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**STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT**

8 STATE OF WASHINGTON,

9 Plaintiff,

10 v.

11 JARED KARSTETTER,

12 Defendant.

NO.

COMPLAINT FOR CIVIL
PENALTIES AND FOR INJUNCTIVE
RELIEF FOR VIOLATIONS OF
RCW 42.17A

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15 **I. NATURE OF ACTION**

16 The State of Washington (State) brings this action to enforce the state's campaign
17 finance disclosure law, RCW 42.17A. The State alleges that Defendant JARED
18 KARSTETTER, an attorney licensed to practice law in the State of Washington, violated
19 provisions of RCW 42.17A by concealing the true source of no less than \$16,170 in campaign
20 contributions he made in his own name, when the contributions were paid for by his former
21 clients, the King County Corrections Guild and Court Protection Guild. The State seeks relief
22 under RCW 42.17A.750 and .765, including penalties, costs and fees, and injunctive relief.

23 **II. PARTIES**

24 1.1 Plaintiff is the State of Washington. Acting through the Washington State
25 Public Disclosure Commission, Attorney General, or a local prosecuting attorney, the State
26 enforces the state campaign finance disclosure laws contained in RCW 42.17A.

1 Commission as form C-3, pursuant to WAC 390-16-031. The C-3 form reflects the names,
2 addresses, employers, amounts, and receipt dates of contributions as reported by contributors
3 to political campaigns.

4 3.4 Candidates and political committees file reports of contributions received with
5 the state Public Disclosure Commission, which in turn makes these reports available to the
6 public on its website at www.pdc.wa.gov.

7 3.5 Karstetter is licensed to practice law in Washington. During the time period
8 relevant to these allegations, Karstetter served as legal counsel for the Corrections Guild and
9 the Court Protection Guild.

10 3.6 From 2012 through 2015 while representing the Corrections Guild, Karstetter
11 made campaign contributions to certain candidates for office and to one political committee.
12 These contributions were reported by the candidate and political committees as if they came
13 from Karstetter or his wife, Julie Karstetter. Karstetter's donations to the committees were
14 funded by the Corrections Guild through either prepayments he obtained from the Corrections
15 Guild or reimbursements Karstetter sought from the Corrections Guild once he had made the
16 contributions.

17 3.7 To make the contributions identified above, Karstetter would present his
18 personal credit card, and the recipient would record the contribution as coming from Karstetter
19 or his wife, Julie Karstetter. As a result of Karstetter's contribution practice, the contribution
20 receipt forms (C-3) filed by the committees misidentified the true source of the contributions.
21 The reports showed that Karstetter or his wife, Julie Karstetter personally contributed to the
22 committees when the funds were actually those of the Corrections Guild. This occurred on no
23 less than 25 occasions from 2012 to 2015.

24 3.8 The Corrections Guild treasurer at all times material to this Complaint, Michael
25 Music, issued the prepayments and reimbursement payments to Karstetter by check upon the
26 request of Karstetter. The prepayment or reimbursement checks, or stubs retained by the

1 Corrections Guild, often specified that the payments were to fund specific campaign
2 contributions that Karstetter had made in his own name.

3 3.9 The total amount of contributions reported as a contribution by Mr. Karstetter or
4 his wife, Julie Karstetter—which was funded by the Corrections Guild—is at least \$12,650. A
5 few examples of such contributions are as follows:

- 6 a. On June 29, 2012, Karstetter used his personal credit card to make two
7 contributions of \$625.00 each to the campaign of Pete von Reichbauer for King
8 County Council. He identified the source of the contributions as himself. Karstetter
9 failed to notify the committee that the true source of the funds was the Corrections
10 Guild. The Corrections Guild reimbursed Karstetter for the contributions.
- 11 b. On October 9, 2012, Karstetter used his personal credit card to make a contribution
12 of \$250.00 to the campaign of Steven Strachan for King County Sheriff. He
13 identified the source of the contribution as himself. Karstetter failed to notify the
14 committee that the true source of the funds was the Corrections Guild. The
15 Corrections Guild reimbursed Karstetter for the contribution.
- 16 c. On December 12, 2012, Karstetter used his personal credit card to make a
17 contribution of \$900.00 to the campaign of Rod Dembowski for King County
18 Council. Karstetter identified the source of the contribution as himself. Karstetter
19 failed to notify the committee that the true source of the funds was the Corrections
20 Guild. The Corrections Guild reimbursed Karstetter for the contribution.
- 21 d. On April 15, 2013, Karstetter used his personal credit card to make four
22 contributions totaling \$1,800.00 to the campaign of Pete von Reichbauer for King
23 County Council. Defendant's wife, Julie Karstetter, was present at the fundraising
24 event where the contributions were made. Karstetter identified the source of the
25 contribution as himself and his wife. Karstetter failed to notify the committee that
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1 the true source of the funds was the Corrections Guild. The Corrections Guild
2 reimbursed Karstetter for the contributions.

