

17-2-01546-34
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Findings of Fact and Conclusions of Law
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THURSTON COUNTY, WA
SUPERIOR COURT
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Thurston County Clerk
Linda Myhre Enlow

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**STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

TIM EYMAN, *et al.*,

Defendants.

NO. 17-2-01546-34

COURT'S FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND
INJUNCTION

I. INTRODUCTION

THIS MATTER came before the Court for trial on November 16, 17, and 18, 2020, as well as on December 14, 15, 16, and 17, 2020 and January 7 and January 21, 2021. Plaintiff State of Washington appeared by and through its counsel, ROBERT W. FERGUSON, Attorney General, ERIC S. NEWMAN, Chief Litigation Counsel – Antitrust Division, S. TODD SIPE, Assistant Attorney General, and PAUL M. CRISALLI, Assistant Attorney General. Defendants Tim Eyman and Tim Eyman, Watchdog for Taxpayers LLC appeared by and through their counsel RICHARD B. SANDERS and SETH S. GOODSTEIN. The Court hereby enters the following Findings of Fact, Conclusions of Law, and Injunction:

1 **II. FINDINGS OF FACT**

2 **A. Prior Violations Demonstrating an Ongoing Conspiracy**

3 **1. 2002 State enforcement action and PDC staff guidance to Defendant Eyman**

4 2.1 Defendant Tim Eyman's ("Defendant Eyman") history of violating Washington's
5 campaign finance requirements for personal gain was established by two prior judgments. The
6 first arose out of a State investigation in 2001 and 2002. That investigation found that Defendant
7 Eyman used a corporation he established, Permanent Offense, Inc., to conceal payments to
8 himself from the campaign funds of Permanent Offense PAC, a political committee that
9 Defendant Eyman established to support Initiative 776 in the 2002 general election.
10

11 2.2 Defendant Eyman admitted that he established Permanent Offense, Inc. "to have
12 a way to cover the fact that I was making money sponsoring initiatives, and none of my
13 cosponsors knew that was the case." The State's investigation led to a court action against
14 Defendant Eyman resulting in \$55,000 in penalties and fees assessed against him and his political
15 committee. Defendant Eyman was also permanently enjoined from acting as treasurer of any
16 political committee or as signer on any financial accounts of such a committee.
17

18 2.3 Following the judgment entered against Defendant Eyman, in August 2002, the
19 staff of the Washington State Public Disclosure Commission (PDC) became aware that
20 Defendant Eyman solicited personal payments from political supporters to enable his continued
21 work on initiative campaigns. In these written solicitations, Defendant Eyman promised
22 anonymity to contributors. He asked that payments be directed to "Tim Eyman, Taxpayer
23 Advocate," and sent to Defendant Eyman's home address.
24

25 2.4 On August 13, 2002, PDC staff sent a letter to Defendant Eyman, cautioning him
26 that his written solicitations constituted political committee activity. Staff instructed Defendant

1 Eyman that if he expected to make such solicitations, he was required to register the “Tim
2 Eyman, Taxpayer Advocate” political committee and file contribution and expenditure
3 disclosure reports. As an alternative, PDC staff instructed Defendant Eyman that payments to
4 further his initiative campaign work could be reported as in-kind contributions to his registered
5 ballot proposition committees. The letter reminded Defendant Eyman that he was enjoined by
6 court order from serving as a political committee treasurer. Defendant Eyman acknowledged
7 his obligation to report funds raised for work he did in support of initiative campaigns, through
8 multiple mailers to supporters soliciting funds, as in-kind contributions.

10 2.5 Despite this acknowledgement, and in contravention of the law and PDC staff
11 instructions, over the nearly two decades that followed, Defendant Eyman continued to solicit
12 and accept concealed payments and contributions to further his work on initiative campaigns.
13 He also failed to disclose this contribution activity as required by state law. As detailed below,
14 despite the judgment against him, Defendant Eyman continued to scheme to make concealed
15 payments to himself for his work on initiative campaigns by funneling those payments through
16 third parties. He also failed to register as a political committee and he failed to file numerous
17 reports with the PDC.

19 **2. 2010 concealment and personal use schemes: Initiative 1053**

21 2.6 In 2010, signature gathering firm Citizen Solutions Inc., which is a precursor to
22 Citizen Solutions, LLC, a defaulted defendant in this case, was working to qualify Initiative
23 1053, which was sponsored by Defendant Eyman’s committee, for the ballot. During that
24 campaign, Defendant Eyman drafted a May 19, 2010 letter to Roy Ruffino, a principal of Citizen
25 Solutions Inc. and Citizen Solutions, LLC. In it, unbeknownst to the rest of his committee,
26 Defendant Eyman proposed increasing the price that his own political committee Voters Want

1 More Choices (“VWMC”) would pay Citizen Solutions per signature for I-1053. Eyman wrote,
2 “We have agreed to have Citizen Solutions collect signatures for \$2.00 each. I am doing my
3 best to raise money from the business community at a rate of \$2.50 per signature. My goal is to
4 have Voters Want More Choices pay Citizen Solutions the agreed upon \$2 per sig plus \$150,000
5 so that you have an extra \$150,000 to provide to me.”¹
6

7 2.7 On March 12, 2010, Mr. Ruffino sent an email to Defendant Eyman, quoting a
8 price of \$2.00 per signature for I-1053. On March 15, 2010, Defendant Eyman forwarded that
9 email to donors. However, in the forwarded email, Mr. Ruffino’s quote was altered to \$2.50 per
10 signature, in furtherance of the plan Defendant Eyman described in the May 19 letter. At his
11 deposition, held on February 5, 2019, Defendant Eyman refused to say whether he altered
12 Mr. Ruffino’s email, invoking his Fifth Amendment protections against self-incrimination.² At
13 trial, Defendant Eyman acknowledged that this had been his deposition testimony. During his
14 deposition, Defendant Eyman similarly refused to answer whether the principals of Citizen
15 Solutions made payments to him following the I-1053 campaign on the same grounds. That
16 testimony was also acknowledged at trial.
17

18 2.8 Defendant Eyman’s 2010 scheme is indicative of a pattern in which Defendant
19 Eyman both concealed kickbacks he received from Citizen Solutions and defrauded contributors
20 to his political committee in order to fund the concealed payments. It is further found to be part
21

22
23 ¹Defendant Eyman’s partners in VWMC, Jack and Mike Fagan, both testified in their depositions, which
24 became their trial testimony by designation, that they were unaware of Defendant Eyman surreptitiously having
their committee overcharged for his own benefit.

25 ²“When a witness in a civil suit refuses to answer a question on the ground that his answer might tend to
26 incriminate him, . . . the trier of facts in a civil case is entitled to draw an inference from his refusal to so testify.”
Ikeda v. Curtis, 43 Wn.2d 449, 458, 261 P.2d 684 (1953). Throughout the trial, on each occasion that a witness
asserted his Fifth Amendment protections against self-incrimination, this Court took a negative inference from that
assertion.

