Respondent Names

Philip Johnson

Complainant Name

Drew Stokesbary

Complaint Description

Drew

Thu, 3 Oct 2024 at 2:13 PM

See attached complaint.

What impact does the alleged violation(s) have on the public?

Philip Johnson used campaign contributions for his personal benefit, harming members of the public who contributed to him by converting their contributions to his personal use. He harmed the public and general election candidates in the 18th Legislative District by making expenditures for political advertising using surplus funds despite the prohibition of such use by the FCPA. And he harmed the public through his deception in concealing critical required information from political advertising he sponsored.

List of attached evidence or contact information where evidence may be found

See Exhibit A and Exhibit B to attached complaint

List of potential witnesses with contact information to reach them

Philip Johnson

Certification (Complainant)

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief. Former candidate for State Representative, Philip Johnson, has personally violated numerous provisions of the Fair Campaigns Practices Act (the "*FCPA*"), including illegally spending campaign contributions for personal gain in violation of RCW 42.17A.445, illegally spending surplus funds for unauthorized purposes in violation of RCW 42.17A.430, and illegally concealing critical information from the public in violation of RCW 42.17A.320.

These violations arise through Johnson's placement of two political advertisements (the "*Newspaper Advertisements*") in *The Reflector*, a local weekly newspaper in Battle Ground. Copies of the Newspaper Advertisements are attached as Exhibit A. Copies of the invoices and payment receipts from *The Reflector* are attached as Exhibit B.

A. Philip Johnson Illegally Spent Campaign Funds for His Personal Gain.

By their own disclaimer, the Newspaper Advertisements were paid for by "Friends of Philip J." "Friends of Philip J." is the authorized committee of Philip Johnson,¹ a former candidate for State Representative in the 18th Legislative District who was resoundingly defeated in the August 2024 primary election, finishing in a distant last place, well outside of the top two.²

Because Johnson is not a candidate appearing on the general election ballot, by definition, any further expenditure of his campaign contributions is not related to his election campaign. However, "*any* expenditure of a candidate's campaign funds that is not *directly related* to the candidate's election campaign is a personal use of campaign funds prohibited under RCW 42.17A.445." WAC 390-16-238(1) (emphasis added). Therefore, the Newspaper Advertisements constitute an illegal personal use of Johnson's campaign contributions.

B. Philip Johnson Illegally Spent Surplus Funds for Unauthorized Purposes.

Under the FCPA, a candidate's "surplus funds" are "the balance of contributions that remain in the possession or control of [such] 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 . . . with respect to that election." RCW 42.17A.005(51).

Johnson has reported raising \$52,890.31 allocated for the 2024 primary election and, as of his most recent C4 report covering the period ending July 31, 2024, reported total expenditures of \$40,821.82, outstanding loans from himself totaling \$7,415.71, and no other debt.³ Thus, Johnson's surplus funds equal \$10,050.87—his entire unencumbered campaign balance—meaning that the expenditures for the Newspaper Advertisements were paid out of Johnson's surplus funds.

However, surplus funds "may *only* be disposed of" in specific ways allowed by statute, such as being returned to contributors, used to reimburse lost wages, transferred to a caucus or political

¹ Wash. Pub. Disclosure Comm'n, Philip L. Johnson, Statement of Organization (Form C-1) (Apr. 9, 2024), https://apollo.pdc.wa.gov/public/registrations/registration?registration_id=59935.

² Wash. Sec'y of State, August 6, 2024 Primary Results: Legislative District 18 - State Representative Pos. 2, https://results.vote.wa.gov/results/20240806/legislative-district-18-state-representative-pos-2.html.

³ See Wash. Pub. Disclosure Comm'n, Philip L. Johnson, Full Report of Receipts and Expenditures (C4 Report), No. 110244629) (Sept. 10, 2024), <u>https://apollo.pdc.wa.gov/public/registrations/campaign-finance-report/110244629</u>. Johnson also reported receiving \$3,600 in general election contributions, all of which were reportedly refunded in July. See id.

party committee or donated to a charitable organization. RCW 42.17A.430 (emphasis added). Paying for political advertising is not one of the permitted uses. *See id.* Thus, the Newspaper Advertisements also constitute an illegal use of Johnson's surplus funds.

C. Philip Johnson Illegally Concealed Information from the Public.

Lastly, aside from Philip Johnson's illegal use of campaign funds, the Newspaper Advertisements themselves violate various requirements of the FCPA and PDC rules. The sponsor disclaimers on the Newspaper Advertisements do not include the sponsor's address, as required by RCW 42.17A.320(1). The disclaimers are not at least 10-point type as required by RCW 42.17A.320(3). And the Newspaper Advertisements do not "clearly identif[y]" the party preference of the candidates identified in the advertising as required by RCW 42.17A.320(1) and WAC 390-18-020(1); in fact they do not identify the candidates' party preference at all.

