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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON, *ex rel.*
WASHINGTON STATE PUBLIC
DISCLOSURE COMMISSION,

Plaintiff,

v.

WASHINGTON STATE
REPUBLICAN PARTY,

Defendant.

NO.

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

The Plaintiff, for causes of action against the Defendant, alleges as follows:

I. PARTIES

1.1 Plaintiff is the State of Washington, standing in relation to the Washington State Public Disclosure Commission. The Washington State Public Disclosure Commission (“Commission”) was established by RCW 42.17.350 and is charged by RCW 42.17.360 - .370 with, among other responsibilities, enforcing the state public disclosure laws contained in RCW 42.17. The Commission’s office is located in Olympia, Washington.

1.2 The Washington State Republican Party (“WSRP”) is a bona fide political party as defined by RCW 42.17.020(6) and operates as the statewide Republican party in Washington State. It is registered as a continuing political committee with the Commission pursuant to RCW 42.17.040.

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II. JURISDICTION AND VENUE

2.1 This Court has subject matter jurisdiction over the WSRP, pursuant to RCW 42.17, and the Attorney General has authority to bring this action pursuant to RCW 42.17.400, RCW 42.17.395(3) and RCW 42.17.360(5).

2.2 The WSRP carried out the violations alleged below, in whole or in part, in King County.

2.3 Venue is proper in this Court pursuant to RCW 4.12.

III. FACTUAL ALLEGATIONS

3.1 The WSRP maintains two accounts subject to state statute from which it funds its state and local level operations and electoral activities, namely, an exempt account and a non-exempt account. These accounts were set up to conform to the requirements of RCW 42.17 and WAC 390-17-065. The WSRP receives separate contributions for its “exempt” and “non-exempt” accounts.

3.2 Contributions to the WSRP non-exempt account are subject to contribution limits specified in RCW 42.17.640 and may be used for any purpose including the promotion of or political advertising for clearly identified candidates.

3.3 Contributions to the WSRP exempt account are not subject to the contribution limits specified in RCW 42.17.640. However, RCW 42.17.640(15) explicitly details the purposes for which these contributions may be used: (1) voter registration, (2) absentee ballot information, (3) precinct caucuses, (4) get-out-the-vote campaigns, (5) precinct judges or inspectors, (6) sample ballots, (7) ballot counting, (8) internal organization or (9) fund raising. The first seven activities must be either without the promotion of or political advertising for individual candidates and the last two activities must be without direct association with individual candidates.

3.4 Between July 21, 2008, and the Washington State election primary on

1 August 19, 2008, the WSRP made three mailings which it funded with contributions
2 previously deposited into its exempt account. Each mailing constituted the promotion of or
3 political advertising for its 2008 gubernatorial candidate.

4 3.5 On July 28, 2008, the WSRP filed with the Commission a 21 day pre-primary
5 report which is a campaign summary of its receipts and expenditures (Form C-4) for its exempt
6 account. In the Schedule A to that report, the WSRP reported an expenditure dated July 18,
7 2008, to a company called On Target in the amount of \$25,000. It characterized this
8 expenditure as "microtargeting." The WSRP later amended this C-4 and Schedule A form
9 identifying this expenditure as actually made on July 21, 2008, and attributing the expense to
10 "consulting fee."

11 3.6 On August 12, 2008, the WSRP filed with the Commission its 7 day pre-
12 primary report which summarized its receipts and expenditures (Form C-4) for its exempt
13 account. In the Schedule A to that report, the WSRP reported two expenditures to On Target
14 in the amount of \$62,655.55 each. These expenditures were dated July 31, 2008, and
15 August 6, 2008, and were characteratized as "membership communications."

16 3.7 On September 10, 2008, the WSRP filed with the Commission its post-primary
17 report of which summarized its receipts and expenditures (Form C-4) for its exempt account.
18 In the Schedule A to that report, the WSRP reported one expenditure to On Target in the
19 amount of \$62,655.55. This expenditure was dated August 18, 2008, and was characterized as
20 "membership communications."

21 3.8 The WSRP made the four expenditures to On Target totaling \$212,966.65 from
22 its exempt account to pay for the three mailings referenced in paragraph 3.4 above and 3.9
23 below.

24 3.9 Each of the three mailings that the WSRP made with the exempt funds were
25 1) four pages long, 2) critical of the gubernatorial record of Governor Christine Gregoire on the
26

1 first three pages, and 3) on the fourth page had a picture of and quote from gubernatorial
2 candidate Dino Rossi with the instruction to "Vote for Dino Rossi and our entire State
3 Republican Team in the August 19 primary." Each mailer focused on a separate topic; one on
4 taxes, one on crime and sex offenders, and one on government spending. A copy of each
5 mailing is attached to this complaint at A, B, and C.