1 of an ongoing conspiracy to conceal political contributions and Defendant Eyman's personal use
2 of those contributions.

3 **3. 2011 concealment and personal use schemes: Initiative 1125**

4 2.9 In an email sent on May 11, 2011, Defendant Eyman sought information from his
5 accounting firm concerning the tax requirements connected with financial gifts. On May 13,
6 2011, he received a response to his inquiry and forwarded it to Citizen Solutions Inc. principal
7 Edward Agazarm. The forwarded email asserted that a single person could make gifts of \$13,000
8 to each of Defendant Eyman's family members without disclosing those payments to the Internal
9 Revenue Service.
10

11 2.10 Following the 2011 campaign, Citizen Solutions' principals made \$86,000 in
12 payments to Defendant Eyman, his wife Karen, and their three minor children. Payments were
13 made through two \$13,000 personal checks from Roy Ruffino, and the remaining \$60,000
14 through cashier's checks purchased by Edward Agazarm. None of the checks exceeded the IRS
15 gift reporting threshold of \$13,000, which is evidence that Defendant Eyman intended to conceal
16 the payments from public scrutiny.
17

18 2.11 In a deposition held on February 5 and 6, 2019, Defendant Eyman refused to
19 answer questions about payments he received from Roy Ruffino and Edward Agazarm, citing
20 his Fifth Amendment protections against self-incrimination. He acknowledged that testimony
21 at trial, and did not provide any reasonable explanation for the payments.
22

23 2.12 Defendant Eyman's spouse Karen Eyman testified in her deposition on
24 January 25, 2019, which was designated as her trial testimony, that she was not aware that Roy
25 Ruffino or Edward Agazarm had ever given her or her children financial gifts. She stated that
26 she did not socialize with Mr. Ruffino or Edward Agazarm. She could not recall ever having a

1 personal conversation with Mr. Ruffino and was not certain that she had ever met Edward
2 Agazarm. Based on the evidence at trial, it is the Court's finding that these purported gifts were
3 in fact concealed redirected political contributions for Defendant Eyman's personal use.

4 2.13 Defendant Eyman's 2011 scheme is indicative of a pattern in which Defendant
5 Eyman both concealed kickbacks he received from Citizen Solutions and defrauded contributors
6 to his political committee in order to fund the concealed payments. It is further found to be part
7 of an ongoing conspiracy to conceal political contributions and the personal use of those
8 contributions.

9
10 **4. 2012 concealment and personal use schemes: letters to Roy Ruffino**

11 2.14 As discussed above, at the close of the 2011 campaign for I-1125, Citizen
12 Solutions' principals Roy Ruffino and Edward Agazarm made \$86,000 in payments to
13 Defendant Eyman, his spouse, and their three minor children. In a letter dated August 3, 2012,
14 addressed to Roy Ruffino, Defendant Eyman referred to additional payments he had received
15 from Edward Agazarm: \$130,000 in total payments he termed "gifts" for 2010 and 2011. They
16 were not gifts, but were in fact redirected political contributions laundered through Defendant
17 Eyman's handpicked signature gathering vendor. Defendant Eyman's August 3, 2012, letter to
18 Roy Ruffino indicates that the additional payments he expected from Roy Ruffino were not
19 optional: "[T]his letter...concerns resolving the 2010 and 2011 stuff. Eddie provided \$130,000
20 as a financial gift for those two years—you said you'd do the same...I'd like us to agree on the
21 amount still outstanding and for you to let me know your gift payment plan...You need to come
22 up with one."
23

24
25 2.15 On December 13, 2012, Defendant Eyman sent another letter to Mr. Ruffino,
26 pressuring him to provide tens of thousands of dollars in payments to Defendant Eyman that year

1 and the next. The letter referred to other payments that Mr. Ruffino had already made: “You
2 generously gave me \$9900 on September 22nd (and a nice bottle of champagne!!) so that leaves
3 \$35,100 for the rest of 2012 and still \$39,000 for 2013... Roy, I ask that you please schedule a
4 few more lunches from now until December 31st so you can ‘max gift’ by the end of the
5 year...You’re making great progress on this and I continue to be extremely grateful for your
6 continued help on it.” Defendant Eyman’s banking records show a \$9,900 deposit in September
7 2012 made in cash.
8

9 **B. Violations Central to This Matter**

10 2.16 The Public Disclosure Commission conducted an investigation into the
11 allegations that became the foundation of this matter over a three-year period from 2012 to 2015.
12 That investigation involved more than a dozen subpoenas and multiple interviews. That
13 investigation culminated in a September 25, 2015 referral of this matter to the Washington State
14 Attorney General for enforcement. In its referral to the Attorney General, the PDC reasoned:
15

16 Considering these violations, as well as Mr. Eyman’s prior history with the PDC,
17 frequent and repeated use of the initiative process, the refusal to produce
18 documentation even after the issuance of multiple subpoenas, and the likelihood
19 of an intentional ongoing pattern over multiple years, the Commission’s penalty
20 authority under RCW 42.17A.755 would be insufficient to enforce compliance
21 with the law in a manner that adequately protects the public, holds Mr. Eyman
22 accountable for his actions and deters future misconduct.

23 This enforcement action was filed by the Attorney General at the PDC’s request.

24 **1. 2012/2013 concealment and personal use schemes: Initiative 1185**

25 2.17 A central claim of the State in this matter is contributions and expenditures related
26 to the I-1185 campaign. From April 11 – July 6, 2012, Defendant Eyman’s political committee
and other sponsors paid Defendant Citizen Solutions, LLC \$1,245,475 to gather signatures to
qualify I-1185 for the 2012 ballot. Defendant Eyman’s political committee Voters Want More

1 Choices – Save the 2/3rds (Mike Fagan) (VWMC) paid \$623,325 of this amount, and other
2 contributors and sponsors paid the remaining \$622,150. These contributions and expenditures
3 were the result of solicitations by Defendant Eyman.

4 2.18 During the I-1185 signature drive, Edward Agazarm contacted Defendant Eyman
5 on May 15, 2012, and again on June 26, 2012, to discuss an increase in the price of initiative
6 signatures. In furtherance of the conspiracy to fund a kickback to himself, Defendant Eyman
7 agreed on May 15, 2012, that the price should be raised by 50 cents per signature. He did so
8 despite having a contract with Citizen Solutions for a lower price that included a more than 100
9 percent profit margin, and which Defendant Citizen Solutions admitted was already the highest
10 per signature amount they ever received for any campaign. The second email from Edward
11 Agazarm referred to “\$270,000 outstanding on the signature contract” that was hampering
12 Citizen Solutions’ efforts to qualify the initiative. This email was a fabrication. There was not,
13 in fact, \$270,000 outstanding on Defendant Eyman’s committee’s contract with Citizen
14 Solutions for the I-1185 signature drive at that time. However, in furtherance of the conspiracy
15 to fund his kickback, Defendant Eyman agreed to an additional price increase of \$1.50 per
16 signature on June 27, 2012, though by that date all of the signature gathering had already been
17 funded. This second price increase was, again, implemented despite having a contract for a
18 lower price.
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22 2.19 Defendant Eyman forwarded Edward Agazarm’s May 15, 2012, and June 26,
23 2012, emails to contributors, soliciting additional funds to gather I-1185 signatures. On many
24 other occasions, Defendant Eyman contacted contributors to urgently press for additional funds,
25 warning them that without additional payments to Defendant Citizen Solutions, LLC, I-1185
26

1 might fail to qualify for the ballot. These statements were false, and Defendant Eyman knew
2 them to be false when he made them.

