



State of Washington  
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH  
RCW 42.17A

Mathew Shea and Matthew Shea  
Surplus Funds Account

Respondent.

PDC Cases 43573 & 43628

Report of Investigation

**I.**

**Background, Complaint and Allegations**

- 1.1 Matthew Shea is an incumbent State Representative in the 4th Legislative District, and a candidate for re-election to that office in 2020, since being elected to that office in 2008. He was re-elected State Representative in 2010, 2014, 2016, and 2018.
- 1.2 On November 19, 2018, Aaron Jarvis filed a complaint against Matt Shea (PDC Case #43573) alleging violations of RCW 42.17A.430 by making expenditures from the Matt Shea Surplus Funds account for unauthorized uses or purposes. In the complaint, Mr. Jarvis cited WAC 390-24-032 concerning the definition of a non-reimbursed public office related expense which is defined as "an expenditure incurred by an official, or member of their immediate family, solely because of being an official". Mr. Jarvis stated that he does not believe that Representative Shea's expenditures made using surplus funds to the American Christian Network (ACN), Redoubt Broadcasting, and Broadcast Supply between November 1, 2014 through September 30, 2017, were permissible under any of the categories listed in RCW 42.17A.430.
- 1.3 Mr. Jarvis added that he believed Representative Shea's surplus fund expenditures to ACN were for his radio show, Patriot Radio, which is broadcast on the CAN and not related to his office of State Representative. He stated the surplus funds expenditures made to Redoubt Broadcasting for advertising, the surplus funds expenditures made to Broadcast Supply for broadcasting equipment, were also both related to his Patriot Radio show.
- 1.4 On December 3, 2018, Walter Smith filed a complaint against Matt Shea (PDC Case #43628) alleging violations of: (1) RCW 42.17A.430 by making expenditures from the Matt Shea Surplus Funds account to three charitable organizations not registered pursuant to RCW 19.09; and (2) RCW 42.17A.445 by making expenditures from the Mathew Shea Surplus Funds Account for personal uses.

- 1.5 In the complaint filed by Mr. Smith he stated Representative Shea made surplus funds expenditures to charitable organizations that were not registered with the Washington Secretary of State's Office in accordance with RCW 19.09, that included: (1) a \$3,500 surplus funds expenditure made to Americans for America in Colorado on 9/10/18; (2) a \$2,000 surplus funds expenditure made to Citizens for Free Speech in Mesa, AZ on 8/24/18; and (3) two \$1,000 surplus funds expenditures made to Daniels Prayer Ministry on 2/12/18 on 3/8/17 respectively.
- 1.6 Mr. Smith also stated that he reviewed the online records for the three organizations listed above and found the three groups were not currently registered as charities in Washington State on the website maintained by the Washington State Secretary of State's Office.
- 1.7 On February 11, 2019, Matt Shea filed a Candidate Registration (C-1 report) declaring his candidacy for re-election to the office of State Representative in the 4th Legislative District in 2020, selecting the Full Reporting Option and listing Merri Nickerson as Treasurer.
- 1.8 Matt Shea registered the Matt Shea Surplus Fund with the PDC and has been filing Summary Full Campaign Contribution and Expenditure reports (C-4 reports) since the initial C-4 report was filed on June 6, 2011, covering the period April 1 through 30, 2011.
- 1.9 On February 14, 2019, after PDC staff conducted a preliminary review and assessment of the facts, PDC staff opened a formal investigation and held an Initial Hearing (Case Status Review Hearing) for Matt Shea for this case and PDC Case 43573 and PDC Case 43628 on February 14, 2019, pursuant to RCW 42.17A.755, and WACs 390-37-060 and 390-37-071.