6 3.10 The mailings do not fit any of the statutorily-identified activities or purposes for
7 which exempt account funds may be used and thus are impermissible uses as defined by state
8 statute and regulations.

9 3.11 To date, the WSRP has claimed that its expenditures to On Target from its
10 exempt account did not violate the law. By letter dated October 2, 2008, a copy of which is
11 attached at D, the WSRP has stated that it "will not be making membership communications
12 that are similar in kind to those that are the subject of the pending dispute with exempt funds
13 for the balance of the election cycle."

14 IV. CLAIMS

15 Based on the foregoing allegations, Plaintiff makes the following claims:

16 4.1 First Claim - Plaintiff reasserts the allegations made above and further asserts
17 that Defendant violated RCW 42.17.640, WAC 390-17-060, and WAC 390-17-065, when it
18 used its exempt account funds for purposes not authorized under RCW 42.17.640(15).

19 4.2 Second Claim - Plaintiff reasserts the allegations made above and further asserts
20 that the actions of the Defendant stated in the above claims were negligent and/or intentional.

21 V. REQUEST FOR RELIEF

22 WHEREFORE, the Plaintiff requests the following relief as provided by statute:

23 5.1 For such remedies as the court may deem appropriate under RCW 42.17.390,
24 including but not limited to imposition of a civil penalty, all to be determined at trial;
25
26

1 5.2 For all costs of investigation and trial, including reasonable attorneys' fees, as
2 authorized by RCW 42.17.400(5);

3 5.3 For any temporary and permanent injunctive relief that may be necessary, as
4 authorized by RCW 42.17.390(6); and

5 5.4 For such other relief that the Court deems appropriate.

6 DATED this 3rd day of October, 2008.

7
8 ROBERT M. McKENNA
 Attorney General

9
10 
 LINDA A. DALTON, WSBA No. 15467
 Senior Assistant Attorney General

11
12 
 GORDON P. KARG, WSBA No. 37178
 Assistant Attorney General
 Attorneys for Plaintiff

Attachment A

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The Gregoire To-Do List

- Increase taxes by \$500 million
- Raise gas tax 9.5 cents with no real benefits
- Reinstate the death tax
- Increase state spending by 33%
- Turn a record surplus into a \$2.7 billion deficit
- Implement state income tax

Despite raising taxes by nearly led Washington from a record

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Gregoire's Record on Taxes

When she ran for Governor in 2004, Christine Gregoire promised she wouldn't raise taxes. But in her very first session in Olympia, Gregoire raised taxes by half a billion dollars, not including a 9.5-cent gas tax hike. In less than 4 years, Gregoire's record on taxes is a sad reminder of why we need change in Olympia:

- X Increased taxes nearly \$500 million
- X 9.5-cents per gallon gas tax increase, but no congestion relief
- X Reinstated the death tax
- X Turned a record surplus into a \$2.7 billion deficit

Worse yet, Gregoire already has plans to raise our taxes again! **Gregoire supports a state income tax**². Washington families and small businesses can't afford four more years of Christine Gregoire.

Paid for and authorized by the Washington State Republican Party
2840 Northup Way, Suite 140 | Bellevue, WA 98004

EXHIBIT #3

2 of 4

Gov. Gregoire has surplus to a \$2.7 billion deficit

VED

Even While She Raised Our Taxes...

AUG 18 2008

Public Disclosure
Commission

Christine Gregoire Turned a Record Surplus into a Deficit

Even after raising our taxes nearly \$500 million, Gov. Gregoire's fiscal mismanagement has turned a record surplus into a deep deficit.

Gregoire inherited a strong, growing economy and by March of 2007, state coffers were bursting with a \$2 billion surplus. But after three years of reckless, unrestrained spending, our state is on the verge of financial crisis.

According to the Senate Ways and Means Committee, Washington faces a \$2.7 billion deficit in the coming year.



How did we get in this mess? Christine Gregoire. Since taking office, Christine Gregoire has increased state spending by 33%. That adds up to \$5.7 million every day in new spending.

When our families face tough economic times, they roll up their sleeves and make the tough choices to make ends meet. Not Christine Gregoire. She simply goes to the people for more tax revenue. And when even that's not enough to fund her spending spree, she pushes our state deeper and deeper into debt.

Washington can't afford four more years of Christine Gregoire.

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"I understand just how much higher taxes impact our families and our small businesses. I've balanced a checkbook, made payroll, and run a small business. As Governor I will take my background in the private sector to balance the budget without raising taxes on Washington's hardworking families."