3 2.20 Defendant Eyman sent an email to Jack Fagan and Mike Fagan, his fellow
4 committee officers, and specifically instructed them to disregard statutory disclosure deadlines
5 in order to hide the committee's cash on hand from potential contributors. Defendant Eyman
6 stated that the appearance of a shortfall would maintain the incentive for additional fundraising.
7 Defendant Eyman gave the Fagans this instruction with the specific intent of misleading the
8 voting public and admittedly to mislead potential donors.

9
10 2.21 In an email to key fundraisers Greg Hanon and Dan Levine on June 20, 2012,
11 Defendant Eyman stated,

12
13 It is abundantly clear that the sigs will be there if the \$\$ are there. To pay for
14 exactly 300,000 signatures, the signature drive budget is \$1,388,000...I have
15 recently learned that donations received so far (as of last Friday) total \$1,197,500.
16 There is roughly \$150,000 in donations not received but waiting to come in (it
17 was closer to \$200,000 but two \$25,000 pledges fell through). Again, that's the
18 budget to hit EXACTLY 300,000. But I must quickly add that there must be a
cushion of \$\$ for signatures ABOVE THE MINIMUM. We've all invested too
much time and energy and money to be penny-wise but pound-foolish when it
comes to ensuring enough signatures are turned in to guarantee the initiative
qualifies for the ballot[.]

19 2.22 Defendant Eyman's goal, as he explained it to the Fagans, was to convince
20 contributors in the business community to make up the roughly \$170,000 that the I-1185
21 committee paid to Citizen Solutions earlier that month for signature gathering. As detailed
22 below, as of the date of this email, Defendant Eyman had already secured the agreement of
23 Defendant William Agazarm to return this \$170,000, and in fact much more, in a kickback to
24 Defendant Eyman paid through Defendant Eyman's company, Defendant Tim Eyman,
25 Watchdog for Taxpayers ("Defendant Watchdog"). Defendant Eyman concealed this agreement
26

1 from Jack and Mike Fagan. Defendant Eyman also directly contacted potential contributors and
2 falsely represented that his committee had a shortfall of cash on hand.

3 2.23 In the midst of these communications, Defendant Eyman was engaged in a
4 scheme with Defendant Citizen Solutions and its member Defendant William Agazarm
5 (collectively “Citizen Solutions Defendants”) to generate a kickback to himself from the political
6 contributions he was soliciting.
7

8 2.24 On June 5, 2012, Defendant Eyman sent an email to Roy Ruffino and Defendant
9 William Agazarm, members of Defendant Citizen Solutions, and to Edward Agazarm, offering
10 various schemes intended to result in hundreds of thousands of dollars in compensation to
11 Defendant Eyman. Although Defendant Eyman preferred an ongoing business partnership in
12 which he would share 1/3 of Defendant Citizen Solutions, LLC’s revenue, as an alternative, he
13 proposed that the company pay him \$270,000 as a sales commission. Defendant Eyman stated,
14 “When it comes to the extra \$270k, I’m working hard to get it for myself by having it paid to
15 Citizen Solutions.” This \$270,000, the identical amount that Edward Agazarm would later
16 falsely state in an email was “outstanding on the contract” for I-1185 signatures, was intended
17 to go to Defendant Eyman the entire time. Defendant Eyman testified that he could not recall
18 whether the \$270,000 mentioned in this email was associated with the \$308,185.50 his LLC was
19 eventually paid by Citizen Solutions, LLC. This Court finds that the reference to “the extra
20 \$270k” was a reference to an agreed payment that eventually became the \$308,185.50 paid to
21 Defendant Watchdog.
22
23

24 2.25 Defendant Eyman’s statements in the June 5, 2012, email showed his awareness
25 that funds being paid to Defendant Citizen Solutions would not be used exclusively to fund
26 signature gathering for I-1185, as was being reported by his committee VWMC, but would be

1 converted to Defendant Eyman's personal use. In an email referring to the kickback to
2 Defendant Eyman sent July 8, 2012, Defendant William Agazarm stated, "There should be no
3 reason...that should prevent you from getting paid immediately."

4 2.26 Defendant Citizen Solutions' bank records document the business's financial
5 transactions during the I-1185 signature drive. Those records show that on July 3, 2012,
6 Defendant Citizen Solutions made its last payments to the petitioning firms whose workers had
7 gathered I-1185 signatures. Though all signatures had already been gathered and paid for,
8 Defendant Citizen Solutions continued to accept payments from the Washington Wine and Beer
9 Wholesalers, the Association of Washington Business Political Action Committee, and
10 Defendant Eyman's political committee Voters Want More Choices ("VWMC"). Defendant
11 Eyman's committee alone provided \$215,825, funded through contributions from individuals,
12 businesses, and other entities. The memo line on Voters Want More Choices' final check to
13 Citizen Solutions, signed by committee officer Jack Fagan, showed that the payment was
14 intended for "signatures." Each of the payments that I-1185 supporters paid to Defendant Citizen
15 Solutions, LLC after June 27, 2012, were used to pay Defendant Eyman a kickback directed to
16 Defendant Eyman's business, Defendant Watchdog. As stated above, on June 27, 2012,
17 Defendant Eyman agreed to the second price increase. The next day, June 28, 2012, Defendant
18 Citizen Solutions received the first payments that were not needed to fund any expenses related
19 to the I-1185 drive or Defendant Citizen Solutions' normal operations, but were instead used to
20 fund the kickback to Defendant Eyman.

21 2.27 One of the payments that was converted to the kickback was a large in-kind
22 contribution of \$27,150 from the Washington Beer and Wine Distributors Association,
23 transferred directly to Defendant Citizen Solutions, LLC on July 5, 2012, to support I-1185.