## **II.** **Findings**

- 2.1 **RCW 42.17A.005(50)** defines the surplus funds of a candidate to mean “the balance of contributions that remain in the possession or control of that candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts or expenses incurred by the committee or candidate with respect to that election.
- 2.2 **RCW 42.17A.430** states that the surplus funds of a candidate or a candidate's authorized committee may only be disposed of in any one or more of the following ways: (1) Return the funds to a contributor. (2) Reimburse the candidate for wages lost as a direct result of campaigning. (3) Donate surplus funds to a political party or caucus political committee; (4) Donate surplus funds to a charitable organization registered in accordance with RCW 19.09. (5) Give surplus funds to the state for a variety of uses. (6) Hold the surplus funds for possible use in a future election for the same office. (7) Establish a surplus funds account and use those funds for non-reimbursed public office related expenses.
- 2.3 As part of his complaint, Mr. Smith included the following statement: *“I hope you will agree that spending contributions or surplus funds on impermissible purposes is a serious matter. Some of these apparent violations occurred after the respondent was previously a defendant in a campaign finance enforcement action and reportedly paid a judgment of \$4,750 including fees, costs, and a civil penalty in January 2018, under Thurston County Superior Court case no. 17-2-05729-34.”*

- 2.4 The civil court matter referenced by Mr. Smith in his complaint is discussed below as part of a prior enforcement matter concerning Thurston County Superior Court Case No. 17-2-05729-34
- 2.5 On September 1, 2017, Mr. Smith had filed a prior complaint with the PDC against the 2016 and 2018 Matt Shea for State Representative Campaigns, alleging violations of RCW 42.17A.235 and .240 for: (1) Failing to timely file or timely amend 33 C-3 and C-4 reports filed by the Matt Shea Campaign (Campaign) between 2015 through 2017, including the 7-Day Pre-Primary Election C-4 report; (2) Failing to disclose 22 orders placed, debts, and obligations on the C-4 reports filed between 2015 to September 1, 2017, including 13 expenditures made to CAN that should have been disclosed on Schedule B to C-4 reports; and (3) Failing to disclose the required sub-vendor breakdown for three expenditures made by the Campaign.
- 2.6 On or around the same time, Mr. Smith also simultaneously filed a similar complaint with the Washington State Attorney General's Office (AGO) as a Citizen Action Notice (CAN). While no action was taken by the AGO concerning the CAN, a citizen action was filed in the name of the State of Washington in Thurston County Superior Court on October 31, 2017. A settlement agreement was subsequently entered into between Mr. Smith and Mark Lamb, legal counsel on behalf of Matt Shea to resolving the CAN. The CAN settlement agreement included a \$3,750 payment being made to Mr. Smith for Attorney's fees and costs, and a \$1,000 civil penalty paid to the state, with both expenditures being made from the Matt Shea Surplus Funds Account.
- 2.7 Mr. Smith informed the PDC that the above described Settlement covered the allegations made in his complaint, and this case was resolved by the PDC on July 29, 2019 as similar to the Citizen Action Notice cited by Mark Lamb in the case above as "already adjudicated in Thurston County Case No. No. 17-2-05729-34." Staff noted the complaint alleged the ACN advertisements were not timely disclosed on the Campaign's C-4 reports.

### **Mark Lamb Response:**

- 2.8 On December 14, 2018, Mr. Lamb responded to the PDC complaint filed by Mr. Smith, stating in part, that RCW 42.17A.430(4) permits donations to "a charitable organization registered with chapter 19.09 RCW." **Exhibit #1.** On January 23, 2020, Mr. Lamb supplemented this complaint response following receipt of a subpoena issued by PDC staff. **Exhibit #1.**
- 2.9 In the responses Mr. Lamb stated that many bona fide charities, like some churches or groups that do not solicit donations in Washington State, need not register under RCW 19.09.020(2). He stated that the plain reading and common-sense interpretation of the "statute is that surplus funds may only be donated to charities that, if the statute requires them to register, are registered. All of the organizations listed are bona fide 501(c)(3) charitable organizations." He also stated that "RCW 42.17A.430(4) permits donations to "a charitable organization registered in accordance with chapter 19.09 RCW". Many bona fide charities like churches or groups that do not solicit in Washington need not register under RCW 19.09. See RCW 19.09.020(2).