D. Philip Johnson Should be Ordered to Repay Stolen Campaign Funds and Pay a Fine.

The above violations have a substantial adverse impact on the public. Philip Johnson misappropriated campaign funds, harming members of the public who contributed to him by converting their contributions for his personal use. He harmed the public and general election candidates in the 18th Legislative District by making expenditures for political advertising using surplus funds despite the prohibition of such use by the FCPA. And he harmed the public through his deception in concealing critical required information from the Newspaper Advertisements.

In light of these impacts, the PDC should (a) immediately open an investigation into Philip Johnson and his campaign, (b) require Johnson to make restitution in the form of repaying the value of the Newspaper Advertisements to his campaign, and (c) impose a monetary on fine Johnson as a penalty for his wanton disregard of Washington's campaign finance law.

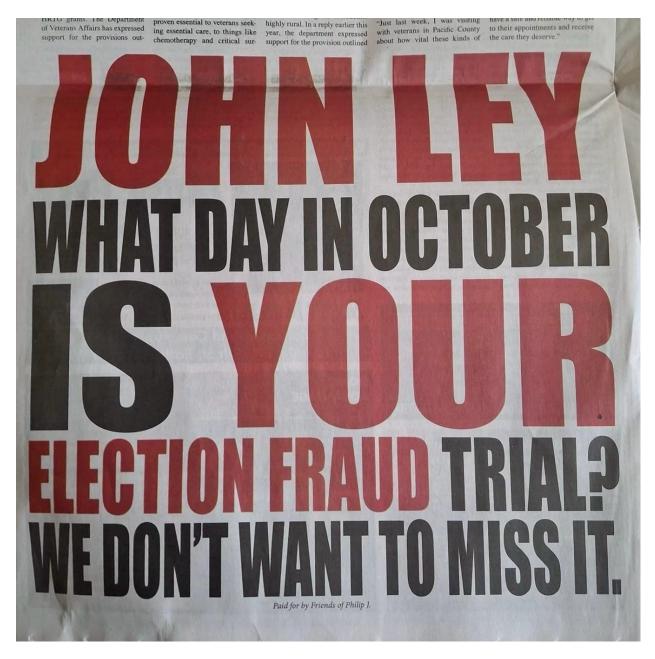
DATED: October 3, 2024

Respectfully submitted,

/s/ Drew Stokesbary

Drew Stokesbary

Exhibit A



Placed in The Reflector's September 18 edition



Placed in The Reflector's September 25 edition

Exhibit B

Reflector Sign PRO

INVOICE

BILL TO Friends of Philip Johnson 2210 W Main St PMB 133 Battle Ground, WA 98604		SHIP TO Friends of Philip Johnson 2210 W Main St PMB 133 Battle Ground, WA 98604				
INVOICE # 283000	DATE 09/12/2024	TERMS Due on receipt		DUE DATE 09/12/2024		
CUSTOMER NO. 29127903						
DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT	
09/18/2024	Advertising - Retail/Corporate/Business	Advertising 5x10 ad#627924	1	650.00	650.00	
09/18/2024	Website Advertising	Website Advertising ad#627925 no charge	1	0.00	0.00	
	· ·	SUBTOTAL			650.00	
		TAX			0.00	
		TOTAL			650.00	
		PAYMENT			650.00	
		BALANCE DUE			\$0.00 PAID	

9/30/24, 9:37 AM

Transaction Information Merchant Name **CT** Publishing LLC **Merchant Address** 321 North Pearl St. Centralia, WA 98531, US Merchant E-mail accounting@chronline.com **Status** Approved Name thomas 1 perry **Amount Paid** \$650.00 Date 9/17/2024 Payment method Credit card **Card Information** Card Type **MasterCard** Card Number xxxxxxxxxx9714 Payment IDs Auth Code 826796 **Transaction ID** MQ0240700234

Print

The Reflector 321 N. Pearl St. Centralia, WA 98531 (360) 687-5151 accounting@thereflector.com

Chronicle VALLEY NEWS

Reflector SIGN PRO

INVOICE

2210 W Ma	Philip Johnson in St PMB 133 nd, WA 98604	SHIP TO Friends of Philip Johnson 2210 W Main St PMB 133 Battle Ground, WA 98604				
INVOICE # 283208	DATE 09/18/2024	TERMS Net 15		DUE DATE 10/03/2024		
CUSTOMER NO. 29127903						
DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT	
09/25/2024	Advertising - Retail/Corporate/Business	Advertising 5x10 d#628228	1	650.00	650.00	
09/25/2024	Website Advertising	Website Advertising ad#628229 at no charge	1	0.00	0.00	
		SUBTOTAL			650.00	
		TAX			0.00	
		TOTAL			650.00	
		PAYMENT			650.00	
		BALANCE DUE			\$0.00 PAID	

9/30/24, 9:37 AM

Transaction Information Merchant Name **CT** Publishing LLC **Merchant Address** 321 North Pearl St. Centralia, WA 98531, US Merchant E-mail accounting@chronline.com **Status** Approved Name thomas l perry **Amount Paid** \$650.00 Date 9/18/2024 Payment method Credit card **Card Information** Card Type **MasterCard** Card Number xxxxxxxxxx9714 **Payment IDs** Auth Code 850492 **Transaction ID** aa6v7dzr90769074