- 3 e. Then on August 22, 2014, Karstetter continued the practice by using his personal
4 credit card to make a contribution of \$100.00 to the campaign of Robert Trenary for
5 Snohomish County Sheriff. Karstetter identified the source of the contribution as
6 himself. Karstetter failed to notify the committee that the true source of the funds
7 was the Corrections Guild. The Corrections Guild reimbursed Karstetter for the
8 contribution.

9 3.10 A public affairs consultant and lobbyist employed by the Corrections Guild
10 learned of Karstetter's contribution practice. When he did, he advised Karstetter and the
11 Corrections Guild Board president that Karstetter could not obtain reimbursement from the
12 Corrections Guild for campaign contributions made in Karstetter's own name. Despite that
13 warning, Karstetter continued making contributions in his name and seeking reimbursement
14 from the Corrections Guild.

15 3.11 During the relevant time period, Karstetter also represented the Court Protection
16 Guild. While its counsel, Karstetter admits making campaign contributions which were
17 reported as coming from Karstetter but for which he obtained reimbursement from the Court
18 Protection Guild. These contributions are valued at no less than \$3,515.00. The following are
19 examples of these contributions:

- 20 a. On September 25, 2013, Karstetter used his personal credit card to make a
21 contribution of \$400.00 to the campaign of Reagan Dunn for King County Council.
22 Karstetter identified the source of the contribution as himself. Karstetter failed to
23 notify the committee that the true source of the funds was the Court Protection
24 Guild. In fact, the contribution was made with funds of the Court Protection Guild
25 provided to Karstetter for the purpose of funding the contributions on the Court
26 Protection Guild's behalf.

1 b. On June 19, 2014, Karstetter used his personal credit card to make a contribution of
2 \$250.00 to the campaign of Roger Goodman for the State House of Representatives
3 (45th Legislative District). Karstetter identified the source of the contribution as
4 himself. Karstetter failed to notify the committee that the true source of the funds
5 was the Court Protection Guild. In fact, the contribution was made with funds of the
6 Court Protection Guild provided to Karstetter for the purpose of funding the
7 contributions on the Court Protection Guild's behalf.

8 c. On June 30, 2014, Karstetter used his personal credit card to make a contribution of
9 \$500.00 to the campaign of Joseph Fain for the State Senate (47th Legislative
10 District). Karstetter identified the source of the contribution as himself. Karstetter
11 failed to notify the committee that the true source of the funds was the Court
12 Protection Guild. In fact, the contribution was made with funds of the Court
13 Protection Guild provided to Karstetter for the purpose of funding the contributions
14 on the Court Protection Guild's behalf.

15 3.13 As a result of Karstetter's actions as alleged above, candidates unknowingly
16 received over-limit contributions from the Corrections Guild. Additionally, the Corrections
17 Guild made over-limit contributions to candidates because it also made contributions in its own
18 name to certain candidates, in particular, Pete von Reichbauer, Steve Strachan, and Pat
19 Sullivan.

20 V. CLAIMS

21 Plaintiff re-alleges and incorporates by reference all the factual allegations contained in
22 the preceding paragraphs, and based on those allegations, makes the following claims:

23 4.1 First Claim: Plaintiff reasserts the factual allegations made above and further
24 asserts that Defendant, in violation of RCW 42.17A.435, acted to conceal the true source of
25 campaign contributions to various candidate campaigns by misrepresenting that he made such
26 donations himself when in fact the contributions were funded by third parties.

