



Pierce County

Office of the Assessor-Treasurer

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DALE WASHAM
Assessor-Treasurer

To: Mark Lindquist
Pierce County Prosecuting Attorney

RE: This is a request for your help to obtain a full investigation into violations of Federal and Washington State Laws. This request is being made pursuant to RCW 36.27.020(4) and on the recommendation of the Washington State Governor's office in a letter sent to the Pierce County Assessor-Treasurer Dale Washam where therein said letter states ..."The Governor's Office concurs that the information uncovered by your thorough investigation should be reviewed by the county prosecution to determine if crimes were committed and if charges should be brought against the individuals involved. Since the allegations of misconduct are on the local government level, it is the locally-elected prosecutor's responsibility to take the lead in instigating further action."...A copy of the said letter from the office of the Governor is attached hereto as **(Exhibit A)**.

Therefore, this is a request asking you to take the lead in instigating "further action" which the Governor's office letter states is your responsibility to do. I am asking for your help to get a full investigation into the alleged unlawful forgery and falsification of the Pierce County Assessor-Treasurer office's official records as set forth in the Pierce County Assessor-Treasurer Investigative Report dated September 2, 2009. Where therein, the said report alleges the falsification of the Pierce County Assessor-Treasurer office's official records by the alleged entry and forgery of the false appraiser's initials KMP and the alleged unlawful backdating of falsified physical inspections and the entry of falsified certification codes thereto. **Those alleged said 368,642 unlawful entries were made into the Assessor-Treasurer office's official taxpayers public records during the years 2001 through 2008 and are alleged as follows:**

1. It is alleged there were 368,642 intentional unlawful forged false entries regarding falsified residential physical inspections and falsified certification codes thereto, during the years 2001 through 2008;

1 (a). It is alleged there was intentional unlawful forged falsification of the Pierce County Assessor-Treasurer's office yearly state statute mandated (i.e. "RCW 84.41.130") progress reports to the Washington State Department of Revenue for each of the years 2001 through 2008;

1 (b). It is alleged there was intentional unlawful forged falsification of the Pierce County Assessor-Treasurer's office Workload Reports to the Pierce County Budget and Finance. It is alleged those said falsified reports were used to determine budget funding allocations for each of the years from 2001 through 2008.

It is imperative to the future security of the Assessor-Treasurer's office taxpayer records to know how such alleged falsifications were allowed to be done and who was responsible for doing said falsification of the Assessor-Treasurer office taxpayers public records. This must be known so preventive steps can be taken to stop it from ever happening again in the future.

As the Pierce County Assessor-Treasurer I hereby, respectfully request on behalf of all Pierce County real property taxpayers, that you and your office please take action forthwith to lead and instigate a full investigation as the Governor's office said letter dated October 6, 2009, stated clearly was your responsibility to do so. It is alleged there were 368,642 unlawfully forged false entries into the official office taxpayers public records in the Pierce County Assessor-Treasurer's office during the years 2001 through 2008. It is alleged there was unlawful backdating of entries in the Assessor-Treasurer office's official taxpayers public records in addition to the allegations of forged falsified Assessor-Treasurer office's official reports, during each of the years 2001 through 2008.

Mr. Lindquist, taxpayers need your help to get the needed full investigation into the alleged fraud, forgery, conspiracy and violation of public law that has allegedly taken place in the Pierce County Assessor-Treasurer's office during the years 2001 through 2008. And thereby, causing Pierce County Assessor-Treasurer office's official taxpayers public records to be corrupted.

The Assessor-Treasurer's office will cooperate fully with any investigation pertaining to said allegations. Said allegations are clearly supported, by the Assessor-Treasurer office official taxpayer records and the prima-facie evidence contained in the Pierce County Assessor-Treasurer Investigative Report through its exhibits. Please read said report and the exhibits thereto. Said Pierce County Assessor-Treasurer Investigative Report and its exhibits #1 and #2 are attached hereto as **(Exhibit B)**.

Investigative Issue 1. Alleged Forgery And Falsification Of Official Public Records.

It is alleged during the years 2001 through 2008 there was forgery and falsification of 188,671 Assessor-Treasurer office's official residential real property taxpayers records whereby, the forged false appraiser's initials "KMP" were used to falsely indicate physical inspections had been done on those taxpayers properties pursuant to law RCW 84.41.041. When in fact, no such physical inspection had never been done on those properties. It is further alleged the forged false appraiser's initials "KMP" were intentionally entered into the Assessor-Treasurer office's official public records to wrongfully mislead the property taxpayers and government officials into believing the physical inspections had been done pursuant to law. When in fact, no physical inspections had never been done. **(Please Read Exhibit hereto, pages 7, 8, 9, 10, 11, 12 and 31.)**

Investigative Issue 2. Alleged Conspiracy To Defraud, Forgery And Falsification Of Official Public Records.

It is alleged during the years 2001 through 2008 there was intentional forgery and falsification of 179,971 Assessor-Treasurer office's official taxpayers records by the entering of 179,971 forged false certification codes into the Assessor-Treasurer office's official taxpayers public records. It is alleged that said false certification codes were intentionally forged to wrongfully mislead taxpayers and public officials into believing appraisers had been to the taxpayers property and completed a physical inspection, when in fact, no appraiser had been to the taxpayer property, or completed a physical inspection thereof. **(Please Read Exhibit B hereto, pages 13, 14, 32, 33, 34, 35, 36 and 37.)**

Investigative Issue 3. Alleged Conspiracy To Defraud, Forgery And Falsification Of Official Public Records.

It is alleged that during the years 2001 through 2008, there were thousands of forged false appraiser's initials "KMP" and thousands of forged false certification codes thereto, which allegedly were intentionally and wrongfully backdated and future dated. These were fraudulently entered into the Assessor-Treasurer office's official taxpayers public records on a falsified date. **(Please Read Exhibit B hereto, pages 13, 14, 32, 33, 34, 35, 36 and 37.)**

Investigative Issue 4. Alleged Forgery And Falsification Of Official State Progress Reports.

It is alleged during the years 2001, 2002, 2003, 2004, 2005 and 2006 that the Assessor-Treasurer office's official commercial physical inspection public records show only 2,280 commercial physical inspections were done collectively during those six said years. In four of those years there were no commercial physical inspections done at all. However, the alleged forged falsified Progress Reports to the Washington State Department of Revenue falsely states for those said years, that there were 34,750 commercial physical inspections done, which means 26,848 were fraudulently falsely reported as being done during those said years when in fact, they had not been done. **(Please Read Exhibit B hereto, page 39.)**

Investigative Issue 5. Alleged Forgery And Falsification Of Official State Progress Reports.

It is alleged that during the years 2001 through 2008 there was intentional falsification of the yearly Assessor-Treasurer office's official Progress Reports to the Washington State Department of Revenue. Those said Progress Reports were mandatory and were required by RCW 84.41.130 to be filed each year. It is alleged that for each of those said eight years from 2001 through 2008, the yearly progress reports were intentionally falsified to falsely state collectively 386,279 residential physical inspections had been completed by the residential appraising staff. When in fact, the Assessor-Treasurer office's official taxpayers public records show that only 76,692 residential physical inspections were actually completed by the residential appraising staff in those said eight years.

Therefore, it is alleged that it was fraudulently, falsely and wrongfully reported to the Washington State Department of Revenue that 309,583 more residential physical inspections had been completed by the Assessor-Treasurer's office residential appraising staff than said residential appraising staff had actually completed during those said eight years the said progress reports were filed for 2001 through 2008. **(Please Read Exhibit B hereto, page 31.)**

Investigative Issue 6. Alleged Forgery And Falsification Of Official County Workload Reports.

It is alleged that during each of the years 2001 through 2008 there was intentional falsification of the yearly Pierce County Assessor-Treasurer office's official Workload Reports that were submitted to the Pierce County Budget and Finance Department in support of budget requests for each of the years 2001 through 2008. It is alleged, those said official Workload Reports were falsified and fraudulently reported to the Budget and Finance Department that collectively 391,093 physical inspections had been completed by the Assessor-Treasurer's office appraising staff during those said years. When in fact, the Assessor-Treasurer office's official public records show collectively only 84,558 physical inspections were actually

completed by the Assessor-Treasurer's office appraising staff during the years 2001 through 2008.

It is also alleged, the Assessor-Treasurer's office budget requests and the Assessor-Treasurer's office budget allocations were in part being based on those falsified Workload Reports, which falsely stated there was 306,535 more physical inspections completed than were actually completed by the Assessor- Treasurer's office appraising staff during those said eight years 2001 through 2008. (Please Read Exhibit B hereto, page 38.)

Investigative Issue 7. Alleged Violation Of The Washington State Constitution.

It is alleged that during the period of the time between the years 2001 through 2008 that there were thousands of predetermined real property parcels in Pierce County that were hand-picked to be designated on a special map that was used to determine who would get a physical inspection in a scheduled physical inspection cycle year and those who would not. It is a fact, all parcels in the scheduled physical inspection cycle year by law are to have had a physical inspection. The Washington State Constitution Article VII, Section 1 states "All taxes shall be uniform upon the same class of property"... Hand-picking who will get a timely physical inspection and who will not get a physical inspection at all is a direct violation of said Article VII, Section 1 of the Washington State Constitution. (Please Read Exhibit B hereto, pages 6 and 21.)

Investigative Issue 8. Alleged false, fraudulent official reports to the Washington State Department of Revenue and the Pierce County Department of Budget and Finance.

It is alleged for the years 2001, 2002, 2003, 2004, 2006 there was no commercial physical inspections done at all as required by law. The issue that needs to be investigated is why those commercial physical inspections were not done? And because they were not done, the possibility of misconduct exists and needs to be investigated, did any commercial property owners receive property tax benefits and/or favors by their commercial property not having had a physical inspection done for all those said years, that in fact, were required by law to be.

It is alleged, while at the same time, during those said years 2001, 2002, 2003, 2004, and 2006, it was being falsely and fraudulently reported to the Washington State Department of Revenue and falsely and fraudulently reported to the Pierce County Budget and Finance Department that those said commercial physical inspections for those said years 2001, 2002, 2003, 2004, and 2006, had been done as scheduled, when in fact, they had not been done at all. (Please Read Exhibit B hereto, pages 23 and 24.)