- 2.10 Mr. Lamb stated the three organizations are 501(c)(3) charitable organizations and added that Daniels' Prayer Ministry is a church affiliated (entity) and the other two entities did not solicit contributions generally in Washington State and thus were not required to register under RCW 19.09."
- 2.11 Mr. Lamb stated that three of the surplus fund expenditures that were made in June of 2019 to Office Depot and Sears, "were for office materials for Rep. Shea's district office in Spokane Valley where he conducts legislative business while in district." In addition, he stated there was a \$509.44 fraudulent charge in June of 2019 to the Air Canada Centre "that was accurately reported and refunded by the bank when the issue was resolved."
- 2.12 Mr. Lamb stated that the expenditure, "was reported out of the surplus account because that was the account that the charge was fraudulently made from." He stated that the campaign treasurer's understanding was she was required to transfer remaining campaign funds into the Matt Shea Surplus Funds Account as soon as possible after an election had been held. He stated that, "the campaign treasurer paid for campaign expenses out of surplus in subsequent years as detailed below with the correct understanding that such expenses were for the same office. As the campaign held surplus campaign funds (42.17A.430(6)) and non-reimbursed public office-related expenses surplus in the same depository account, the campaign at times reported the expenses below as "surplus" office expenses instead of campaign expenses from surplus."
- 2.13 Mr. Lamb stated that the campaign regrets "this administrative error and, as I indicated to you in our conversation today, seeks guidance as to how to amend and correct this issue and appreciate sincerely your offer to assist in the same. However, because the items listed below are campaign expenses, it is our position that there is no need to respond to the requests for additional details on them as that request was to determine compliance with 42.17A.430(7)."
- 2.14 Mr. Lamb indicated that the surplus funds expenditures made in calendar year 2014 and in the early part of calendar year 2015, "are outside of the statute of limitations but generally fall under the same category. I believe this addresses the outstanding requests but please advise if your office requires additional information." The following table lists expenditures made from the Matt Shea Surplus Funds Account between 2015 through 2018 that should have been expenditures made out of the 2016 and 2018 Committees to Elect Matt Shea, as acknowledged by Mr. Lamb in the response:

<b>Filer</b>	<b>Amount</b>	<b>Expenditure Date</b>	<b>Description</b>	<b>Vendor</b>	<b>Campaign Explanation</b>
SHEA MATT T SURPLUS ACCT	\$ 558.14	5/8/2018	FUNDRAISER AWARDS	TROPHIES UNLIMITED	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 202.56	10/9/2017	RLCC EVENT, W ATLANTA HOTEL	SHEA MATT	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	9/11/2017	ACN,8/31/17 INVOICE	AMERICAN CHRISTIAN NETWORK (ACN)	CAMPAIGN EXP. PAID OUT OF SURPLUS

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SHEA MATT T SURPLUS ACCT	\$1,000.00	9/11/2017	RADIO SPOTS 9/1/17 TO 8/31/18	REDOUBT BROADCASTING	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,000.00	8/17/2017	OPPOSITION RESEARCH AUGUST INVOICE	POWER PLAYERS PRODUCTIONS	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	8/10/2017	7/31/17 INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	7/27/2017	JUNE BROADCAST INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	6/12/2017	MAY 2017 INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 184.16	6/12/2017	DRAIN THE SWAMP RALLY - HOTEL CONFERENCE ROOM	SCOTT HEATHER	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 130.44	6/12/2017	SMART SHEET DATA BASE	SHEA MATT	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 183.90	6/12/2017	BOISE, ID AIRFARE - PATRIOT ACADEMY	SHEA MATT	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	5/10/2017	APRIL RADIO BROADCAST	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 209.00	5/10/2017	FLYERS	LITHOGRAPH	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	4/13/2017	MARCH 2017 INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,250.00	3/8/2017	FEBRUARY INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 250.00	2/27/2017	BALANCE OF JAUARY INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS

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SHEA MATT T SURPLUS ACCT	\$1,000.00	2/11/2017	RADIO FOR JAN 2017	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,000.00	1/7/2017	DECEMBER 2016 BROADCASTING	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 775.00	12/27/2016	DATABASE MAINTENANCE	POUNDER JAY	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 142.91	9/9/2016	REIMBURSEMENT FOR CAMPAIGN AWARD FRAMES	SHEA MATT	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$1,000.00	7/10/2015	JUNE INVOICE	CAN	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 593.40	6/13/2015	MILEAGE TO SPEAKING EVENTS	SHEA MATT	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$2,248.23	6/10/2015	RECORDING EQUIPMENT FOR BROADCASTS	BROADCAST SUPPLY	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 59.99	3/9/2015	TOR-GUARD SECURITY	SHEA MATT	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 300.00	2/27/2015	WEB HOSTING	FUSION WEB GRAPHICS	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 750.00	2/27/2015	DEC, JAN & FEB BROADCASTS	REDOUBT BROADCASTING	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ 150.00	2/6/2015	SECURITY	POUNDER JAY	CAMPAIGN EXP. PAID OUT OF SURPLUS

2.15 PDC staff reviewed the C-4 reports filed by the Matt Shea Surplus Funds Account for calendar year 2019 and the first four months of 2020, and found the C-4 reports were timely filed and included the following expenditures:

- Three surplus fund expenditures totaling \$16,000 were made transferring funds into the 2020 Committee to Elect Matt Shea as follows: (1) a \$4,000 transfer was made on February 12, 2019; (2) another \$4,000 transfer was made on May 10, 2019; and (3) an \$8,000 transfer was made on July 11, 2019. Staff noted that surplus funds can be transferred back into the campaign account at any time, provided it is into a campaign account for the same office being sought for the next election cycle, or the funds are being transferred back into the campaign account from the last campaign to pay additional expenditures, debts or obligations.
- A \$2,000 surplus funds expenditure was made to Elijah Ministries in Waco, Texas on February 10, 2020, and the description listed the expenditure was a charitable donation and listed the SOS Registration number for the charity.
- There were three surplus fund expenditures made in June of 2019 which Mr. Lamb indicated were made to Office Depot and Sears “for office materials for Rep. Shea’s district office.” In addition, there was a \$509.44 fraudulent charge made in June of 2019 to the Air Canada Centre as noted above.

2.16 On August 7, 2020, Matt Shea completed a Statement of Understanding (SOU) and emailed it back to the PDC acknowledging multiple violations of RCW 42.17A.430 by using surplus funds to make 2016 and 2018 Campaign related expenditures. In addition, on August 13, 2020, the PDC received a \$750 civil penalty payment in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule).

### **III.** **Scope**

3.1 PDC staff reviewed the following:

- The November 19, 2018 complaint filed by Aaron Jarvis, and the December 3, 2018 complaint filed by Walter Smith against Matt Shea and the Matt Shea Surplus Funds Account.
- The Summary Full Campaign Contributions and Expenditures reports (C-4 reports) filed by the 2014, 2016 and 2016 Committees to Elect Matt Shea.
- The Monetary Contributions reports (C-3 reports) and the C-4 reports filed by the Matt Shea Surplus Funds Account.
- The responses provided by Mark Lamb legal counsel for Matt Shea and the Matt Shea Surplus Funds Account.

3.2 PDC staff queried the PDC expenditure database for the 2014, 2016 and 2018 Committees to Elect Matt Shea expenditure information.

3.3 During the course of the two investigations, PDC staff made the following contacts with Mr. Lamb, legal counsel:

- On February 13, 2019, an email was sent to Mr. Lamb notifying him concerning the scheduling of an Initial Hearing.
- On February 19, 2019, an email was sent to Mr. Lamb informing him of the Initial Hearing results.
- On September 5, 2019, an email was sent to Mr. Lamb that included an attached letter and spreadsheet requesting information for a number of surplus funds expenditures made by the Mathew Shea Surplus Funds account, and a response by September 19, 2019.
- On October 3, 2019, a follow-up email was sent to Mr. Lamb with the previously attached letter and spreadsheet again requesting information for a number of surplus funds expenditures made by the Mathew Shea Surplus Funds account, and a response by October 10, 2019.
- On November 13, 2019, PDC staff sent a Subpoena Duces Tecum to Merri Nickerson, Treasurer for the Matt Shea Surplus Funds Account, requesting information for a number of surplus funds expenditures made by the Mathew Shea Surplus Funds account, and a response by November 27, 2019.
- On January 8, 2020, Chad Standifer, Assistant Attorney General, representing PDC staff, sent a letter to Ms. Nickerson and copied Mark Lamb. The letter referenced the November 13, 2019 Subpoena Duces Tecum issued to Ms. Nickerson, and requested she produce the requested documents listed in the subpoena to PDC staff by January 24, 2020.