--Dino Rossi

**Vote for Dino Rossi and our entire State
Republican Team in the August 19 Primary**



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Suite 140
Bellevue, WA 98004

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P-6 P18

EXHIBIT #3

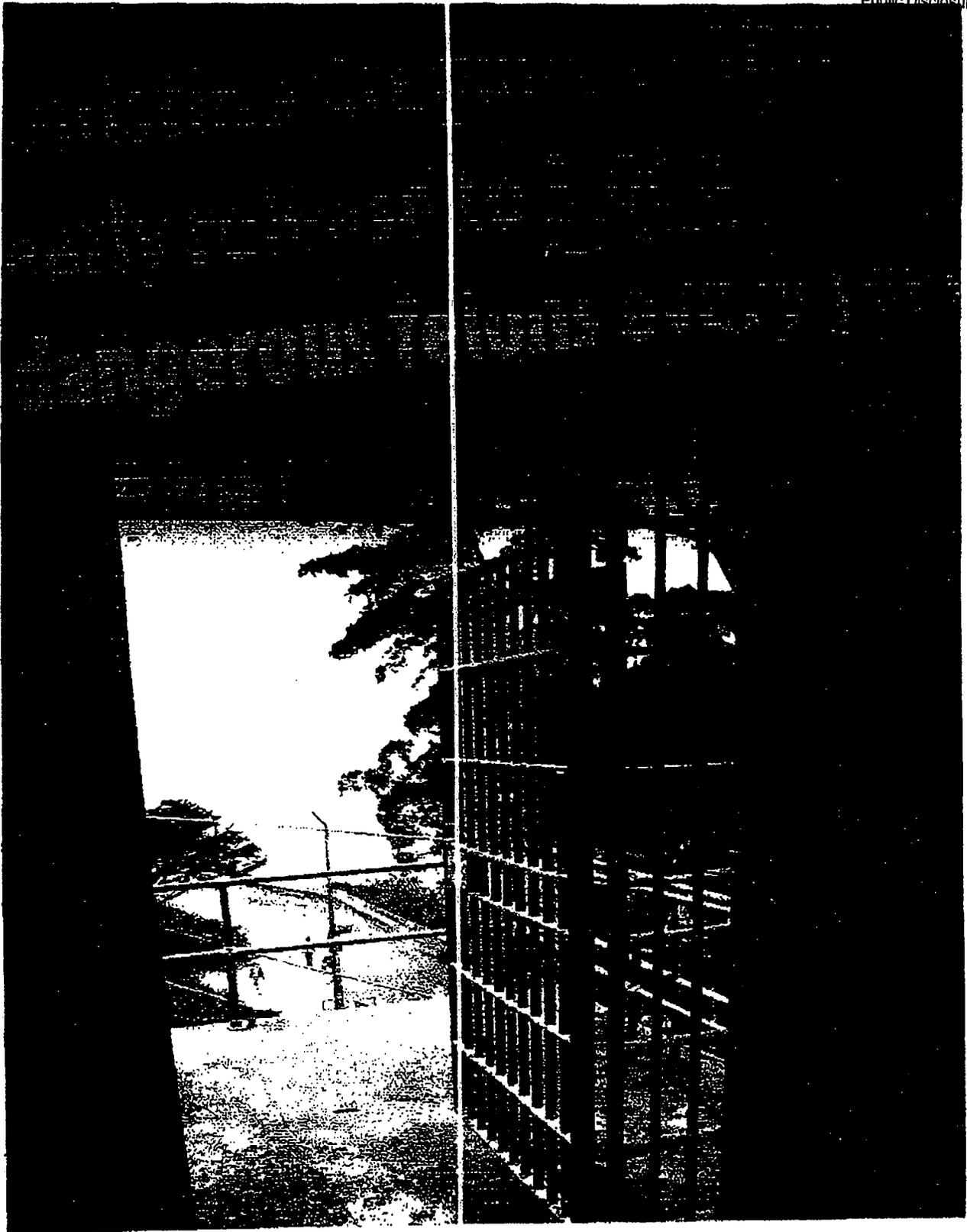
4 of 4

Attachment B

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www.GregoireFailures.com

EXHIBIT #4
1 of 4

Under Christine Gregoire, let out into our neighb



Gov. Gregoire

Seattle Post-Intelligencer State routinely gambles on early release of prisoners

Seattle Post-Intelligencer, March 1, 2007

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Sexual Predators On The Loose

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Commission

Sex offenders are supposed to register their home address with police, ensuring that parents know when a predator has moved into their neighborhood. But in Christine Gregoire's Washington there's a loophole...

Under Christine Gregoire, more than 500 sex offenders at a time have been allowed to register as homeless.³ Now sex predators can anonymously roam through schools, playgrounds and other places our children congregate. Worse yet, parents receive no notice.



Once again, Gov. Gregoire has turned her back on our children and our families.

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Commission

hoods early every year

are

GREGOIRE'S RECORD ON CRIME

By the numbers...