RELEVANT LAWS PERTAINING TO INVESTIGATIVE ISSUES 1 THROUGH 8

If any of the said alleged investigative issues 1 through 8 are found to be true after a proper investigation has been conducted and completed, then the following are just some of the State and Federal pertinent laws that may have been violated:

RCW 9A.60.020; Forgery.

RCW 42.20.040; False report.

RCW 40.16.020; Injury to and misappropriation of record.

RCW 40.16.010; Injury to public record.

RCW 9A.76.175; Making a false or misleading statement to a public servant.

RCW 9A.80.010; Official misconduct.

RCW 42.20.050; Public officer making false certificate.

RCW 42.20.080; Other violations by officers.
RCW 42.20.100; Failure of duty by public officer.
RCW 40.16.030; Offering false instrument for filing or record.
RCW 84.41.041; Physical inspection and valuation of taxable property required — Adjustments during intervals based on statistical data.
RCW 84.41.130; Assessor's annual reports.
Article VII, Section 1 of the Washington State Constitution; and
18 U.S.C.A. Section 371. -- Conspiracy to Defraud the United States
(See Exhibit C, a hereto, copy of said Laws)

SUMMARY

If you and I as county government officials will not stand to uphold the Rule of Law and the constitutions and laws of Washington State and the United States of America, who will? It is a fact, we both took a sworn oath of office to uphold those constitutions and laws of the United States of America and Washington State and thereby, we have a duty and obligation to do so.

I believe that sworn oath obligates you and I to follow those laws, but it also requires you and I as Pierce County government officials to require those in county government, as employees or as elected officials, who would violate those said laws, be held responsible for their violations.

Therefore, as the duly elected Pierce County Assessor-Treasurer, I am asking for your help to get a full official investigation into the alleged forgery and falsification of the Assessor-Treasurer office's official taxpayers public records during each of the years 2001 through 2008.

In addition to the above, the alleged falsification of the Assessor-Treasurer office's official said state and county reports for each of the years 2001 through 2008, as set forth in this document and in the Exhibits hereto.

Dated: January 11th, 2010

Respectfully Submitted,
IN GOD I TRUST,

Dale Washam

Attachments:

Exhibit A:
Governor's Office Letter
Exhibit B:
Pierce County Assessor-Treasurer 2009 Investigative Report and Exhibits #1 and #2 thereto
Exhibit C:
Copy of Pertinent Laws

Cc: Governor Gregoire
State Auditor
State Attorney General
Department of Revenue Director
Pierce County Executive
Pierce County Council Chairman and Council Members

Exhibit List

Exhibit A:

Governor's Office Letter.

Exhibit B:

Pierce County Assessor-Treasurer 2009
Investigative Report and
Exhibits #1 and #2 thereto.

Exhibit C:

Copy of Pertinent Laws

Governor's Office Letter

Exhibit A

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

October 6, 2009

The Honorable Dale Washam
Pierce County Assessor-Treasurer
2401 South 35th Street, Room 142
Tacoma, WA 98409-7498

Dear Assessor-Treasurer Washam:

Thank you for your letter to Governor Gregoire detailing your investigation into allegedly falsified reports concerning real property tax records in Pierce County from 2001 through 2008.

It appears that you and your staff have conducted an extensive investigation into this matter which is well documented in the report you sent. Washington State Auditor Brian Sonntag believes that the situation uncovered by your investigation is being corrected with the help of the Department of Revenue. Washington State Attorney General Rob McKenna indicates that the results of your investigation would be best handled by Pierce County Prosecutor Gerry Horne.

The Governor's Office concurs that the information uncovered by your thorough investigation should be reviewed by the county prosecution to determine if crimes were committed and if charges should be brought against the individuals involved. Since the allegations of misconduct are on the local government level, it is the locally-elected prosecutor's responsibility to take the lead in instigating further action.

Thanks again for your letter and report, and I wish you the best in resolving any remaining unanswered questions about these tax records.

Sincerely,

A handwritten signature in cursive script that reads "Melody Younglove".

Melody Younglove
Constituent/Management Services Manager
Christine O. Gregoire
Governor



Pierce County Assessor-Treasurer 2009
Investigative Report
&
Exhibits #1 and #2 thereto
(with attached CD)

Exhibit B



Pierce County

Office of the Assessor-Treasurer

DALE WASHAM
Assessor-Treasurer

Pierce County Assessor-Treasurer

Investigative Report

By:
Dale Washam
Assessor-Treasurer

September 2, 2009

2401 South 35th Street, Room 142
Tacoma, Washington 98409-7498
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(253) 798-6111

WE WORK FOR YOU, THE TAXPAYER.

ACKNOWLEDGEMENTS

Michael Johnson, Assessor-Treasurer's Department Information Technology Specialist, generated and compiled the statistical data used in this report and the charts therein.

Gretchen Borck, Assistant to Assessor-Treasurer and Alberto Ugas, Chief Deputy Appraiser, contributed to the construction of the Investigative Report.

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PIERCE COUNTY ASSESSOR-TREASURER INVESTIGATIVE REPORT

This is an official report from Dale Washam, Pierce County Assessor-Treasurer, regarding the discovery and subsequent investigation of hundreds of thousands of instances of falsified entries regarding physical inspections into the official Pierce County Real Property records in the Assessor Treasurer's office. As well as falsified reports regarding physical inspections that were submitted from the Assessor-Treasurer's office to the state Department of Revenue, and in addition, falsified documents regarding physical inspections submitted to Pierce County authorities for budgetary purposes. All the above took place during the years 2001 through 2008.

Said falsified entries number into the hundreds of thousands, and are of such scale and magnitude so as to bring into question the entire body of assessed values placed on the properties in Pierce County, with a total taxable value that **exceeds \$93 billion dollars**. The taxpayers of Pierce County have a constitutional right to uniformity of taxation.

RCW 84.40.0301 states: *"...upon review by any court, or appellate body, of a determination of the valuation of property for purposes of taxation, it shall be presumed that the determination of the public official charged with the duty of establishing such value is correct"*.

With that presumption of correctness the Assessor-Treasurer's office administration and staff have the obligation and the responsibility to follow the law and safeguard the integrity of their valuation processes, as well as the integrity of all county records and files entrusted to their care.

The findings of this Investigative Report show that in the years 2001 through 2008 the Pierce County Assessor-Treasurer's office did not follow state law RCW 84.41.041 or state Administrative Code WAC 458-07-015(4a), wherein both mandate physical inspections of real property every six years. The findings will also show that official Pierce County Assessor-Treasurer's office records regarding real property physical inspections have been falsified. The findings in addition show that the wrongful omission of these physical inspections harmed the uniformity and equity with regards to the assessed values used as the basis for property taxes throughout Pierce County, as the accuracy and reliability of said values can no longer be assumed.

During the years 2001 through 2008, when said falsifications took place, the elected Assessor-Treasurer and all his staff appraisers were under sworn oaths to "support the Constitution and laws of the State of Washington" where therein is RCW 84.41.041 which makes real property physical inspections mandatory by said law, every six years.

I. ALLEGED FALSIFICATION OF PUBLIC RECORDS

1. The alleged falsification of 188,671 taxpayer real property physical inspections records with the false appraisers initials KMP during 2001 through 2008.

2. The alleged falsification of 179,971 real property certification codes regarding taxpayer real property parcels records in the Assessor-Treasurer's office for the years 2001 through 2008.

3. The alleged falsification of the Assessor-Treasurer's office official Revaluation Progress Reports filed with the Washington State Department of Revenue for each of the years 2001 through 2008.

4. The alleged unlawful falsification of Budget Summary Workload Data reports filed with the Pierce County Budget & Finance office in regards to taxpayers real property physical inspections for each of the years 2001 through 2008.

The Pierce County Assessor-Treasurer Dale Washam believes that the taxpayers of Pierce County, his employers, deserve to know the truth regarding the alleged falsifications of the Assessor-Treasurer's office official real property tax records during the years 2001 through 2008.

Therefore, Pierce County Assessor-Treasurer Dale Washam has conducted an investigation into the Assessor-Treasurer's office official taxpayers records regarding physical inspections and from the information obtained from that investigation has created this official Pierce County Assessor-Treasurer office report, with the following investigative issues and findings thereto.

II. INVESTIGATIVE ISSUES AND FINDINGS

INVESTIGATIVE ISSUE 1: Were there any falsifications in regard to the number of completed residential real property physical inspections recorded in the Pierce County Assessor-Treasurer's office official records during the years 2001 through 2008?

FINDING ON ISSUE 1: A records check of the Pierce County Assessor-Treasurer's office for the years 2001 through 2008 shows that **188,671** official computer records regarding residential real property parcels physical inspections were falsified. Said falsifications took place when false data was entered into the Assessor-Treasurer's official taxpayer records by entering the false appraisers initials "KMP", which wrongfully indicated on said taxpayers official record that a residential physical inspection had taken place, when in truth no such physical inspections had been done. SEE APPENDIX No. 1

INVESTIGATIVE ISSUE 2: Were alleged made up false Certification Codes entered into the taxpayers residential real property physical inspections records in the Pierce County Assessor-Treasurer's office official records during the years 2001 through 2008?

FINDING ON ISSUE 2: There is prima facie evidence that shows during the years 2001 through 2008, there were **179,971** alleged made up false Certification Codes wrongfully entered into taxpayers official computer records in the Pierce County Assessor-Treasurer's office. There are six Certification Codes used to identify how

residential real property parcels inspections are conducted. The Assessor-Treasurer's office official records show that several different Certification Codes were wrongfully used with the false appraisers initials "KMP" whereas, together they clearly made a false and misleading representation that those said 179,971 parcels receiving the false certification codes had been physically inspected pursuant to those falsified certification codes. SEE APPENDIX No. 2

INVESTIGATIVE ISSUE 3: Were there any falsifications of the official Pierce County Assessor-Treasurer's yearly Revaluation Progress Reports submitted to the Washington State Department of Revenue for the years 2001 through 2008 in regards to the number of Residential physical inspections reported as being completed?

