 2016.

T.P.

Tony Perkins
PDC Compliance Officer

EXHIBIT LIST

- Exhibit 1** C-1 Candidate Registration filed on January 6, 2000 to establish a surplus funds account for Senator Roach.
- Exhibit 2** Surplus funds C-4 report filed on September 18, 2002, for the period ending on September 14, 2002.
- Exhibit 3** A complaint against the Pam Roach Surplus Funds Account, filed on June 2, 2014 by State Representative Chris Hurst.
- Exhibit 4** A response to the complaint in PDC Case 14-057, received from Senator Roach on June 27, 2014.
- Exhibit 5** A supplemental response to the complaint in PDC Case 14-057, received from Senator Roach on June 27, 2014 under separate cover.
- Exhibit 6** 21-day pre-general election C-4 report filed for Senator Roach's 2014 re-election campaign on October 14, 2014. (Excerpt)