#### IV.

#### Statutes and Rules

- 4.1 **RCW 42.17A.005(50)** defines "Surplus funds" in the case of a candidate to mean: "[T]he balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts or expenses incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts or expenses when it makes its final report under RCW 42.17A.255."
- 4.2 **RCW 42.17A.430** states: "The surplus funds of a candidate or a candidate's authorized committee may only be disposed of in any one or more of the following ways:
- (1) Return the surplus to a contributor in an amount not to exceed that contributor's original contribution.
  - (3) Transfer the surplus without limit to a political party or to a caucus political committee.
  - (4) Donate the surplus to a charitable organization registered in accordance with chapter 19.09 RCW.

(5) Transmit the surplus to the state treasurer for deposit in the general fund, the Washington state legacy project, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 43.15.050, as specified by the candidate or political committee.

(6) Hold the surplus in the depository or depositories designated in accordance with RCW 42.17A.215 for possible use in a future election campaign for the same office last sought by the candidate and report any such disposition in accordance with RCW 42.17A.240. If the candidate subsequently announces or publicly files for office, the appropriate information must be reported to the commission in accordance with RCW 42.17A.205 through 42.17A.240. If a subsequent office is not sought the surplus held shall be disposed of in accordance with the requirements of this section.

(7) Hold the surplus campaign funds in a separate account for nonreimbursed public office-related expenses or as provided in this section, and report any such disposition in accordance with RCW **42.17A.240**. The separate account required under this subsection shall not be used for deposits of campaign funds that are not surplus.

(8) No candidate or authorized committee may transfer funds to any other candidate or other political committee. The disposal of surplus funds under this section shall not be considered a contribution for purposes of this chapter.”

Respectfully submitted this 13<sup>th</sup> day of August 2020.

s/ \_\_\_\_\_  
Electronically Signed, Kurt Young  
PDC Compliance Officer

### **List of Exhibits**

**Exhibit #1**     December 14, 2018, initial response from Mark Lamb, legal counsel on behalf of Matt Shea, and the January 23, 2020, supplemental response from Mr. Lamb in response to a subpoena issued by PDC staff.

Mark Lamb

To

pdc@pdc.wa.gov

(Fri, 14 Dec 2018 at 5:07 PM)

Mr. Titus Ragins,

This office represents Rep. Matt Shea and writes in response to your correspondence of December 5, 2018 concerning a complaint by Aaron Jarvis.

It is difficult for me to discern precisely what expenditures the complaint concerns. That said, as a general matter expenses related to the radio program would be considered in furtherance of Representative Shea's re-election, are disclosed as such on the program, and would be a permissible use of surplus funds they advance a campaign for the same office as the contribution was originally received for. I also believe that matters in this complaint were already adjudicated in Thurston County Case No. No. 17-2-05729-34.

Please feel free to reach out directly if we need to provide additional information.

Thank you.

Best,

Mark



**Mark Lamb**

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Mark Lamb (Wed, 22 Jan 2020 at 10:35 PM)

With correction, ignore prior email.

**From:** Mark Lamb <mark@northcreeklaw.com>  
**Sent:** Wednesday, January 22, 2020 10:31 PM  
**To:** 'PDC Support' <pdcc@pdcc.wa.gov>  
**Cc:** 'Standifer, Chad C (ATG)' <chad.standifer@atg.wa.gov>; 'Mark Lamb' <mark@northcreeklaw.com>; 'MERRI NICKERSON CPA' <merricpa@comcast.net>  
**Subject:** RE: PDC - Shea, Matthew: Alleged Violation of RCW 42.17A.430 for unauthorized use surplus funds. (NOV 2018)

Kurt,

Attached please find the response of the campaign to the query and subpoena regarding expenses that were paid from surplus.