FINDING ON ISSUE 3: There is prima facie evidence that indicates the Pierce County Assessor-Treasurer's office Revaluation Progress Reports filed with the Washington State Department of Revenue for the years 2001 through 2008 were falsified as to the number of Residential physical inspections that were claimed completed during those said years. The said Revaluation Progress Reports state collectively **386,279** Residential physical inspections were completed in said years. However, according to the official Pierce County Assessor-Treasurer's office records there were collectively only **76,692** actual valid physical inspections done during those said eight years. Therefore, **309,587** were falsely reported as being completed to the Washington State Department of Revenue in those said eight years 2001 through 2008. SEE APPENDIX No. 1

INVESTIGATIVE ISSUE 4: Were there any falsifications as to the number of Commercial and Residential real property physical inspections stated as being completed in the official Assessor-Treasurer's office Budget Summary Workload Data documents submitted to the Pierce County Budget & Finance office in support of the budget amount requests for each of the years 2001 through 2008?

FINDING ON ISSUE 4: There is prima facie evidence that indicates the official Assessor-Treasurer's office budget summary checklist for the years 2001 through 2008 contained falsified numbers in regards to workload service data information documents supporting request for funds in the budget regarding Commercial and Residential physical inspections for those said years. It was falsely reported on said workload service data budget documents for the years 2001 through 2008 filed with the Pierce County Budget & Finance Office, that collectively **391,093** physical inspections had been done in said years.

The Assessor-Treasurer's office records show that there were collectively only **84,558** actual valid commercial and residential physical inspections completed in those said years 2001 through 2008, therefore, **306,535** of those said commercial and residential physical inspections were falsely reported as being completed.

SEE APPENDIX No. 3

INVESTIGATIVE ISSUE 5: Were there any years during 2001 through 2008 where 36 or less commercial real property physical inspections were done in Pierce County?

FINDING ON ISSUE 5: The Pierce County Assessor-Treasurer's office records show in 2001, 2002, 2003 and 2004 there were 36 or less commercial real property

physical inspections done in Pierce County. While thousands were being reported in progress reports to Washington State Department of Revenue as being done. SEE APPENDIX No.4

INVESTIGATIVE ISSUE 6: Were certain taxpayers real properties handpicked by the Assessor-Treasurer's office administration to be physically inspected during the years 2001 through 2008, while other adjacent taxpayers properties in the same physical inspection cycle were not inspected?

FINDING ON ISSUE 6: There is prima facie evidence that indicates during the years 2002 through 2008 certain taxpayers real properties were specifically hand picked and assigned as dots on maps of the physical inspection areas in order for them to be actually inspected. While at the same time, the Assessor-Treasurer's office official records for those said years contain falsified records that make it appear adjacent real properties from other taxpayers in those inspection areas in the inspection year cycle in Pierce County had been physically inspected as required by State Law specifically RCW 84.41.041, when in fact they had not.

INVESTIGATIVE ISSUE 7: Were the official Pierce County Assessor-Treasurer's Revaluation Progress Reports filed with the Washington State Department of Revenue falsified regarding the number of commercial property physical inspections completed for the years 2001 through 2008?

FINDING ON ISSUE 7: There is prima facie evidence that indicates the Pierce County Assessor-Treasurer's office Revaluation Progress Reports filed with the Washington State Department of Revenue for the years 2001 through 2008 were

falsified as to the number of commercial physical inspections completed collectively during those said years, which was stated in those said reports to be **34,750** commercial physical inspections completed during those years. However, according to the official Pierce County Assessor-Treasurer's office records the number of actual valid physical inspections done collectively during those eight years between 2001 and 2008 was **7,866** therefore, **26,884** were falsely reported as being completed physical inspections for said years 2001 through 2008. SEE APPENDIX No. 4

INVESTIGATIVE ISSUE 8: How did the false initials KMP and the false Certification Codes get entered into the Assessor Treasurer's office official records in the years 2001 through 2008?

FINDING ON ISSUE 8: The following e-mails are samples of how the false initials KMP and the false Certification Codes were entered into the Assessor-Treasurer's office official records in the years 2001 through 2008.

Sample E-mail #1

Bill Ford - Group Update for PI Year 2002 - Date and Initials

Page 1

From: Sally Barnes
To: Billie O'Brien
Date: Mon, Nov 26, 2001 4:54 PM
Subject: Group Update for PI Year 2002 - Date and Initials

November 26, 2001

Billie,

2002 PI dates Group Updated as follows:

Appraisal Area 10: 11-19-01
Appraisal Area 11: 12-10-01
Appraisal Area 12: 12-31-01

These dates were applied using group update in the PI areas only. The initials used were **KMP**. This is being done prior to scanning the field appraiser's work.

The update is being requested to run tonight. If all goes well, you should be able to start scanning the A2's that have been inspected tomorrow, Tuesday, November 27, 2001 after we have verified that everything ran correctly.

CC: Bill Ford; Deborah L'Amoureux; Jon Hawkes; Kare...

Sample E-mail #2

From: Shellie Pollitt
To: RAT; Sally Barnes
Date: 11/1/02 12:07PM
Subject: Group Update KMP

Deb has group updated the Real Property and Manufactured Homes in the PI area with Ken's initials. They are spread throughout the month October as follows.
AA 1 KMP 10/03/02
AA 2 KMP 10/17/02
AA 5 KMP 10/31/02

CC: ATRESAPPR; MAT

Sample E-mail #3

Request IT :: The Assessor-Treasurer's Information Technology Request System

:: New Request :: Pending Requests :: Closed Requests :: Statistics :: Login

Request Number 100

Status:	Closed	Source:	ATR
Requestor:	Sally Barnes	Phone:	3709
Description:	Update Appr Initials and Date in PI Year 3		
Details:	In order to complete the 2004 physical inspection cycle we need to update all the residential accounts with inspection dates and initials. The following are the accounts to be updated Update where Account Type equals Residential, Residential Leasehold or Mobile Home and Value Area = PI-Year 3 Update only the land screen with Appraiser = KMP and Date Appr = 02-02-04 and CertCode = 7 (Observed). Exclude any account that has Date Appr. greater than 09-16-03 (day the rolls closed) already on the Land screen.		
Date of Request:	5/20/2004	Date Needed:	5/28/2004
Owner Dept:	CATS	Assignee:	Mike Johnson
Estimated Date:		Completed Date:	6/2/2004
Priority:	High	Minutes:	30
Notes:			
Attachment:	No		

Sample E-mail #4

Mike Johnson - PI Year 6 Update to Dates and Initials

Page 1

From: Sally Barnes
To: Mike Johnson
Date: 2/5/2008 10:59:23 AM
Subject: PI Year 6 Update to Dates and Initials

Mike,

Due to the current issues with batch land, Shellie feels the most efficient way to make this update is for you to do this like it has been done in the past. Please let me know as soon as this process has been completed. Debbie Brammer is waiting on this information.

Would you please identify all Residential, Mobile Homes, and Res Leasehold account types that meet the following criteria:

PI Year = 6
Inspection Date is less than 04-20-2006

Properties that meet this criteria have been statistically updated and need to have the following information added to the land and building records:

Appraisal Date (Date Appr)= 01-02-2007
Appr Initials (Appraiser) = KMP
Cert Code = 6

Please let me know if you have any questions.

Thanks Sally

CC: Mark Williams; Shellie Pollit

Sample E-mail #5

Mike Johnson - PI Year 1 - Statistical Information on Accounts

Page 1

From: Sally Barnes
To: Mike Johnson
Date: 5/20/2008 5:18:43 PM
Subject: PI Year 1 - Statistical Information on Accounts

Mike,

Please use the following criteria to identify accounts that need to be updated as a result of a statistical model application:

Criteria:

Account Type = Residential, Residential Leasehold, Mobile Home, & Res Com Condo
Value Area = PI Year 1
Inspection Date on the Land Screen is prior to 06-01-2007

Apply the following information to the selected accounts onto the Land Screen:

Date Appr (Inspection Date): 01-02-2008
Appraiser (Inspection Initials): KMP
Cert Code: 6

CC: Shellie Pollit

III. APPRAISER INITIALS AND CERTIFICATION CODES DEFINED

1. The internal office guidelines of the Pierce County Assessor-Treasurer office are designed so as to ensure proper accountability every time an Official Property Assessment Record is altered. Particular emphasis on these guidelines is applied whenever the assessed value for any given property is changed.
2. Only appraisers duly accredited by the Washington State Department of Revenue are legally authorized to make value changes.
3. All office staff is assigned a set of two initials which are to be used whenever any changes are made to an Official Property Assessment Record, whether or not these changes elicited a change in value. These initials are entered on the "Appraiser" field of the offices' database.
4. These two assigned initials are always used in conjunction with a third alphabetic code in order to identify the appraisal cycle that elicited the changes made to the property record. These alphabetic codes are as follows:

CODE	DESCRIPTION
B	Board of Equalization or Board of Tax Appeals Action
D	Destroyed Property
G	Segregation
N	New Construction Cycle
O	In Office Changes
P	Physical Inspection Cycle
R	Review
S	Sales Validation
T	Trended Investment

5. Thus, under office policy, an appraiser assigned the initials GO who might have made changes to a property record on account of an improvement that was destroyed, would be required to add the third character "D" to his own personal initials in order to identify the record properly. Such Official Property Assessment Record would display the initials GOD on the "Appraiser" field.
6. This third initial on the "Appraiser" field, according to established office policy, should only be used in order to identify the appraisal cycle where changes were made to the property record. The office policies do not allow such a code for statistical trending, and they do not allow any appraiser to identify a physical inspection, when no such inspection has occurred. Neither do they allow for the use of a physical inspection code, or any other code, for statistical trending purposes.

