



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Campaign Finance Unit
PO Box 40100 • Olympia WA 98504-0100 • (360) 753-6200

February 11, 2019

Via E-mail Only

Earl Bowerman, Chair
Clark County Republican Central Committee
earl@earlbowerman.com

RE: *State of Washington v. Clark County Republican Central Committee*
Thurston County Superior Court No. 17-2-05688-34

Dear Mr. Bowerman:

You requested this Office provide you a summary of the above case against the Clark County Republican Central Committee (CCRCC), the terms of the judgment entered in that case, and the consequences if the CCRCC fails to comply with that judgment.

The case against the CCRCC was filed on October 26, 2017 in Thurston County Superior Court, after the State's investigation revealed that the CCRCC had engaged in a substantial and pervasive pattern of failing timely file reports with the Public Disclosure commission over five years (2012-2017). The State's investigation found that over those five years there were 275 C-3 reports filed late for a total of 10,186 days late and reflecting \$562,573.03 in late-disclosed contributions and there were 72 C-4 reports filed late for a total of 2,640 days late and reflecting \$463,409.54 in late-disclosed expenditures. The violations by the CCRCC were more extensive than any other county committee the State encountered to date.

Under RCW 42.17A.750, a court may assess a civil penalty of \$10,000 per late-filed report and \$10 for each day each report was late. Thus, this maximum civil penalty that could have been assessed against CCRCC was \$3,598,260 (347 late reports x \$10,000 and 12,826 days late x \$10). In addition to the civil penalty, RCW 42.17A.765 (5) permits a court to order reimbursement of the State's reasonable attorneys' fees and costs for bringing this enforcement action.

After the CCRCC failed to answer the State's complaint, the Thurston County judge entered a default order on January 5, 2018. After that, the State engaged in settlement discussions with the Chair of CCRCC. The final agreement was for a stipulated judgment, which included a civil penalty of \$74,735 (half suspended for four years and only be payable if further campaign finance

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reporting violations by the CCRCC occurred) and payment of \$9,364 as attorneys' fees and costs. As a result, the total amount payable under the judgment was \$46,726.50.

In addition, the State agreed to allow the CCRCC to pay the judgment on a quarterly basis. CCRCC agreed to pay the State 50% of CCRCC's net monetary contributions received after June 1, 2018 after accounting for the expenses incurred in collecting those donations. The payments were to start September 1, 2018 and required CCRCC to provide "an accounting of its calculation of the quarterly payment at the same time as the payment is transmitted."

David Gellatly, the former Chair of the CCRCC, signed the agreement (stipulation) for the CCRCC. On June 8, 2018, the Thurston County Superior Court entered a judgment against the CCRCC imposing these agreed upon terms on the CCRCC.

The CCRCC did not comply the Court's judgment by failing to make any payment to the State on September 1, 2018 and December 1, 2018 as required. These payments have since been made and the CCRCC is now current with its obligation under the judgment.

If the CCRCC had remained in non-compliance with the Court's judgment, the State would have been entitled to seek a contempt of court ruling from the same Court that entered that judgment. That could have resulted in more court-imposed monetary and non-monetary sanctions against the CCRCC. In addition, the State would have considered collection proceedings in order to implement the judgment and seeking its attorneys' fees and costs for having been forced to do so.

Let me know if you have any further questions.

Sincerely,



S. TODD SIPE
Assistant Attorney General

cc: Linda A. Dalton, Senior Assistant Attorney General