The charitable contributions issue is one the campaign already directly addressed with your office in my correspondence of December 14, 2018. As I indicated at that time, "RCW 42.17A.430(4) permits donations to "a charitable organization registered in accordance with chapter 19.09 RCW". Many bona fide charities like churches or groups that do not solicit in Washington need not register under RCW 19.09. See RCW 19.09.020(2). The plain reading and common sense interpretation of this statute is that surplus funds may only be donated to charities that, if the statute requires them to register, are registered. All of the organizations listed are bona fide 501(c)(3) charitable organizations."

Our position is unchanged from that time and, I would note, that all of the contributions at issue in your request were made before the email from your office detailing the legal position of your office on January 4, 2019 of last year indicating that your office did not believe donations to an in state church or an out of state charity was an appropriate use of surplus funds. All of the donations were to charitable organizations either registered or not required to register in Washington under RCW 19.09.

The following expenses were for office materials for Rep. Shea's district office in Spokane Valley located at 18507 E. Appleway, Suite 201. This is his legislative district office where he conducts legislative business while in district.

SHEA MATT T SURPLUS ACCT	\$ 73.14	6/17/2019	OFFICE SUPPLIES	OFFICE DEPOT	Please describe what office is being supplied, where is it located, and the office related activities conducted there?
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SHEA MATT T SURPLUS ACCT	\$ 73.14	6/20/2019	OFFICE SUPPLIES	OFFICE DEPOT	"
SHEA MATT T SURPLUS ACCT	\$ 119.78	6/11/2019	REFRIGERATOR FOR THE OFFICE	SEARS	"

The following was a fraudulent charge that was accurately reported and then refunded by the bank when the issue was resolved. It was reported out of the surplus account because that was the account that the charge was fraudulently made from.

SHEA MATT T SURPLUS ACCT	\$ 509.44	6/25/2019	FRAUDULENT CHARGE	AIR CANADA CENTRE	Please explain this expenditure.
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The campaign treasurer understood that she was required to transfer funds into surplus as soon as possible after an election. For example, in February of 2015 campaign expenses for the 2014 campaign were paid out of surplus for the 2014 campaign because it had been transferred prior to the obligations being processed and paid.

The campaign treasurer paid for campaign expenses out of surplus in subsequent years as detailed below with the correct understanding that such expenses were for the same office. As the campaign held surplus campaign funds (42.17A.430(6)) and non-reimbursed public office-related expenses surplus in the same depository account, the campaign at times reported the expenses below as "surplus" office expenses instead of campaign expenses from surplus. The campaign regrets this administrative error and, as I indicated to you in our conversation today, seeks guidance as to how to amend and correct this issue and appreciate sincerely your offer to assist in the same.

However, because the items listed below are campaign expenses, it is our position that there is no need to respond to the requests for additional details on them as that request was to determine compliance with 42.17A.430(7). Please advise if this is not also the understanding of your office. The expenses from 2014 are outside of the statute of limitations but generally fall under the same category. I believe this addresses the outstanding requests but please advise if your office requires additional information.

Filer	Amount	Expenditure Date	Description	Vendor	Staff Comments		
SHEA MATT T SURPL US ACCT	\$ 8.14 55	5/8/2018	FUNDRAISER AWARDS	TROPHIES UNLIMITED	Was this a Campaign- related expense or Office- related expense, who were the awards given to and who was the sponsor of the event?	3	CAMPAIN EXP. PAID OUT OF SURPLU S

SHEA MATT T SURPLUS ACCT	\$ 2.56	20	10/9/2017	RLCC EVENT, W ATLANTA HOTEL	SHEA MATT	Please explain this expenditure and what the RLCC is.	3	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ .00	1,250	9/11/2017	ACN,8/31/17 INVOICE	ACN	Please explain the issues discussed during this broadcast and how the broadcast is an office-related expense?	3	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ .00	1,000	9/11/2017	RADIO SPOTS 9/1/17 TO 8/31/18	REDOUBT BROADCASTING	Please explain how the broadcast is an office-related expense.	3	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ .00	1,000	8/17/2017	OPPOSITION RESEARCH AUGUST INVOICE	POWER PLAYERS PRODUCTIONS	Please describe the nature of the opposition research, the officials, candidates or persons reviewed, and how it was office related.	3	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ .00	1,250	8/10/2017	7/31/17 INVOICE	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadcasts.	3	CAMPAIGN EXP. PAID OUT OF SURPLUS
SHEA MATT T SURPLUS ACCT	\$ .00	1,250	7/27/2017	JUNE BROADCAST INVOICE	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadcasts.	3	CAMPAIGN EXP. PAID OUT OF SURPLUS