7. In conjunction with the “Appraiser” code policy, a series of certification codes are used in order to properly track the nature of the property inspection that merited the changes made to the Official Property Assessment Record. These certification codes correspond to a specific type of inspection. They are the following:

CODE	DESCRIPTION
1	Property was Entered
2	There was no one at the Property
3	Appraiser was Denied Entry to the Property
4	Appraiser Declined to Enter the Property
6	Changes made from the Office – No Site Inspection
7	From Street Observation Only

8. Proper adherence to established office policies mandates that whenever a property record is altered in any way, the person making such alteration a) be properly identified in the “Appraiser” field; b) input the date when the changes were made; and c) use the appropriate Certification Code.

IV. ANALYSIS OF WASHINGTON STATE PROPERTY TAX SYSTEM

The property tax system we use in the state of Washington is an *ad valorem* tax system, which means the tax is distributed among taxpayers according to the value of each property. This property tax is a primary means by which the services all citizens depend on, such as police and fire protections, schools, roads, parks, hospitals, libraries and court systems, etc., are funded. Thus the integrity and proper management of the property tax system is critically important to both government and citizenry.

The assessor Treasurer's office in Pierce County is the entity directly responsible with ensuring the integrity of this tax system is preserved above all other considerations. Any and all tax systems are based on the principles of fairness and uniformity. Citizens demand and expect they be taxed and treated the same way and with the same considerations granted everyone else. When this implicit "trust" in the uniformity and equal treatment of the process is undermined, it jeopardizes the social trust therein.

RCW 84.41.010 clearly states the need for uniformity that physical inspections obtain. RCW 84.41.010 states:

Recent comprehensive studies by the legislative council have disclosed gross inequality and nonuniformity in valuation of real property for tax purposes throughout the state. Serious nonuniformity in valuations exists both between similar property within the various taxing districts and between general levels of valuation of the various counties. Such nonuniformity results in inequality in taxation contrary to standards of fairness and uniformity required and established by the Constitution and is of such flagrant and widespread occurrence as to constitute a grave emergency adversely affecting state and local government and the welfare of all the people. Traditional public policy of the state has vested large measure of control in matters of property valuation in county government, and the state hereby declares its purpose to continue such policy. However, present statutes and practices thereunder have failed to achieve the measure of uniformity required by the Constitution: the resultant widespread inequality and nonuniformity in valuation of property can and should no longer be tolerated. It thus becomes necessary to require general revaluation of property throughout the state.

When changes in assessed values are borne from physical inspections that have not been uniformly conducted, the consistency of the assessment levels is invariably lost, and some properties end up being assessed at a lower level than others. This problem is further magnified when you have entire class of properties, such as commercial properties, not being inspected while residential properties are.

V. CORRECT DATA IS ESSENTIAL IN REAL PROPERTY MASS APPRAISAL

A mass appraisal system relies to a great extent on valuation models, standardized practices, and statistical quality controls. However, the cornerstone of such a system is provided by its property data. All other system components rely on and build upon this property data component, in order to arrive at credible and supportable estimates of market values.

A mass appraisal system is only as good as the data it is built upon. The use of sophisticated statistical and econometric analyses is futile, when based on faulty assumptions and/or inaccurate data. Essential to the quality and reliability of this property data component is a regular system of routine physical inspections for all property subject to assessment. Such inspections must be done in a neighborhood wide basis, for market forces that may have an impact on value, typically affect entire groups or properties, areas or neighborhoods. It is only through a systematic, periodic and consistent physical inspection cycle that an appraiser can ascertain the impact of all internal and external market forces upon any given property. A regular physical inspection cycle is the only tool that provides reliable answers to the questions of "Has anything changed with this property?" and "Is this property's value being impacted by any outside forces?"

Recognizing this fact, the state legislature has enacted into law a requirement that all real property in the state be physically inspected on a regular basis no less than every sixth year pursuant to RCW 84.41.041 which states:

"Each county assessor shall maintain an active and systematic program of revaluation on a continuous basis, and shall establish a revaluation schedule which will result in revaluation of all taxable real property within the county at least once each four years and physical inspection of all taxable real property within the county at least once each six years."...

VI. SYNOPSIS OF NEED FOR REAL PROPERTY PHYSICAL INSPECTIONS

RCW 84.41.041 Requires physical inspections.

Physical inspections are a requirement to correctly administer CAMA (Computer Aided Mass Appraisal) systems.

It is commonly known that the basis for any real forthright statistical analysis is based on the data that goes into the model. ***The primary way to obtain property characteristic data is to physically inspect the property.*** The physical inspection process enables the appraiser to review the relevant physical characteristics of the subject property and to compare those actual characteristics with those of record.

In addition, a physical inspection allows an appraiser to determine the Highest and Best Use of the subject properties and thereby, adjust those properties values in a uniform manner.

Characteristics that are relevant:

The following is a list of relevant characteristics, which could have an impact on value. The impact could be either negative or positive.

1. Neighborhood's life cycle stage.
2. Changes in zoning.
3. New construction that the county did not have a permit on – Demolished properties that we were not aware of.
4. Change in use.
5. Condition of property.
6. Square footage of land or building.
7. Changes in traffic pattern that may impact potential use.

Without the correct property characteristics it would not to be honest to hold trustworthy the validity of the statistical trending.

*The physical inspection process ensures “**accuracy, uniformity, equity and reliability**” in assessment value. Without a physical inspection you can not hold a high level of trust in the reliability of statistical trending based on data that has not been physically verified. The fact is **if some properties are overvalued, they are baring the burden unfairly. If some properties are undervalued, then the balance of taxpayers whose values are at market value are unfairly baring the burden of those undervalued properties.***

VII. STATEMENT OF FACTS

Fact 1: In a letter to Dale Washam, right after being elected in 2008, one of the present Assessor-Treasurer's office commercial appraisers, Gary Foreman stated therein, "**We have been cooking the books with appraiser initials on residential appraisal and not completing the 6 year residential physical inspections cycle.**" (see Exhibit 1, page 7. copy of said letter) (Emphasis added)

Fact 2: In the notes taken at the Assessor-Treasurer's office Management meeting held on January 22, 2009, Sally Barnes, the administrative officer responsible for the direct supervision of all appraisal teams, both commercial and residential, states that "The properties we didn't go to, **we put Ken's initials on as KMP.**" (see Exhibit 1, page 8. copy of said notes) (Emphasis added)

Fact 3: In a document entitled "Appraiser Initials Updated" drafted and signed by Mike Johnson, the Assessor-Treasurer's office Department Information Technology Specialist states therein: "between 2001 and 2008, the **initials KMP were used to identify those parcels in a particular PI Area,** that were not touched by an appraiser." (see Exhibit 1, page 14. copy of said notes) (Emphasis added)

Said document further states:

- "PI Year 3 Request IT (Information Technology Request System) request date 5/20/2004 submitted by Sally Barnes. **The original request was to update the appraiser initials to KMP** and update the appraisal date to 2/2/2004. The request was later verbally amended to set the appraisal date to a value between 1/9/2004 and 3/5/2004, depending on the neighborhood. (See Exhibit 1, page 16.) (Emphasis added)
- P1 Year 4 - email from Sally Barnes to myself dated 12/12/2005. I believe the original request for this was a verbal request. **The request was to update the appraiser initials with KMP** and update the appraisal date to 1/3/2005. The email that is attached shows Sally's response to my question regarding the updating of building only parcels (mobile homes, res leasehold), in addition to the land record. (See Exhibit 1, page 17.) (Emphasis added)
- P1 Year 5 - email from myself to Sally Barnes dated 6/12/2006 asking if I had updated the initials and dates in P1 area for modeled properties. **The original request was a verbal request to update the appraiser initials to KMP** and update the appraisal date to 1/3/2006.(See Exhibit 1, page 18.) (Emphasis added)

- P1 Year 6 - email from Sally Barnes to myself dated 2/5/2008 requesting that I update the **appraiser initials with KMP** and update the appraisal date to 1/2/2007. (See Exhibit 1, page 19.) (Emphasis added)
- P1 Year 1 - email from Sally Barnes to myself dated 5/20/2008 **requesting that I update the appraiser initials with KMP** and update the appraisal date to 1/2/2008.” (See Exhibit 1, page 20.) (Emphasis added)

In said document (See **Exhibit 1, page 21.**), it states on “Spreadsheet # 1 shows all currently active parcels that have the **initials KMP** on either the land record, or the building record for building only parcels such as mobile home and residential leasehold properties. Within each PI area, it is broken down by the appraisal date recorded in the system. As an example, there are 34,157 parcels that are in PI Area 4 that have **KMP initials** and an appraisal date of 1/3/2005. Overall, there are 135,087 parcels with the **KMP initials.**” (Emphasis added)

In said document (See **Exhibit 1, page 22.**), it states on “Spreadsheet #2 shows all currently active parcels that have had the **KMP initials** at any point since converting to RealWare on 3/17/2003. Thousands of parcels with **KMP** and an appraisal date prior to 3/17/2003 were converted into RealWare. The way versioning in RealWare works is that whenever a change is made in the system, a new version of that record is written, which maintaining the previous record for historical purposes So, these are all cases where the initials at one time were **KMP**, but may have been updated to actual appraiser initials following an inspection. When bulk system updates were made, this versioning was unable to be performed. In those cases, the currently active record was simply overwritten with **KMP initials**. Whenever the Information Management team is asked to do this type of update, **we make perfectly clear the ramifications of updating the active record without any versioning.** There are 181,540 parcels that have had the **KMP initials** at some point in time. (Emphasis added)

Fact 4: The information report from Gary Dill, Information Technology Specialist III Pierce County Software Development Division States:

“Sometime in early 2004 I received an email from Sally Barnes asking for **parcels meeting a specified criteria to be mass-updated with Appraiser initials of “KMP”** and a recent inspection date. It did not contain a reason for the request. I kept this email for several years but it appears that it has since been cleansed from my files.