1 Defendant Eyman and Defendant Agazarm worked together to facilitate this transfer of funds.
2 Due to Defendant Eyman and Defendant Agazarm's intentional concealment efforts, the in-kind
3 contribution was not disclosed by VWMC in its PDC reports at all, let alone as a kickback to
4 Defendant Eyman, which was its true purpose.
5

6 2.28 Contributors to the I-1185 effort believed their payments were necessary to
7 qualify the initiative for the ballot. They did not intend their payments for signatures to
8 compensate Defendant Eyman. They were not aware that Defendant Eyman was directing
9 payments to Defendant Citizen Solutions so the company could return the funds to Defendant
10 Eyman. Representatives of Washington Wine and Beer Wholesalers and the Association of
11 Washington Business Political Action Committee testified that they would not have made their
12 later contributions if they had known they would were going to be funneled to Defendant Eyman.
13

14 2.29 On July 8, 2012, Defendant Eyman participated in an email exchange with
15 Defendant William Agazarm and Edward Agazarm. The topic of the exchange was Defendant
16 Eyman's efforts to obtain a payment from Defendant Citizen Solutions. Defendant William
17 Agazarm assured Defendant Eyman that payment was forthcoming, and in doing so alluded to a
18 history of payments from Citizen Solutions Inc. to Defendant Eyman, writing, "My first and
19 foremost goal is to ensure that you get paid what is properly owed this year and to make it happen
20 promptly." Defendant William Agazarm indicated that Roy Ruffino, the company's other
21 member, was not aware of the purpose of the payments: "While you are trying to avoid telling
22 Roy exactly what the funds are for, you could always tell him you are working on 'something'
23 with Paul Jacobs (sic) and hoping to grow some national recognition from it."
24

25 2.30 On July 11, 2012, Citizen Solutions made a payment of \$308,185.50 to Defendant
26 Watchdog, which was personally authorized by Defendant William Agazarm to benefit

1 Defendant Eyman personally. That payment was a kickback made by the Citizen Solutions
2 Defendants with the specific intent to violate the FCPA by concealing from the public the
3 purpose of five expenditures of donor funds to Citizen Solutions, LLC, which were contributed
4 to support I-1185, and to conceal from the public Defendant Eyman's personal use of
5 \$308,185.50 in political contributions.
6

7 2.31 Defendant Agazarm personally approved Citizen Solutions' kickback payment to
8 the Eyman Defendants. Defendant Agazarm did so with the knowledge that Defendant Eyman
9 planned to and, in fact, did use the funds for his own personal expenses. The kickback was
10 funded by five expenditures, two from Defendant Eyman's own committee VWMC and three
11 from other Political Action Committees (PAC) or trade associations, all of which were solicited
12 by Defendant Eyman.
13

14 2.32 When asked about the \$308,185.50 kickback to Defendant Eyman at his
15 deposition, which was designated as his trial testimony, Mr. Ruffino asserted his Fifth
16 Amendment privilege. Defendant Eyman did the same in his deposition, which he
17 acknowledged at trial.
18

19 2.33 The Citizen Solutions Defendants accepted complicity in Defendant Eyman's
20 schemes. Such schemes had been ongoing for more than a decade. From the beginning of
21 Citizen Solutions' business relationship with Defendant Eyman in 2004, Defendant Eyman had
22 sought and received payments from the signature-gathering firm and its principals.
23

24 2.34 This Court finds, based on the evidence at trial, that Defendant Eyman failed to
25 properly report and intentionally concealed the true purpose of the expenditure of the
26 \$308,185.50 to Defendant Citizen Solutions, which was Defendant Eyman's personal use, in
violation of RCW 42.17A.235, .240, and .435.

1 2.35 Defendant Watchdog is wholly owned by Defendant Eyman. It accepted the
2 \$308,185.50 kickback from the Citizen Solutions Defendants on behalf of Defendant Eyman. It
3 did so to facilitate Defendant Eyman's concealment of his personal use of political contributions.
4 This court finds, based on the evidence at trial, that Defendant Tim Eyman, Watchdog for
5 Taxpayers LLC, as an entity, knowingly and willfully participated in the concealment of the true
6 purpose of the expenditure of the \$308,185.50 to Defendant Citizen Solutions, which was for
7 Defendant Eyman's personal use, in violation of RCW 42.17A.435.
8

9 **2. 2012/2013 concealment schemes: Initiative 517**

10 2.36 Prior to the I-517 campaign, Defendant Eyman was aware that Washington law
11 prohibits the making of contributions through an agent in a manner to effect concealment. On
12 October 19, 2010, Defendant Eyman received and acknowledged written guidance from PDC
13 staff concerning the concealment prohibition. In that guidance, PDC staff informed Defendant
14 Eyman that "no committee may conceal the known source of a contribution." Staff then quoted
15 the concealment statute to Defendant Eyman. Despite this knowledge, Defendant Eyman plotted
16 to conceal contributions through third parties.
17

18 2.37 Despite the PDC's guidance, Defendant Eyman expressed an interest in
19 concealed initiative contributions made through a third-party agent, even before the I-517
20 campaign. In a December 21, 2011, email to Paul Jacob of Citizens in Charge, Defendant Eyman
21 asked, "who can I contact at Americans for Tax Reform about 'pass through' donations from
22 ATR to our initiatives in WA state?" This prior inquiry shows a common plan to use "pass
23 through" donations to conceal the sources of contributions to ballot initiatives as Defendant
24 Eyman did with the I-517 campaign, as described below.
25

26 2.38 In an email, Defendant Eyman disclosed to Defendant William Agazarm that he

1 planned to use a portion of the kickback he received from Defendant Citizen Solutions to secretly
2 fund the I-517 signature drive through payments to Citizens in Charge. Defendant Eyman
3 similarly disclosed this plan to Jack Fagan and Mike Fagan, his fellow officers in the VWMC
4 political committee. In a July 14, 2012, email to Jack Fagan and Mike Fagan, Defendant Eyman
5 stated, "Here's what I'd like to do—me personally loan my own money to Paul Jacob's group
6 Citizens in Charge to get I-517 on the ballot (roughly \$160,000). It's enough to guarantee that
7 I-517 gets enough sigs by December 31." Defendant Eyman then proposed a plan through which
8 he would be reimbursed for his payments for I-517 signatures, including through contributions
9 made to VWMC. Defendant Eyman followed through on his plan, and in fact did secretly
10 contribute to the I-517 campaign by laundering his contributions through Citizens in Charge
11 without properly reporting it.
12

13
14 2.39 Defendant Eyman did not reveal in his proposal to the Fagans that, as of the date
15 of his July 14, 2012 email, he had already made payments totaling \$100,000 to Citizens in
16 Charge to fund the I-517 signature drive. Before the end of October 2012, Defendant Eyman
17 would make another \$100,000 in concealed payments to Citizens in Charge to support I-517.
18 None of these payments were disclosed to the PDC. In separate depositions, which were
19 designated as trial testimony, Jack and Mike Fagan stated that they were previously unaware that
20 Defendant Eyman had carried through with his plan to send funds to Citizens in Charge for I-517
21 signatures, since they believed they had made clear to Defendant Eyman that he could not be
22 repaid from contributions to VWMC. Defendant Eyman concealed his plan from his partners
23 by falsely telling them that Citizens in Charge Foundation was donating to the I-517 campaign,
24 and then secretly having contributions to the campaign funneled through Citizens in Charge
25 Foundation to himself without informing the committee or reporting the contributions to the
26