SHEA MATT T SURPL US ACCT	\$ .00	1,250	6/12/2017	MAY 2017 INVOICE	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadcasts.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 4.16	18	6/12/2017	DRAIN THE SWAMP RALLY - HOTEL CONFERENCE ROOM	SCOTT HEATHER	Describe how this expenditure is related to your office being held.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 0.44	13	6/12/2017	SMART SHEET DATA BASE	SHEA MATT	Describe the DB and how the DB is related to the office held.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 3.90	18	6/12/2017	BOISE, ID AIRFARE - PATRIOT ACADEMY	SHEA MATT	Describe how this expenditure is related to your office being held.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ .00	1,250	5/10/2017	APRIL RADIO BROADCAST	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadcasts.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 9.00	20	5/10/2017	FLYERS	LITHOGRAP H	Was the flyer produced for the 2014 Campaign, if not please describe and provide a copy of the flyer?	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ .00	1,250	4/13/2017	MARCH 2017 INVOICE	ACN	Please explain how the broadcast is an office-related expense, and	3	CAMPAIN EXP. PAID OUT OF

US ACCT						how it differs from Campaign expenditures made to ACN for similar broadc asts.	SURPLU S
SHEA MATT T SURPL US ACCT	\$ .00	1,250	3/8/2017	FEBRUARY INVOICE	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadc asts.	3  CAMP IGN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 0.00	25	2/27/2017	BALANCE OF JAUARY INVOICE	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadc asts.	3  CAMP IGN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ .00	1,000	2/11/2017	RADIO FOR JAN 2017	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadc asts.	3  CAMP IGN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ .00	1,000	1/7/2017	DECEMBER 2016 BROADCASTI NG	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadc asts.	3  CAMP IGN EXP. PAID OUT OF SURPLU S

SHEA MATT T SURPL US ACCT	\$ 5.00	77	12/27/2016	DATABASE MAINTENANCE	POUNDER JAY	Please describe the DB, the maintenance work performed, and how this is an Office related expense?	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 2.91	14	9/9/2016	REIMBURSEM ENT FOR CAMPAIGN AWARD FRAMES	SHEA MATT	Was this a Campaign-related expense or Office-related expense, and who were the awards given to?	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ .00	1,000	7/10/2015	JUNE INVOICE	ACN	Please explain how the broadcast is an office-related expense, and how it differs from Campaign expenditures made to ACN for similar broadcasts.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 3.40	59	6/13/2015	MILEAGE TO SPEAKING EVENTS	SHEA MATT	Please explain how this travel is an office-related expense.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ .23	2,248	6/10/2015	RECORDING EQUIPMENT FOR BROADCASTS	BROADCAST SUPPLY	Please describe the equipment purchased, and how the purchase is an office-related expense?	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 9.99	5	3/9/2015	TOR-GUARD SECURITY	SHEA MATT	Please explain this expenditure and how it is office-related.	3	CAMPAIN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 0.00	30	2/27/2015	WEB HOSTING	FUSION WEB GRAPHICS	Please explain how this expenditure was an office-related expense.	3	CAMPAIN EXP. PAID OUT OF SURPLU S

SHEA MATT T SURPL US ACCT	\$ 0.00	75	2/27/2015	DEC, JAN & FEB BROADCASTS	REDOUBT BROADCAST ING	Please explain how the broadcast is an office-related expense.	3	CAMPAI GN EXP. PAID OUT OF SURPLU S
SHEA MATT T SURPL US ACCT	\$ 0.00	15	2/6/2015	SECURITY	POUNDER JAY	Please explain the nature of the security provided, what was the event, and how the expenditure is office-related.	3	CAMPAI GN EXP. PAID OUT OF SURPLU S

Best,

## Mark Lamb

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