Requests for mass-updating of appraisal data which Real Ware is unable to perform, and there have been hundreds of them, are typically sent to me as a matter of course. The requester of a mass-update (typically Sally or Shellie Pollitt) usually has a general idea of how many parcels will be affected but rely upon my preliminary query results to verify counts prior to my performing the actual record update. **Such updates perform direct updates to the RealWare records and do not leave a typical historical audit trail.**

The usual path for such email requests has been:

- 1) I ask that the specifics of the request be put into the Assessor-Treasurer electronic Request-IT system for tracking and documentation purposes.
- 2) Each request (at that time) was discussed in an open Managerial meeting with Deputy Assessor Kathy Fewins in attendance and required her approval prior to proceeding.
- 3) I perform an initial query using the indicated criteria and present the results to the requester for verification and/or further testing.
- 4) Upon approval of the testing results, I perform the actual update of the records.

In this particular case, I did ask that the request be added to the Request-IT tracking system and it was entered as request # 100 (see attached) on 5/20/04. In addition, the request was presented to and approved by Kathy Fewins on 6/1/04 during the Managerial meeting. **It was at this point in time that I had concerns about performing this update. I had worked on the ATR reports that were used to provide statistics to the Department of Revenue and knew that these inspection dates were used in reflecting Physical Inspection totals and percentages. I was uncomfortable in what I perceived as skewing those percentages and discussed it with my manager Carol Auping. She agreed with my assessment and allowed that I was within my rights to decline making the change. I subsequently met with Sally and respectfully declined to perform the update as requested.**

In later discussions with Mike Johnson I found out that Mike had been requested to perform the update in my stead and that he did in fact perform the update. In subsequent years I learned that similar requests for the mass- updating of Appraiser Initials and Dates were made of Mike, but since these requests were no longer entered into the Request-IT tracking system nor were they directed to me, I did not keep track of how many requests there were or what they entailed." **(See Exhibit 1, pages. 24 and 25.** (Emphasis added)

Fact 5: The notes, of a January 22, 2009 Management meeting held in the Assessor-Treasurer's office states: Sally Barnes made the following statement regarding Pierce County properties that did not get a physical inspection as required by law "... the properties we didn't go to **we put Kens initials on as KMP.** A person was fired that went to DOR to discuss this. Didn't have the time or manpower to get the job done under the new system. We did what we could to get the job done. ..." (see **Exhibit 1, page. 8.** a copy of the notes of record from said management meeting held on January 22, 2009) (Emphasis added)

Fact 5a: On March 4, 2009 Sally Barnes sent Dale Washam, the present Pierce County Assessor-Treasurer, the following memo which stated in part:

“SUBJECT: Request from Dale Washam, to supply information regarding Residential Physical Inspection process during the last administration. (Ken Madsen & Kathy Fewins)

Dale, you stated in a meeting on 03-03-09 that you were not directing me to give this information to you regarding physical inspection. I am voluntarily providing the information about physical inspection process and how I was directed to implement physical inspection during the last administration. This is provided to the best of my knowledge.

On February 4, 2003, I was appointed as the Administrative Officer in the Assessor Treasurer’s Office. I was the manager over the Residential and Statistical Teams of the office. My immediate supervisor was Kathy Fewins, Chief Deputy. Ken Madsen was the Assessor-Treasurer. Mr. Madsen’s term expired December 2008.

In a meeting in Ken Madsen’s office, I was directed by Ken Madsen and Kathy Fewins on how they wanted the Physical Inspection done. In meetings with Kathy and Ken, they instructed me to identify those properties that did not fit the model. In the model which included parcels that had conversion adjustments, views, sales, and land characteristics that needed to be verified.

I then instructed the Statistical Team to identify those properties in the physical inspection area based on the criteria set by Ken Madsen and Kathy Fewins. These accounts were then scheduled for inspection.

Ken Madsen also requested a map showing the dots for all the parcels that were to be inspected. He requested this map every year he was in charge. The map was requested and created for him by Deborah L’Amoureux on the Statistical Team. ...

(Page 2)

“The preparation and planning work for the Physical Inspection cycle (2008) was well under way when Kathy Fewins left the Office. The Statistical Team was scheduled to have everything in place for the Physical Inspection to start in September. At this point, Ken Madsen **was still directing how Physical Inspection was to be done and was still requesting to see the map with the dots identifying those parcels to be inspected.** I was following the direction of my supervisor, the Assessor- Treasurer. This was not my decision. Again, even after Kathy Fewins left employment with Pierce County, Ken Madsen was still directing how he wanted the physical inspection done.

During the last year of Mr. Madsen’s term as the Assessor-Treasurer, I went to him concerned over the number of properties that had been identified to inspect. I told him that given the shear numbers it would be better to do a full Physical Inspection. Mr. Madsen still wanted to see a map displaying the dots with the properties to be inspected. After consideration, he agreed to a full physical inspection for the 2008/2009 cycle.

Properties that were not physically inspected had the initials KMP applied to them. These initials were used to identify the properties had the land model applied and were not inspected. At no time were the KMP initials used as an indication that the property had been inspected or that Ken Madsen was an accredited appraiser. These initials were used to identify those properties that had not been inspected.” (see **Exhibit 2, pages 65 to 66**) (Emphasis added)

Fact 5b: On March 4, 2005 Sally Barnes filed a sworn Declaration in support of the former Assessor-Treasurer Ken Madsen and against the Recall Petition, in Superior Court Case No. 05-2-05329-7 where therein, Sally Barnes’ Sworn Declaration states:

Exhibit 2, pages. 59, lines 14 - 17:

“Sally Barnes, under penalty of perjury, declares as follows:

I have personal knowledge of the matters stated herein, am over the age of 21 and have no personal stake in the outcome of this matter. I have been an employee of the Pierce County Assessor’s office for 25 years-- since 1979.” ...

Exhibit 2, page. 60, lines 3 - 8:

“... I have no personal stake in the outcome of this matter, and I am a union employee with job security—protection for cause—so there is no fear on my part of retaliation for telling the truth to this Court. Currently, I am an Administrative Officer and Chief of the Residential Appraisal Team and the Statistical Appraisal Team. I supervise approximately 30 employees in the Office of the Assessor-Treasurer. ...

Exhibit 2, page. 61, lines 12 - 22:

“I have reviewed the recall charges filed against Ken Madsen, the elected Assessor-Treasurer for Pierce County, by Dale Washam and others. It is evident to me, based on my background and my familiarity with the system of appraisal used here and generally in the State of Washington, that the recall petitioners have no idea how the system works. I am familiar with the data and information provided to them. Not only do they not understand the data or documents provided to them, but they misrepresent what was provided to them. Given their lack of knowledge and understanding, it is not surprising that they make allegations without any foundation whatsoever. Based on my personal knowledge of the documents provided, it is categorically false that Ken Madsen falsified any documents. **The initials “KMP” that the recall proponents may have seen on a computer screen are simply a code to indicate that the data is the product of the statistical or computer modeling, and not data inputted by a particular appraiser. In other words, KMP is a sort of generic code assigned to information gathered statistically.** That “box” on the screen perhaps should not say “appraiser”, as we use different initials for various persons on our staff, and the initials of the person keying in the input is used, even if they are not”...

Exhibit 2, page. 63, lines 1 - 13:

“...one of the appraisers. In other words, that box really means “person providing input” and 2 therefore “KMP” means that the particular screen includes data resulting from statistical modeling. To argue that Mr. Madsen thereby represents

himself to be an accredited appraiser is ridiculous, if that is what they are trying to argue. **He merely said to use his initials on that screen, because he is ultimately responsible to the voter or taxpayer for the accuracy of the value assigned.** In conclusion, it is my opinion that the recall charges are totally unfounded because the proponents are mischaracterizing a part of the information, since they do not know what they are looking at. Nor do they understand the process of valuation. I declare under penalty of perjury of the laws of the State of Washington that the foregoing is true and correct.”

(See **Exhibit 2, page 59 - 63.**) (copy of Sally Barnes Declaration) (Emphasis added)

Fact 6: On August 23, 2004 the twenty-one certified copies of Realware land screens documents in (**Exhibit 2, pages 137 - 164.**) were obtained from the Assessor-Treasurer’s office as an example of the tens of thousands in the Assessor-Treasurer’s office records. Those said county record documents clearly show that those said real property parcels represented by the said twenty-one (21) documents had been falsified with the bogus appraisers initials “**KMP**”, as tens of thousands other real property parcels were. The said **KMP initials** were being used to falsely indicate a physical inspection had been done on those said twenty-one (21) property parcels, when in fact, no such physical inspection had been done on any of them. Or any of the other tens of thousands of real property parcels with the **initials KMP** on them. (Emphasis added)

Fact 7: In a log record document e-mailed February 25, 2009 Jim Hall, supervisor, commercial industrial department said document entitled “ Notes Regarding Physical Inspection and Level of Assessment” where therein Jim Hall’s notes state:

“12-02-02 – Met with Ken, Kathy, Hal and Sally Barnes to discuss what we are going to provide to the B of E. I feel that the information we are giving them is sorely lacking. We are only going to provide them with some sales. We are not going to give them our income models or appear to help the board understand how we appraised the properties. Ken said “So what if they lower our value a few bucks”. I think this is irresponsible and is not what the taxpayers expect of their public official. Kathy seems to keep pushing for appeals to be answered with a one page form letter that they prepared. I am very uncomfortable with the letter.” (see **Exhibit 1, page 27.** a copy of Jim Halls said notes) “02-11-05 – I told Kathy that the values on these properties look consistent to me. I noted that this is the problems that are created when you do not conduct a PI (physical inspection). Kathy said that she had never told me I couldn’t do a PI. I could not believe what I was hearing. She is such a liar. They have gone so far as turning my action plans that include PI’s back to me to be re-done until I take PI off. She said that she didn’t know how we are going to do a PI when we start loosing people in a year or two. I told her we were loosing an opportunity to fix things. I said we just finished up the conversion and that we should be doing PIs right now while we still have the people. Not doing them is going to kill us on equity. All Ken and Kathy have let my team do is New construction and Sales verification for the last three years. I told them that if we ever want to model and use any of the technology we purchased we need to get our data correct. I then told her that the Washington building looks to be assessed

correctly. Our ratios in downtown are around 90+% and that if we leave this property low it will remain low for years, maybe forever. The real inequity is leaving it alone.” (see **Exhibit 1, page 30.**)

“02-17-05 **Ken is insistent on correcting values in Downtown Tacoma without collecting good data first. During the meeting I reiterated over and over that there is not way to update values short of doing a physical inspection.** He just kept saying that he was not arguing with me, but we have to find a way to use the computer to update these values without doing a physical inspection.