1 PDC.

2 2.40 To further his concealment plan, Defendant Eyman encouraged others to make
3 contributions to support I-517, specifically promising anonymity, and they in fact did make
4 concealed contributions to support I-517 by laundering their contributions through Citizens in
5 Charge Foundation. For example, in a June 13, 2013, email to Mark Baerwaldt, Defendant
6 Eyman solicited tens of thousands of dollars for radio advertisements to support the initiative,
7 stating: "I've never asked you to donate before, but I'm asking you to donate to this one...And
8 just like I did you can donate anonymously through Citizens in Charge." The same week,
9 Defendant Eyman collaborated with Paul Jacob on a fundraising letter dated June 19, 2013, in
10 which they told prospective contributors "your financial support today makes all the difference
11 in seizing this opportunity to take Initiative 517 over the finish line in Washington state. I
12 respectfully request a tax-deductible contribution of \$10,000 to Citizens in Charge Foundation."
13 Such contributions are required to be disclosed under the FCPA; however, neither Citizens in
14 Charge Foundation nor Defendant Eyman nor the I-517 committee made any such disclosures.
15

16
17 2.41 Evidence at trial demonstrated that from August 2013 through October 2018,
18 Defendant Eyman received \$103,000 in payments from Citizens in Charge. Though he steered
19 the sources of those funds to Citizens in Charge, Defendant Eyman failed to disclose the true
20 sources of the payments as contributions to the I-517 campaign. This Court finds that the
21 payments made to Citizens in Charge and its foundation to repay Defendant Eyman's loan were
22 in fact contributions to support the I-517 campaign.
23

24 2.42 This Court finds that Defendant Eyman failed to properly report and intentionally
25 concealed the true source of \$182,806.38 in contributions to the I-517 campaign in violation of
26 RCW 42.17A.235, .240, and .435. That is the amount Citizens in Charge paid for signature

1 gathering services on behalf of I-517, the true source of which was the \$200,000 in payments to
2 Citizens in Charge from Defendant Eyman, made through Defendant Tim Eyman, Watchdog for
3 Taxpayers LLC. Defendant Eyman intended that amount to go to I-517 signature gathering at
4 the time that he delivered the funds, and he contributed it through Citizens in Charge in order to
5 conceal himself as the source of the contribution to the I-517 campaign in violation of
6 RCW 42.17A.435.
7

8 2.43 Even while he was under investigation, Defendant Eyman demonstrated a
9 willingness in June 2013 to make and facilitate concealed contributions to support I-517, stating
10 to donors that he would anonymously match I-517 contributions.
11

12 2.44 Clear and convincing evidence at trial demonstrates that Defendant Eyman
13 contributed \$182,806 to the I-517 campaign by laundering the contributions through Citizens in
14 Charge. He did so while actively and successfully working to conceal himself as the true source
15 of the funds and while directing the I-517 committee, of which he was an officer, to falsely report
16 that Citizens in Charge was the source of the funds, in violation of RCW 42.17A.435.
17

18 2.45 Defendant Eyman intentionally concealed contributions to the I-517 campaign
19 totaling \$103,000 in the form of contributions to Citizens in Charge Foundation, which then
20 provided the money to Citizens in Charge, which then directed it to Defendant Eyman as “loan
21 repayments.” This concealment of \$103,000 to the I-517 is another intentional violation of
22 RCW 42.17A.435.
23

24 3. 2013 – 2018 additional concealed payments for political work

25 2.46 From 2013 – 2018 Defendant Eyman continued to solicit and accept concealed
26 payments from thousands of sources. The payments were cast as compensation to Defendant
Eyman for his work on initiative campaigns, tax-deductible donations to Citizens in Charge

1 earmarked for the benefit of Defendant Eyman and his family, and even as fraudulent charges
2 for consulting work that Defendant Eyman did not perform. He made all of these solicitations
3 with the expectation of receiving funds to further his work on ballot propositions.
4

5 2.47 In a fundraising solicitation to Terrence "Lee" Zehrer dated March 10, 2014,
6 Defendant Eyman stated,

7 I'm scrambling because my compensation disbursement for the year was \$37,000
8 in January (ugh!)...I was recently talking with an ally of mine who heads up a
9 501c3 Foundation (their mission is protecting the initiative process in the states
10 that have it). Donations to his group are tax deductible and he said he'd provide
11 a dollar-for-dollar payment to me personally for any money received (up to a
12 maximum of \$50K). I thought of you immediately.

13 2.48 In an August 10, 2014, solicitation emailed to dozens of supporters, Defendant
14 Eyman touted his latest project, an initiative to the Legislature that would require a uniform
15 statewide minimum wage. He coupled this information with a pitch for personal compensation:
16 "I'm NOT asking you to donate to this effort. I'm sending you this to show you that as long as
17 you continue to support me and my family, I will be able to take on these important
18 battles...Thank you for being a benefactor to me and my family. I really appreciate it."

19 2.49 In a March 9, 2015, solicitation to Suzie Burke, Eyman requested a contribution
20 to the initiative he was then supporting, and went on to say:

21 In addition, and for the rest of the year, I'd ask that every time you're inspired to
22 give more money to this effort, that you send a tax deductible donation to Citizens
23 in Charge Foundation (see enclosed form). Last year, you donated \$5,000 to them
24 (all tax deductible) – I hope you can do that or more this year. And just like last
25 year, the same amount you donate to their Foundation will eventually go to
26 helping me and my family.

27 2.50 In a fundraising email sent to Kemper Freeman on September 22, 2016,
28 Defendant Eyman described three options for contributing:

1 Last December, when my wife was in the hospital, you called me and said you'd
2 be good with another '10 for Tim'. I have left messages since then asking for
3 that '10 for Tim' for last year (for qualifying and passing I-1366) and another
4 \$10K for this year's efforts (for stopping tax increases during session and working
5 hard to stop ST3 and its tax increases).

6 2.51 In a deposition held on February 6, 2019, which was acknowledged at trial,
7 Defendant Eyman refused to answer questions about funds he received through his "10 for Tim"
8 solicitation program, citing Fifth Amendment protection against self-incrimination.

9 2.52 The September 22, 2016, solicitation to Kemper Freeman went on to state,
10 You've said that your accounting department is having problems processing
11 this...Here are 3 alternatives to provide help for me and my family: 1) Provide a
12 financial gift for me and my family (like you did in 2014). Make check payable
13 to 'Tim Eyman' and mail it to me...2) Provide a tax deductible donation to
14 Citizens in Charge Foundation. Form is attached. 3) Provide a payment to me
15 for consulting, allowing it to be recorded it as a deductible business expense.
16 Invoice is attached.

17 There is no discussion of services that Defendants Eyman or Watchdog would perform for
18 Freeman in exchange for this payment.