3,000 Dangerous felons released early every year

1,311 Sex offenders whose whereabouts are unknown, at any given time³

564 Sex offenders allowed to register as homeless with the state, at any given time³

82 Felons granted early release on a single day in King County⁴

3 Police officers killed by convicted felons on post-release supervision¹

Sadly, Christine Gregoire cannot keep our children and families safe from dangerous felons and violent sexual offenders. **We need a change in Olympia.**

Seattle Post-Intelligencer, 3/01/2007 2. The Olympian, 7/19/2007 3. USA Today, 11/19/2007 4. Seattle Times, 4/05/200

To learn more visit www.GregoireFailures.com

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*Washington to
be the worst state
in America to
commit a crime
and the best state
in America to
start a business."*

--Dino Rossi

**Vote for Dino Rossi and our entire State
Republican Team in the August 19 Primary**



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4 of 4

Attachment C

Even as Washington families struggle
to make ends meet, in Christine
Gregoire's office...

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It's Raining Money!



www.GregoireFailures.com

EXHIBIT #5

1 of 4

Thanks to Christine Gregoire has gone from a record sur

The Seattle Times How state spending rose \$8 billion under Gregoire

July 20, 2008

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Commission



Christine Gregoire's Record on Spending

Christine Gregoire inherited a strong, growing economy and by March of 2007, state coffers were bursting with a \$2 billion surplus.

After three years of reckless spending, Washington now faces a \$2.7 billion deficit. That's after Gregoire raised taxes nearly \$500 million on the citizens of our state.

Here's a look at Christine Gregoire's spending spree:

- X Gregoire doubled the budget for her own personal staff to \$73 million
- X Authorized sex change operations for convicted felons
- X Earmarked \$1 million for artists' lofts in downtown Seattle

Christine Gregoire isn't finished with her reckless spending spree. Now Gregoire supports enacting a state income tax to fund her out of control spending habits.²

Paid for and authorized by the Washington State Republican Party
2840 Northup Way, Suite 140 | Bellevue, WA 98004
(425) 460-0570 | www.wsrp.org
Not Authorized by any Candidate or candidate committee

EXHIBIT #5
2 of 4

spending spree Washington plus to a

GREGOIRE'S SPENDING SPREE

By the numbers...

- 33%↑** Gregoire's increase in state spending since taking office
- \$480 million** Tax increases signed by Gregoire, not including a 9.5-cent gas tax hike
- \$73 million** Gregoire doubled the budget for her own personal staff in just 3 years
- \$5.7 million** New state spending each day of the Gregoire Administration
- \$417** Portion of the state deficit owed by each Washington citizen thanks to Gregoire

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1. Seattle Times, 7/20/2008. 2. Spokesman Review, 4/28/2007

To learn more visit www.GregoireFailures.com

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3 of 4

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"It's time to return sanity to our state budget. I have the experience and determination to get our state's fiscal health back in order. Together, we'll set priorities, meet the needs of our state, and balance the budget without increasing taxes on our citizens. It's what I did in the State Senate, and it's what I'll do as Governor."

Dino Rossi

Vote for Dino Rossi and the entire Republican Slate in the August 19 Primary



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EXHIBIT #5
4 of 4

[Redacted text]

Attachment D

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A PROFESSIONAL LIMITED LIABILITY COMPANY

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+OF COUNSEL

GORDON A. LIVENGOOD (1921 - 2001)

October 2, 2008

Via electronic mail: LindaD@ATG.WA.GOV

Linda Dalton
Office of the Attorney General
P.O. Box 40100
Olympia, WA 98504-0100

Re: Membership communications

Dear Ms. Dalton:

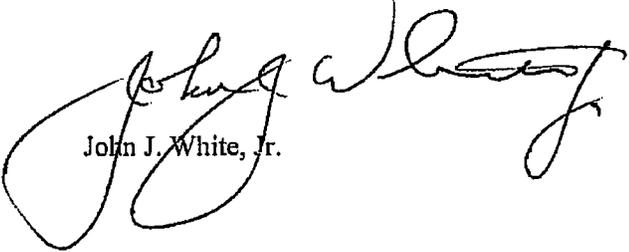
In view of the PDC's determination that the WSRP's communications to its members with exempt funds constituted an apparent violation and an apparent intentional violation of Washington law, the WSRP will not be making membership communications that are similar in kind to those that are the subject of the pending dispute with exempt funds for the balance of the election cycle. The WSRP continues to believe that it acted in accord with Washington law and its rights under the federal and state constitutions.

As we discussed earlier today, the WSRP will likely continue to communicate with its members via electronic mail and such communications may reference candidates for state office, and the WSRP reserves the right to communicate with its members for the remainder of the election cycle using "non-exempt" funds.

Rather than face the prospect of additional penalties, the WSRP will be filing an action in the United States District Court challenging the State's action and seeking a permanent injunction against enforcement of the statute.

Very truly yours,

LIVENGOOD, FITZGERALD
& ALSKOG, PLLC


John J. White, Jr.