I told Ken again that I know a lot of people in the assessment industry, and none of them know how to appraise property without a description. I told Ken that if I asked him what my house is worth he could not tell me without knowing something about it. **In turn I could not tell him what his house is worth without pulling some characteristics and doing some analysis. I said that no amount of analysis will arrive at market value with incorrect characteristics.**

He again said he didn’t disagree, but he is going to kick Kathy in the ass to find a way to do this in the computer. **I told him that I sound like a gong but you need to know something about the properties you are appraising before you update the values.**

I told them that there are several areas in the county that the characteristics have been neglected and appraising is problematic. Downtown, Puyallup, Sumner and South Hill. Downtown has bad characteristics because it is such a hornets nest. Gary Kasper said before he left that this is the one area of the County that they don’t want you to do your job. Puyallup, South Hill and Sumner are out of whack because the appraiser did the bare minimum for a long time. Some of these properties may not have been touched since the 70’s or 80’s.” (see **Exhibit 1, pages 32 and 33.** a copy of Jim Halls said notes) (Emphasis added)

Fact 8: The Recall Petition against Ken Madsen dated February 7, 2005 states on page 1 states: **COUNT 1:** Ken Madsen intentionally and unlawfully caused Public Documents to be falsified i.e., 97,661 Pierce County Assessor-Treasurer’s Office Account Summary Real Property Tax Documents “A2’s” for the years 2001, 2002, 2003 and 2004. Those 97,661 falsified “A2” were then used to determine residential property tax assessments. Ken Madsen’s said actions constitute misfeasance and malfeasance in office.

COUNT 2: Ken Madsen intentionally used the fraudulently falsified contents of said “A2’s for the years 2001, 2002 and 2003’s totaling 88,900 falsified Account Summary Real Property Tax Record Public Documents known as “A2’s” to intentionally and unlawfully falsify the contents of three Pierce County Public Record Report Documents i. e., the Pierce County Assessor’s Office Annual Revaluation Progress Reports to the Washington State Department of Revenue Property Tax Division for the years 2001, 2002, and 2003. Ken Madsen personally signed and thereby fraudulently certified the contents of said reports for 2001, 2002, and 2003. Ken Madsen then personally caused those said three fraudulent Pierce County Assessor’s Office Annual Revaluation

Progress Reports for the years 2001, 2002, and 2003 to be filed with the Washington State Department of Revenue Property Tax Division. Ken Madsen's said actions constitute misfeasance and malfeasance in office in addition to violating his oath of office." (see **Exhibit 2, page 122**, a copy of the Recall Petition)

Fact 9: The Verbatim Report of proceedings for March 21, 2005 in the recall of Ken Madsen (see Exhibit 2, page 116 line 7 through page 118 – line 20) which states:

"THE COURT: I think that I will go ahead and do that. And in my - - the scope of my questions will be quite narrow. It will be limited to that subject that Mr. Washam suggested I conduct an inquiry. And it seems to me that under the circumstances it would be appropriate. So Mr. Madsen, you may remain seated where you are, but first please stand and raise your right hand. KEN MADSEN having been duly sworn, testified as follows: THE COURT: Thank you. And please be seated.

VOIR DIRE EXAMINATION BY THE COURT:

Q Mr. Madsen, in the petition for recall, on pages 2 and 3, **the parties petitioning for recall contend that during the years 2001, 2002, and 2003, of the parcels, the total number of parcels that you reported in those reports as being physically inspected and appraised, that approximately 89,000 of those parcels contain your initials, "KM, plus P", in the summary screen.** I understand that that representation is not a representation that you physically valued all of those properties by some acts of your own. **But as regards physical inspection, do you contend that in those reports, that those 89,000 parcels approximately were physically inspected by someone in your office?**

A **I don't have the backup to --** how these documents were put together, but I can say that in my mind, what was reported is a combination of physical appraisal -- or physical inspection and statistical update or statistical appraisal. There is a part of -- And I'd like to just take a second on that.

The computer, program that we have -- And you will notice on the summary screens, the building values are cost. And in the computer program we have the Marshall-Swift manual, which is the same manual they use manually. In that, the - - **actually the computer does a physical -- does an appraisal.** But on the report that you have, I - - it is my impression and my recollection that these numbers were a combination of both, the statistical, or the computer, and a physical inspection.

I might say now we have a computer system -- or a computer program -- that analyzes the area that we need to do in that time frame. **And the computer can identify those parcels that we need to put boots on the ground, we need to put boots on the ground because something's wrong.**

And I want to emphasize there are people out there that are doing physical inspections. And now, in this time frame, **they are going to the property that says we need somebody there.**

Q Do I understand your answer to mean that for those approximately 89,000 parcels, that - - all of which contained your initials - - that there may have been some of those that were not physically inspected?

A I would agree with that.

Q Can you estimate for me what percentage of those 89,000 parcels that bore your initials were not physically inspected?

A I - - I'm not sure I can answer that.

THE COURT: Thank you. That's all the questions I have.

MR. QUINN: Thank you, your Honor.

THE COURT: I think that covers the scope of what I was requested by the petitioning parties to inquire about, and I'll not go further than that." (Emphasis added)

VIII. IT'S THE LAW

Washington State Statutes states:

9A.80.010: Official misconduct.

(1) A public servant is guilty of official misconduct if, with intent to obtain a benefit or to deprive another person of a lawful right or privilege:

(a) He intentionally commits an unauthorized act under color of law; or

(b) He intentionally refrains from performing a duty imposed upon him by law.

(2) Official misconduct is a gross misdemeanor.

RCW 42.20.040: False report.

Every public officer who shall knowingly make any false or misleading statement in any official report or statement, under circumstances not otherwise prohibited by law, shall be guilty of a gross misdemeanor.

RCW 42.42.100: Failure of duty by public officer a misdemeanor.

Whenever any duty is enjoined by law upon any public officer or other person holding any public trust or employment, their willful neglect to perform such duty, except where otherwise specially provided for, shall be a misdemeanor.

RCW 84.40.030: Basis of valuation, assessment, appraisal — One hundred percent of true and fair value — Exceptions — Leasehold estates — Real property — Appraisal — Comparable sales.

All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

(1) Any sales of the property being appraised or similar properties with respect to sales made within the past five years. The appraisal shall be consistent with the comprehensive land use plan, development regulations under chapter 36.70A RCW, zoning, and any other governmental policies or practices in effect at the time of appraisal that affect the use of property, **as well as physical and environmental influences.** (Emphasis added)

RCW 84.41.030: Revaluation program to be on continuous basis — Revaluation schedule — Effect of other proceedings on valuation.

Each county assessor shall maintain an active and systematic program of revaluation on a continuous basis, and shall establish a revaluation schedule which will result in revaluation of all taxable real property within the county at least once each four years and **physical inspection of all taxable real property within the county at least once each six years.** (Emphasis added)

RCW 84.41.041: Physical inspection and valuation of taxable property required — Adjustments during intervals based on statistical data.

Each county assessor shall cause taxable **real property to be physically inspected and valued at least once every six years** in accordance with RCW 84.41.030. (Emphasis added)

RCW 84.41.120: Assessor to keep records — Orders of department of revenue, compliance enjoined, remedies.

Each county assessor shall keep such books and records as are required by the rules and regulations of the department of revenue and shall comply with any lawful order, rule or regulation of the department of revenue.

RCW 84.41.130: Assessor's annual reports.

Each county assessor, before October 15th each year, shall prepare and submit to the department of revenue a **detailed report of the progress made in the revaluation program in his or her county to the date of the report and be made a matter of public record.** Such report shall be submitted upon forms supplied by the department of revenue and shall consist of such information as the department of revenue requires. (Emphasis added)

SUMMARY

The purpose of this investigative report is to clearly show the need for a full investigation into the alleged violations of Washington State statutes that took place in the Assessor-Treasurer's office during the years 2001 through 2008.

This report only presents the facts. I believe it is my fiduciary responsibility and duty as the elected Pierce County Assessor-Treasurer to present those facts in this Investigative Report.

It is a fact, in 2009 the Assessor-Treasurer's staff, at my direction followed the law regarding real property physical inspections and have completed all residential inspections scheduled for 2009 which was 43,533. They also completed 4,674 residential inspections from the 2008 cycle that were not been done by the previous administration.

I want the readers of this Investigative Report, i.e. the taxpayers of Pierce County, to know I will be working very diligently to correct any damage done to the Pierce County official assessment records by the physical inspections that were required by law that were not being done.

I will do that by working my present staff to its maximum doing physical inspections; it will take years to get the physical characteristics up-to-date on all properties in the appraisal system at the Pierce County Assessor-Treasurer's office. However, with hard work, it can be done.

This preliminary Investigative Report is not meant to be a full investigation of all issues pertaining to alleged violation of state statutes set forth herein. It will be the duty of the proper authorities charged with that responsibility to proceed with the needed full investigation. It is a fact that the Washington State Attorney General, State Auditor and Pierce County authorities were requested to investigate the issues set forth herein, but chose not to investigate. I would ask those officials to read this Investigative Report and take action in the name of Pierce County taxpayers.

Dated this 2nd day of September 2009.

IN GOD I TRUST,

Dale Washam

**DALE WASHAM
Assessor-Treasurer
Pierce County**

APPENDIX

The following physical inspection charts are based on statistical data from official Pierce County Assessor-Treasurer computer records. They were generated by Michael Johnson, Department Information Technology Specialist, and Manager of the offices' Information Technology team.