19 2.53 Finally, Defendant Eyman even benefited personally from contributions that were
20 undisputedly subject to the reporting requirements and restrictions of Washington's campaign
21 finance laws. At least four checks Defendant Eyman received in 2014 were made payable to his
22 "2/3 Constitutional Amendment" initiative committee, rather than to Defendant Eyman
23 personally. Defendant Eyman deposited these payments into his personal account and used them
24 for personal expenses.

25 2.54 Defendant Eyman continues to seek compensation specifically for his political
26 work. On PermanentOffense.com, the website that Defendant Eyman's political committee uses
to promote its initiatives and solicit reportable political contributions, he features pleas for
personal financial support of himself, which indicates that he continues to have an expectation

1 of receiving contributions in support of his ballot initiative work and therefore in support of
2 ballot propositions.

3 **a. Previous findings on concealed payments for political work**

4 2.55 In an order dated September 13, 2019, this Court previously found as a discovery
5 sanction under CR 37(b)(2)(A), that payments made to Defendant Tim Eyman, totaling
6 \$766,447, as described in the First Declaration of Tony Perkins in support of the State's Motion
7 for Non-Monetary Sanctions were "contributions" in support of ballot propositions as defined
8 by RCW 42.17A.005.

10 **b. Additional concealed payments for political work**

11 2.56 In addition to the \$766,447 previously found, this Court hereby finds that
12 payments made to Defendant Tim Eyman, totaling \$71,055, as demonstrated by evidence at trial
13 were "contributions" in support of ballot propositions as defined by RCW 42.17A.005. Based
14 on the evidence at trial, this Court finds that Defendant Eyman intentionally concealed and failed
15 to properly report the receipt of \$71,055 in contributions in support of ballot propositions and
16 concealed his expenditures from those funds in violation of RCW 42.17A.235, .240, and .435.

18 **c. Defendant Eyman is a "continuing political committee"**

19 2.57 Based on the payments found to be "contributions" in support of ballot
20 propositions as defined by RCW 42.17A.005 as a discovery sanction in this Court's
21 September 13, 2019, order, this Court found on partial summary judgment that Defendant
22 Eyman is a "continuing political committee," as that term is defined by RCW 42.17A.005.

24 2.58 Defendant Eyman's solicitation and receipt of additional contributions in support
25 of his work on ballot propositions, as evidenced at trial, overwhelmingly demonstrate an
26 expectation of receipt of contributions by Defendant Eyman in support of ballot propositions.

1 Regardless of the findings in this Court's order on non-monetary sanctions, this Court also finds
2 as a matter of fact, based on the evidence at trial, that Defendant Eyman is a "continuing political
3 committee," as that term is defined by RCW 42.17A.005.

4 2.59 Although Defendant Eyman accepted PDC staff's instructions in 2002 that
5 payments to support his initiative campaign work are reportable political committee
6 contributions, he intentionally failed to disclose these payments as contributions to any of his
7 initiative committees, or to Help Us Help Taxpayers, the committee that Defendant Eyman
8 established and registered to disclose compensation to himself and his fellow initiative
9 committee officers.
10

11 **4. Defendant Eyman misappropriated a refund to his committee for personal**
12 **use**

13 2.60 Defendant Eyman testified that mailing service company Databar, Inc. owed a
14 \$23,008.93 refund to Voters Want More Choices ("VWMC") in 2017. Rather than directing the
15 refund of that amount from the vendor to his political committee, he testified that he asked for
16 the funds to be paid directly to his own company, Defendant Watchdog. He then transferred the
17 money out of Watchdog's account and into his own account. The expenditure of these funds to
18 Defendant Eyman was not reported to the PDC as required. Defendant Eyman admitted at trial
19 that he made personal use of these funds that belonged to his political committee. Based on the
20 evidence at trial, this Court finds that Defendant Eyman failed to report and intentionally
21 concealed the receipt of \$23,008.93 in contributions in support of ballot propositions and
22 concealed his expenditures from those funds, in violation of RCW 42.17A.235, .240, and .435.
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1 **5. Reporting violations**

2 2.61 This Court previously found on partial summary judgment that Defendant Eyman
3 failed to register as a political committee. Despite that ruling, he has intentionally failed to
4 register as a political committee as of the first day of trial, November 16, 2020. As of the first
5 day of trial, November 16, 2020, Defendant Eyman's registration as a political committee is
6 2,975 days late.

7
8 2.62 This Court also found on partial summary judgment that Defendant Eyman, as a
9 political committee, failed to report \$766,447 in contributions he received, which were found to
10 have been in support of ballot propositions by order of this Court dated September 13, 2019, in
11 violation of the Fair Campaign Practices Act.

12 2.63 In addition to the amount previously found as a discovery sanction, this Court
13 hereby finds, based on the evidence at trial, Defendant Eyman intentionally failed to report
14 \$71,055 in additional contributions he received in support of ballot propositions, in violation of
15 the Fair Campaign Practices Act.

16 2.64 This Court finds as a matter of fact that Defendant Eyman received reportable
17 contributions in support of ballot propositions in 58 separate months, constituting the amounts
18 described in the preceding two paragraphs. Defendant Eyman was required to file monthly C-3
19 and C-4 reports for contributions he personally received. He has intentionally failed to file 124
20 reports. As of the first day of trial, November 16, 2020, Defendant Eyman's combined unfiled
21 reports were a combined 212,491 days late.

22 2.65 The expectation of receiving and the receipt of these funds establishes as a matter
23 of fact that Defendant Eyman is a Continuing Political Committee, which has failed to register
24 in compliance with the FCPA. This Court further finds as a matter of fact, based on the evidence
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26

1 at trial, that Defendant Eyman had received or has had an expectation of receiving contributions
2 in support of ballot propositions since September 10, 2012, at the latest and intentionally failed
3 to register as required.

4 III. CONCLUSIONS OF LAW

5
6 3.1 As an officer of VWMC, the proponent of I-1185, Defendant Eyman violated the
7 FCPA twice by having the committee make two separate payments to Citizen Solutions, LLC
8 and reporting that the purpose of the payments was to pay for signature gathering, when in fact
9 they were to compensate Defendant Eyman. Each instance constituted concealment, and each
10 violation carries a maximum penalty of \$10,000, for a total of **\$20,000**. RCW 42.17A.750(1)(c).

11 3.2 Defendant Eyman accepted a payment from Citizen Solutions, LLC totaling
12 \$308,185.50. That payment was comprised of political contributions paid to Citizen Solutions,
13 LLC, and were given to Defendant Eyman for his personal use. Defendant Eyman failed to
14 report and actively concealed the true purpose of the payment, which was his personal use of
15 those funds, in violation of RCW 42.17A.235, .240, .435, and .445. The law permits a penalty
16 equal to that amount under RCW 42.17A.750(1)(g), for a total of **\$308,185.50**, in addition to the
17 penalties above.
18

19 3.3 On four occasions, Defendant Eyman made concealed contributions to the I-517
20 campaign by making those payments to Citizens in Charge with the intent that they be spent on
21 I-517 signature gathering without revealing the source of the funds. Each of those instances
22 constituted concealment, which is a violation of the FCPA, and each violation carries a
23 maximum penalty of \$10,000, for a total of **\$40,000**, in addition to the penalties above.
24 RCW 42.17A.750(1)(c).
25
26

1 3.4 The four contributions to the I-517 campaign made by Defendant Eyman were
2 concealed in violation of RCW 42.17A.235, .240, and .435. The amount of those contributions
3 actually expended on the I-517 campaign, which was not reported as required and was actively
4 concealed, totaled \$182,806. The law permits a possible penalty equal to that amount under
5 RCW 42.17A.750(1)(g), for a total of **\$182,806**, in addition to the penalties above.
6

7 3.5 Defendant Eyman received \$103,000 in loan repayments from Citizens in
8 Charge, which were given to Citizens in Charge Foundation as contributions to the I-517
9 campaign and then transferred to Citizens in Charge before being paid to Defendant Eyman. The
10 sources of the contributions that funded the \$103,000 in payments were not reported as required
11 and were actively concealed in violation of RCW 42.17A.235, .240, and .435. The law permits
12 a possible penalty equal to that amount under RCW 42.17A.750(1)(g), for a total of **\$103,000**,
13 in addition to the penalties above.
14

15 3.6 Defendant Eyman is a continuing political committee, as that term is defined
16 under RCW 42.17A.005. The law permits a maximum penalty for his failure to register as a
17 political committee of **\$10,000** in addition to the penalties above. RCW 42.17A.750(1)(c).

18 3.7 As of the first day of trial, November 16, 2020, Defendant Eyman's registration
19 as a political committee is 2,975 days late. The law permits a penalty of \$10 per day his
20 registration is late, for a total possible penalty of **\$29,750** in addition to the penalties above.
21 RCW 42.17A.750(1)(e).

22 3.8 Defendant Eyman received reportable contributions in support of ballot
23 propositions in 58 months. For each month Defendant Eyman concealed contributions to himself
24 in support of ballot propositions the law permits a maximum penalty of \$10,000, for a total
25 penalty of **\$580,000**, in addition to the penalties above. RCW 42.17A.750(1)(c).
26

1 3.9 The concealed contributions received by Defendant Eyman and expended for his
2 personal use totaled \$837,502, which includes the \$766,447 this court previously found as a
3 discovery sanction and an additional \$71,055 this court found as a matter of fact at trial. All of
4 these funds were received to further his work on and in support of ballot propositions. The
5 amounts and sources of these contributions were not reported as required and were actively
6 concealed in violation of RCW 42.17A.235, .240, and .435. The law permits a penalty equal to
7 the amount concealed under RCW 42.17A.750(1)(g), for a total possible penalty of **\$837,502** in
8 addition to the penalties above.

10 3.10 Defendant Eyman misappropriated \$23,008.93 from his own committee VWMC
11 in the form of a refund a campaign vendor, Databar, Inc., owed to VWMC, which was paid to
12 Defendant Eyman instead of VWMC. That refund was for funds paid to Databar, Inc. by VWMC
13 out of political contributions. Instead of returning those funds to VWMC, they were paid to
14 Defendant Eyman for his personal use. Defendant Eyman failed to report these funds as required
15 and actively concealed his personal use of them in violation of RCW 42.17A.235, .240, .435,
16 and .445. The law permits a penalty equal to that amount under RCW 42.17A.750(1)(g), for a
17 total of **\$23,008.93**, in addition to the penalties above.

19 3.11 Defendant Eyman was required to file monthly C-3 and C-4 reports for
20 contributions he personally received. He failed to file 124 reports. For each of these unfiled
21 reports the law permits a maximum penalty of \$10,000, for a total possible penalty of
22 **\$1,240,000**, in addition to the penalties above.

24 3.12 As of the first day of trial, November 16, 2020, Defendant Eyman's combined
25 unfiled reports were a combined 212,491 days late. The law permits a penalty of \$10 per day
26

1 his reports were late, for a total possible penalty of **\$2,124,910** in addition to the penalties above.

2 RCW 42.17A.750(1)(e).

3 3.13 The total potential base penalty in this matter, as listed above, is at least
4 **\$5,754,987.43**.

5 3.14 The Court finds that Defendant Eyman has a long history of violating the FCPA,
6 including two prior judgments against him for violations of the Act.

7 3.15 Though it is not an exhaustive list of Defendant Eyman's violations of the FCPA,
8 relevant to the penalties assessed below, the Court finds that on the numerous occasions listed
9 above Defendant Eyman violated the FCPA by: failing to report and concealing his personal use
10 of \$308,185.50 in political contributions that were redirected to him from Defendant Citizen
11 Solutions; failing to report and concealing his personal use of \$837,502 in contributions to
12 support ballot propositions, which were paid to him directly; failing to report the receipt of and
13 concealing his personal use of \$23,008.93 in political contributions that were paid to Databar,
14 Inc. by his political committee and refunded to him personally; failing to report and concealing
15 the true source of \$182,806.38 in contributions to the I-517 campaign, which was himself; failing
16 to file a statement of organization as a political committee; and failing to file 124 required
17 contribution and expenditure reports to the PDC, which were required by the FCPA.

18 3.16 The Court finds that Defendant Eyman's violations of the FCPA are numerous
19 and particularly egregious.

20 3.17 In determining the penalties in this matter, the Court has considered the nature of
21 the violations and the relevant circumstances, and the factors listed in RCW 42.17A.750(1)(d),
22 including, but not limited to, the factors listed below. Each factor relevant to this matter weighed
23 in favor of assessment of the maximum per violation penalty.
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26

- 1 a. The Court finds Defendant Eyman’s violations here are part of a pattern of violations,
2 which resulted from a knowing and intentional effort to conceal, deceive, and
3 mislead, and from collusive behavior as recognized by RCW 42.17A.750(1)(d)(i).
4
- 5 b. The Court finds Defendant Eyman’s violations here “had a significant and material
6 impact on the public” pursuant to RCW 42.17A.750(1)(d)(ii). By way of example,
7 the public continued to contribute to the I-1185 campaign believing it was necessary
8 to obtain enough signatures to qualify the initiative when in fact the signatures were
9 already gathered and paid for, and the money was being collected to pay a kickback
10 to Defendant Eyman. Donors may not have contributed funds if they had known they
11 would be funneled to Defendant Eyman for personal use.
12
- 13 c. The Court finds Defendant Eyman’s violations here were despite his “[e]xperience
14 with campaign finance law and procedures,” pursuant to RCW 42.17A.750(1)(d)(iii).
15 Defendant Eyman’s had substantial experience with campaign finance law and
16 procedure. Supporting initiative campaigns has been his primary occupation for
17 more than 20 years. Additionally he has had consistent contact with the PDC, has
18 ignored specific PDC instructions on proper reporting, and has had two previous
19 judgments entered against him for violations of the FCPA. Further his methods of
20 concealment show an understanding of campaign finance law as his methods were
21 designed specifically to subvert campaign finance laws.
22
- 23 d. The Court finds Defendant Eyman’s benefited economically from the
24 noncompliance, as recognized by RCW 42.17A.750(1)(d)(vi), pocketing more than
25 \$1.2 million dollars in concealed contributions for personal use.
26

1 e. The Court finds Defendant Eyman failed to cooperate with commission staff during
2 enforcement action, and in fact obstructed commission staff through deceit and
3 withholding of evidence in the investigation. The Court also finds that Defendant
4 Eyman consistently obstructed this litigation of this matter throughout. Further,
5 Defendant Eyman failed to acknowledge and take responsibility for his violations, as
6 recognized by RCW 42.17A.750(1)(d)(xii), and in fact continued to flout campaign
7 finance laws even after this Court found him in violation of the FCPA.
8

9 3.18 Based on the foregoing, the Court finds that this matter warrants the maximum
10 penalty against Defendant Eyman for each of the violations described above, though the
11 maximum penalty is not assessed here.

12 3.19 In the history of Fair Campaign Practices Act enforcement, it would be difficult
13 for the Court to conceive of a case with misconduct that is more egregious or more extensive
14 than the misconduct committed by Defendant Eyman in this matter. As a result of Defendant
15 Eyman's numerous and blatant violations of the FCPA, the Court hereby assesses a penalty of
16 \$2,601,502.81 against Defendant Eyman individually, as referenced in Conclusion of Law 3.15
17 above.
18

19 3.20 The Court recognizes that additional penalties could be assessed, as described
20 above. This Court has considered these additional penalties and has intentionally not included
21 these additional penalties, though they are warranted here as described above. Because there
22 have been so many violations the maximum penalty allowed by law could reach a number that
23 is so large that it is excessive even under the most egregious of cases, which this case is, so the
24 penalty amount has been reduced to the number indicated above, which appropriately accounts
25 for Defendant Eyman's particularly egregious behavior.
26

1 3.21 Defendant Eyman's violations found above are hereby found to have been
2 intentional. The Court finds that each of the wrongful actions of Defendant Eyman described in
3 Paragraphs 1-13 of this section were committed with his knowledge that he was violating the
4 FCPA and with the specific intent to violate the FCPA.
5

6 3.22 The wrongful conduct in this case is particularly extensive and egregious.
7 Nonetheless, this Court exercises its discretion and declines to treble damages pursuant to RCW
8 42.17A.780.

9 3.23 Defendant Tim Eyman, Watchdog for Taxpayers LLC accepted the \$308,185.50
10 kickback from the Citizen Solutions Defendants on behalf of Defendant Eyman. It did so to
11 knowingly facilitate Defendant Eyman's concealed personal use of the funds in violation of
12 RCW 42.17A.435. Based on the foregoing, the Court finds that this matter warrants the
13 maximum penalty per violation against Tim Eyman, Watchdog for Taxpayers LLC. The Court
14 hereby assesses a penalty of \$10,000 against Defendant Tim Eyman, Watchdog for Taxpayers
15 LLC for concealment of the payment made up of contributions in support of a ballot proposition,
16 for a total base penalty of **\$10,000**. The Court recognizes that additional penalties based on the
17 amount concealed could be assessed, and the Court has intentionally not added these penalties
18 because the maximum per violation penalty is sufficient against Defendant Tim Eyman,
19 Watchdog for Taxpayers LLC.
20
21

22 3.24 Pursuant to RCW 42.17A.780, the State is entitled to the costs of the investigation
23 and the litigation of this matter, including reasonable attorneys' fees and other costs in an amount
24 to be determined by motion before the entry of judgment in this matter. Those amounts are
25 hereby awarded to the State against Defendant Eyman personally.
26

1 directing financial transactions of any kind for any Committee, as that term is defined by
2 RCW 42.17A.005, in the future. Without limiting the scope of this injunction, Defendant Eyman
3 shall at least comply with the following:
4

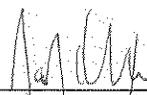
- 5 1. Defendant Eyman shall not be named in a statement of organization filed with the
6 PDC as a treasurer or deputy treasurer for any political committee and shall not act
7 in such capacity even if not named.
- 8 2. Defendant Eyman shall not have any authority or responsibility for approving
9 disclosure statements for any political committee.
- 10 3. Defendant Eyman shall not be named in a statement of organization filed with the
11 PDC as a person who may authorize expenditures on behalf of any political
12 committee and shall not act in such capacity even if not named.
- 13 4. Defendant Eyman or any entity he controls shall not be listed as an account holder on
14 any banking or other account that holds political committee funds; nor shall he or any
15 entity he controls otherwise have access to such accounts, directly or indirectly.
- 16 5. Defendant Eyman or any entity he controls shall not accept or take possession in any
17 manner any contributions of any kind intended to support a political committee
18 (*e.g.*, Defendant Eyman cannot personally take possession of a check from a donor
19 to be delivered to a political committee or intended to be an in-kind contribution).
- 20 6. Defendant Eyman shall not have the authority to bind any political committee, as a
21 speaking agent or otherwise, with respect to expenditures to be made by the political
22 committee. Further, he shall not lead any person or entity to believe that he has such
23 authority.
- 24 7. Excepting payments from his personal funds made as in-kind contributions,
25 Defendant Eyman shall not have any financial decision making authority for any
26 political committee. He shall not negotiate the amounts of any expenditures with
outside vendors or others for any political committee.
8. Defendant Eyman shall not approve or participate in the decision making for the
approval of a transfer of funds from one political committee to another or from a
political committee to himself or any other person or organization.
9. Defendant Eyman shall not directly solicit contributions for himself or his family to
support his political work without establishing a political committee, which must
properly report the contributions to the PDC in compliance with FCPA. Any
contributions must be made directly to the political committee, not directly to
Defendant Eyman. Any contributions made to the political committee, whether or
not intended to compensate Defendant Eyman, must be reported to the PDC as a
political contribution, and, if disbursed to Defendant Eyman, disbursed by the
political committee and reported as a political expenditure. The decision to make the
expenditure must be made independent of Defendant Eyman by the committee and
approved by the Committee's treasurer, who must not be purely ministerial, and who
must be someone other than Defendant Eyman.
10. If Defendant Eyman loans money to a political committee, the terms of the loan must
be in writing signed by Defendant Eyman and an authorized member of the political

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committee, who cannot be Defendant Eyman. Said writing must be signed before any funds are transferred. The terms of the loan must be negotiated with the political committee, and Defendant Eyman cannot be involved on behalf of the political committee in the approval of the loan, its terms, or its repayment.

11. Defendant Eyman shall not direct or solicit payments from contributors directly to campaign vendors. Any contributions solicited by Defendant Eyman must be made directly to a political committee, and the political committee can then distribute the money to campaign vendors as it chooses so long as it is in accordance with this injunction.

DONE this 10 day of February 2021.



THE HONORABLE JAMES J. DIXON