APPENDIX No. 1

Chart of the number of falsified Residential physical inspections reported to the Washington State Department of Revenue

Physical Inspection Cycle Year	Physical Inspection Year	Residential Physical Inspections reported to the State Department of Revenue as having been completed	Residential county records with falsified KMP initials	Residential Physical Inspections actually performed per official county records
6	2001	40,364	0	1,756
1	2002	31,948	15,494	6,065
2	2003	51,251	28,689	10,844
3	2004	53,881	40,542	7,479
4	2005	64,490	37,391	8,727
5	2006	73,757	29,694	11,462
6	2007	37,238	21,985	13,705
1	2008	33,350	14,876	16,654
	TOTALS	386,279	188,671	76,692

Statistical Data Compiled by Michael Johnson

APPENDIX No. 2

PAGE 1 OF 6

Chart of dates the false appraiser initials KMP were entered into the Assessor-Treasurer office records with multiple made-up Certification Codes during the years 2001 through 2008

False Initials	Entered Date	CertCode	Description	Count	Sub totals
KMP	11/19/2001	1	Property was Entered	2,132	
KMP	11/19/2001	2	No one at property	797	
KMP	11/19/2001	3	Denied Entry	3	
KMP	11/19/2001	4	Declined to Enter	3,171	
KMP	11/19/2001	6	No Site Inspection	229	
KMP	11/19/2001	7	Street Observation Only	24	
					6,356
KMP	12/10/2001	1	Property was Entered	529	
KMP	12/10/2001	2	No one at property	318	
KMP	12/10/2001	4	Declined to Enter	2,024	
KMP	12/10/2001	6	No Site Inspection	186	
KMP	12/10/2001	7	Street Observation Only	150	
					3,207
KMP	12/31/2001	1	Property was Entered	744	
KMP	12/31/2001	2	No one at property	1,003	
KMP	12/31/2001	4	Declined to Enter	2,306	
KMP	12/31/2001	6	No Site Inspection	124	
KMP	12/31/2001	7	Street Observation Only	697	
					4,874
KMP	10/3/2002	1	Property was Entered	407	
KMP	10/3/2002	2	No one at property	772	
KMP	10/3/2002	3	Denied Entry	2	
KMP	10/3/2002	4	Declined to Enter	3,349	
KMP	10/3/2002	5	Code does not exist	1	
KMP	10/3/2002	6	No Site Inspection	543	
KMP	10/3/2002	7	Street Observation Only	359	
					5,433
KMP	10/17/2002	1	Property was Entered	383	
KMP	10/17/2002	2	No one at property	748	
KMP	10/17/2002	3	Denied Entry	1	
KMP	10/17/2002	4	Declined to Enter	3,341	
KMP	10/17/2002	6	No Site Inspection	777	
KMP	10/17/2002	7	Street Observation Only	302	
					5,552

Statistical Data Compiled by Michael Johnson

APPENDIX No. 2

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Chart of dates the false appraiser initials KMP were entered into the Assessor-Treasurer office records with multiple made-up Certification Codes during the years 2001 through 2008

False Initials	Entered Date	CertCode	Description	Count	Sub totals
KMP	10/21/2002	1	Property was Entered	1	1
KMP	10/30/2002	1	Property was Entered	1	1
KMP	10/31/2002	1	Property was Entered	907	
KMP	10/31/2002	2	No one at property	2,387	
KMP	10/31/2002	3	Denied Entry	6	
KMP	10/31/2002	4	Declined to Enter	8,218	
KMP	10/31/2002	5	Code does not exist	2	
KMP	10/31/2002	6	No Site Inspection	1,226	
KMP	10/31/2002	7	Street Observation Only	1,849	
					14,595
KMP	12/31/2002	4	Declined to Enter	1	1
KMP	3/5/2003	4	Declined to Enter	1	1
KMP	4/15/2003	2	No one at property	1	1
KMP	4/16/2003	2	No one at property	1	1
KMP	4/16/2003	4	Declined to Enter	1	1
KMP	4/30/2003	2	No one at property	1	1
KMP	5/19/2003	7	Street Observation Only	1	1
KMP	6/5/2003	4	Declined to Enter	1	1
KMP	6/24/2003	4	Declined to Enter	1	1

Statistical Data Compiled by Michael Johnson

APPENDIX No. 2

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Chart of dates the false appraiser initials KMP were entered into the Assessor-Treasurer office records with multiple made-up Certification Codes during the years 2001 through 2008

False Initials	Entered Date	CertCode	Description	Count	Sub totals
KMP	7/16/2003	7	Street Observation Only	1	1
KMP	7/31/2003	2	No one at property	1	1
KMP	10/3/2003	4	Declined to Enter	1	1
KMP	1/9/2004	6	No Site Inspection	1	
KMP	1/9/2004	7	Street Observation Only	5,962	
					5,963
KMP	1/16/2004	6	No Site Inspection	1	
KMP	1/16/2004	7	Street Observation Only	3,380	
					3,381
KMP	1/23/2004	7	Street Observation Only	3,201	3,201
KMP	1/30/2004	2	No one at property	2	
KMP	1/30/2004	7	Street Observation Only	6,518	
					6,520
KMP	2/6/2004	7	Street Observation Only	4,017	4,017
KMP	2/13/2004	7	Street Observation Only	4,935	4,935
KMP	2/20/2004	6	No Site Inspection	1	
KMP	2/20/2004	7	Street Observation Only	5,108	
					5,109
KMP	2/27/2004	7	Street Observation Only	2,557	2,557
KMP	3/5/2004	6	No Site Inspection	1	
KMP	3/5/2004	7	Street Observation Only	4,917	
					4,918

Statistical Data Compiled by Michael Johnson

APPENDIX No. 2
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Chart of dates the false appraiser initials KMP were entered into the Assessor-Treasurer office records with multiple made-up Certification Codes during the years 2001 through 2008

False Initials	Entered Date	CertCode	Description	Count	Sub totals
KMP	7/14/2004	2	No one at property	1	1
KMP	7/19/2004	6	No Site Inspection	1	1
KMP	8/13/2004	2	No one at property	1	1
KMP	11/19/2004	4	Declined to Enter	1	1
KMP	1/3/2005	2	No one at property	4	
KMP	1/3/2005	6	No Site Inspection	37,345	
					37,349
KMP	2/8/2005	2	No one at property	1	1
KMP	4/14/2005	7	Street Observation Only	1	1
KMP	5/18/2005	6	No Site Inspection	1	1
KMP	7/13/2005	6	No Site Inspection	1	1
KMP	7/26/2005	6	No Site Inspection	1	1
KMP	12/19/2005	1	Property was Entered	1	1
KMP	12/31/2005	4	Declined to Enter	1	1
KMP	1/3/2006	2	No one at property	2	
KMP	1/3/2006	6	No Site Inspection	27,157	
					27,159

Statistical Data Compiled by Michael Johnson

APPENDIX No. 2
PAGE 5 OF 6

Chart of dates the false appraiser initials KMP were entered into the Assessor-Treasurer office records with multiple made-up Certification Codes during the years 2001 through 2008

False Initials	Entered Date	CertCode	Description	Count	Sub totals
KMP	5/25/2006	4	Declined to Enter	1	1
KMP	10/3/2006	4	Declined to Enter	1	1
KMP	1/2/2007	1	Property was Entered	2	
KMP	1/2/2007	6	No Site Inspection	20,672	
KMP	1/2/2007	7	Street Observation Only	8	
					20,682
KMP	1/21/2007	6	No Site Inspection	1	1
KMP	12/10/2007	7	Street Observation Only	1	1
KMP	1/2/2008	1	Property was Entered	1	
KMP	1/2/2008	2	No one at property	1	
KMP	1/2/2008	6	No Site Inspection	14,126	
KMP	1/2/2008	7	Street Observation Only	1	
					14,129
KMP	5/5/2008	6	No Site Inspection	1	1
KMP	9/23/2008	6	No Site Inspection	1	1
KMP	10/3/2008	4	Declined to Enter	1	1
KMP	11/25/2008	4	Declined to Enter	1	1
KMP		6	No Site Inspection	1	1
				179,971	
					179,971

Statistical Data Compiled by Michael Johnson

APPENDIX No. 2

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Totals of made-up Certification Codes that were entered into the Assessor-Treasurer office records with the false appraiser initials KMP

Made up Certification Code by totals of each use.		
#1	Property was Entered	5,108
#2	There was no one at the Property	6,041
#3	Appraiser was Denied Entry to the Property	12
#4	Appraiser Declined to Enter the Property	22,421
#5	This Code does not Exist	3
#6	Changes made from the Office – No Site Inspection	102,397
#7	From Street Observation Only	43,989
TOTAL		179,971

Made up Cert Codes by Year	
2001	14,437
2002	25,583
2003	11
2004	40,605
2005	37,356
2006	27,161
2007	20,684
2008	14,134
TOTAL	179,971

Statistical Data Compiled by Michael Johnson

APPENDIX No. 3

Chart of the number of falsified Residential and Commercial Physical Inspections reported to the Pierce County Budget & Finance office as having been completed

Physical Inspections of 6 Year Cycle	Physical Inspection Year	Total completed Residential and Commercial Physical Inspections reported to Pierce County Budget & Finance	Total completed Residential and Commercial Physical Inspections according to the official Assessor-Treasurer's records	Total Residential and Commercial Physical Inspections falsified as having been completed
6	2001	47,077	1,762	45,315
1	2002	44,925	6,076	38,849
2	2003	56,283	10,880	45,403
3	2004	52,324	7,510	44,814
4	2005	53,896	10,105	43,791
5	2006	55,133	12,280	42,853
6	2007	44,176	16,180	27,996
1	2008	37,279	19,765	17,514
	Total	391,093	84,558	306,535

Statistical Data Compiled by Michael Johnson

APPENDIX No. 4

Chart of the number of Commercial Physical Inspections falsely reported to the Washington State Department of Revenue as having been completed

Physical Inspections Cycle Year	Physical Inspection Year	Commercial Physical Inspections reported to the State Department of Revenue as having been completed	Commercial Physical Inspections actually performed per official Assessor-Treasurer's official records
6	2001	6,675	6
1	2002	7,561	11
2	2003	5,032	36
3	2004	446	31
4	2005	3,588	1,378
5	2006	5,826	818
6	2007	2,568	2,475
1	2008	3,054	3,111
	Total	34,750	7,866

Statistical Data Compiled by Michael Johnson

EXHIBITS LIST

Exhibit #1

Page:

- 1 Statement of Facts
- 2 Letter to Roger Bush March 11, 2009
- 6 Appendix
- 7 Appendix A - Suggestions for the New Assessor from Gary Foreman, Appraiser
- 8 Appendix B - Management Meeting, January 22, 2009
- 11 Appendix C – Management Meeting, January 23, 2009
- 12 Appendix D – Confidential Interoffice Memorandum
From David Prather to Dale Washam, January 26, 2009
- 14 Appendix E – Appraiser Initials Update – Mike Johnson
- 24 Appendix F - Memo to Dale Washam from Gary Dill, February 25, 2009
- 26 Appendix G – Memo to Gretchen Borck from Jim Hall, February 25, 2009
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- 44 Appendix I - Department of Revenue – Parcel Count Per Appraiser
Comparison of County Assessor Statistics for 2007, page 21
- 45 Appendix J - Department of Revenue – Parcel Count Per Total Staff
Comparison of County Assessor Statistics for 2007, page 20

Exhibit #2

Page:

- 1 Cover Sheet for meeting March 26, 2009
- 2 Department of Revenue April 23, 2008 – Revaluation Plan 2008-2013
- 21 Department of Revenue August 28, 2001 - Revaluation Plan 2001-2007
- 39 Ten (10) screens showing KMP
- 49 Order of Factual and Legal Sufficiency - 05-2-05329-7
- 52 Declaration of Ken Madsen - 05-2-05329-7
- 55 Declaration of Tami Johnson - 05-2-05329-7
- 59 Declaration of Sally Barnes - 05-2-05329-7
- 64 Email memo to Dale Washam from Sally Barnes 030409
- 68 Verbatim report of Proceedings March 21, 2005 - 05-2-05329-7
- 122 Recall Petition Against Ken Madsen

Exhibits #1 and #2 to
Pierce County Assessor-Treasurer 2009
Investigative Report

(Exhibits #1 and #2 are in the attached CD)

Exhibit B

Copy of Pertinent Laws

Exhibit C

RCW 9A.60.020; Forgery.

(1) A person is guilty of forgery if, with intent to injure or defraud:
 (a) He falsely makes, completes, or alters a written instrument or;
 (b) He possesses, utters, offers, disposes of, or puts off as true a written instrument which he knows to be forged.

(2) In a proceeding under this section that is related to an identity theft under RCW 9.35.020, the crime will be considered to have been committed in any locality where the person whose means of identification or financial information was appropriated resides, or in which any part of the offense took place, regardless of whether the defendant was ever actually in that locality.

(3) Forgery is a class C felony.

[2003 c 119 § 5; 1975-'76 2nd ex.s. c 38 § 13; 1975 1st ex.s. c 260 § 9A.60.020.]

RCW 42.20.040; False report.

Every public officer who shall knowingly make any false or misleading statement in any official report or statement, under circumstances not otherwise prohibited by law, shall be guilty of a gross misdemeanor.

[1909 c 249 § 98; RRS § 2350.]

RCW 40.16.020; Injury to and misappropriation of record.

Every officer who shall mutilate, destroy, conceal, erase, obliterate, or falsify any record or paper appertaining to the officer's office, or who shall fraudulently appropriate to the officer's own use or to the use of another person, or secrete with intent to appropriate to such use, any money, evidence of debt or other property intrusted to the officer by virtue of the officer's office, is guilty of a class B felony and shall be punished by imprisonment in a state correctional facility for not more than ten years, or by a fine of not more than five thousand dollars, or by both.

[2003 c 53 § 215; 1992 c 7 § 35; 1909 c 249 § 96; RRS § 2348.]

RCW 40.16.010; Injury to public record.

Every person who shall willfully and unlawfully remove, alter, mutilate, destroy, conceal, or obliterate a record, map, book, paper, document, or other thing filed or deposited in a public office, or with any public officer, by authority of law, is guilty of a class C felony and shall be punished by imprisonment in a state correctional facility for not more than five years, or by a fine of not more than one thousand dollars, or by both.

[2003 c 53 § 214; 1992 c 7 § 34; 1909 c 249 § 95; RRS § 2347.]

RCW 9A.76.175; Making a false or misleading statement to a public servant.

A person who knowingly makes a false or misleading material statement to a public servant is guilty of a gross misdemeanor. "Material statement" means a written or oral statement reasonably likely to be relied upon by a public servant in the discharge of his or her official powers or duties.

[2001 c 308 § 2. Prior: 1995 c 285 § 32.]

RCW 9A.80.010; Official misconduct.

(1) A public servant is guilty of official misconduct if, with intent to obtain a benefit or to deprive another person of a lawful right or privilege:

- (a) He intentionally commits an unauthorized act under color of law; or
 - (b) He intentionally refrains from performing a duty imposed upon him by law.
- (2) Official misconduct is a gross misdemeanor.

[1975-'76 2nd ex.s. c 38 § 17; 1975 1st ex.s. c 260 § 9A.80.010.]

RCW 42.20.050; Public officer making false certificate.

Every public officer who, being authorized by law to make or give a certificate or other writing, shall knowingly make and deliver as true such a certificate or writing containing any statement which he knows to be false, in a case where the punishment thereof is not expressly prescribed by law, shall be guilty of a gross misdemeanor.

[1909 c 249 § 128; RRS § 2380.]

RCW 42.20.080; Other violations by officers.

Every officer or other person mentioned in RCW 42.20.070, who shall wilfully disobey any provision of law regulating his official conduct in cases other than those specified in said section, shall be guilty of a gross misdemeanor.

[1909 c 249 § 318; RRS § 2570.]

RCW 42.20.100; Failure of duty by public officer a misdemeanor.

Whenever any duty is enjoined by law upon any public officer or other person holding any public trust or employment, their wilful neglect to perform such duty, except where otherwise specially provided for, shall be a misdemeanor.

[1909 c 249 § 16; RRS § 2268. Prior: Code 1881 § 889; 1854 p 90 § 82.]

RCW 40.16.030; Offering false instrument for filing or record.

Every person who shall knowingly procure or offer any false or forged instrument to be filed, registered, or recorded in any public office, which instrument, if genuine, might be filed, registered or recorded in such office under any law of this state or of the United States, is guilty of a class C felony and shall be punished by imprisonment in a state correctional facility for not more than five years, or by a fine of not more than five thousand dollars, or by both.

[2003 c 53 § 216; 1992 c 7 § 36; 1909 c 249 § 97; RRS § 2349.]

RCW 84.41.041; Physical inspection and valuation of taxable property required — Adjustments during intervals based on statistical data.

Each county assessor shall cause taxable real property to be physically inspected and valued at least once every six years in accordance with RCW 84.41.030, and in

accordance with a plan filed with and approved by the department of revenue. Such revaluation plan shall provide that a reasonable portion of all taxable real property within a county shall be revalued and these newly determined values placed on the assessment rolls each year. Until January 1, 2014, the department may approve a plan that provides that all property in the county be revalued every two years. If the revaluation plan provides for physical inspection at least once each four years, during the intervals between each physical inspection of real property, the valuation of such property may be adjusted to its current true and fair value, such adjustments to be based upon appropriate statistical data. If the revaluation plan provides for physical inspection less frequently than once each four years, during the intervals between each physical inspection of real property, the valuation of such property shall be adjusted to its current true and fair value, such adjustments to be made once each year and to be based upon appropriate statistical data.

The assessor may require property owners to submit pertinent data respecting taxable property in their control including data respecting any sale or purchase of said property within the past five years, the cost and characteristics of any improvement on the property and other facts necessary for appraisal of the property.

[2009 c 308 § 2; 2001 c 187 § 21; 1997 c 3 § 108 (Referendum Bill No. 47, approved November 4, 1997); 1987 c 319 § 4; 1982 1st ex.s. c 46 § 2; 1979 ex.s. c 214 § 9; 1974 ex.s. c 131 § 2.]

RCW 84.41.130; Assessor's annual reports.

Each county assessor, before October 15th each year, shall prepare and submit to the department of revenue a detailed report of the progress made in the revaluation program in his or her county to the date of the report and be made a matter of public record. Such report shall be submitted upon forms supplied by the department of revenue and shall consist of such information as the department of revenue requires.

[1998 c 245 § 171; 1975 1st ex.s. c 278 § 203; 1961 c 15 § 84.41.130. Prior: 1955 c 251 § 13.]

Article VII, Section 1 of the Washington State Constitution; and

The power of taxation shall never be suspended, surrendered or contracted away. All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class: Provided, That the legislature may tax mines and mineral resources and lands devoted to reforestation by either a yield tax or an ad valorem tax at such rate as it may fix, or by both. Such property as the legislature may by general laws provide shall be exempt from taxation. Property of the United States and of the state, counties, school districts and other municipal corporations, and credits secured by property actually taxed in this state, not exceeding in value the value of such property, shall be exempt from taxation. The legislature shall have power, by appropriate legislation, to exempt personal property to the amount of fifteen thousand (\$15,000.00) dollars for each head of a family liable to assessment and taxation under the provisions of the laws of this state of which the individual is the actual bona fide owner.

[AMENDMENT 98, 2006 House Joint Resolution No. 4223, p 2117. Approved November 7, 2006.]

18 U.S.C.A. Section 371. -- Conspiracy to Defraud the United States

The general conspiracy statute, 18 U.S.C. § 371, creates an offense "[i]f two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose. (emphasis added). See Project, Tenth Annual Survey of White Collar Crime, 32 Am. Crim. L. Rev. 137, 379-406 (1995) (generally discussing § 371).

The operative language is the so-called "defraud clause," that prohibits conspiracies to defraud the United States. This clause creates a separate offense from the "offense clause" in Section 371. Both offenses require the traditional elements of Section 371 conspiracy, including an illegal agreement, criminal intent, and proof of an overt act.

Although this language is very broad, cases rely heavily on the definition of "defraud" provided by the Supreme Court in two early cases, *Hass v. Henkel*, 216 U.S. 462 (1910), and *Hammerschmidt v. United States*, 265 U.S. 182 (1924). In *Hass* the Court stated:

The statute is broad enough in its terms to include any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of government .

. . (A)ny conspiracy which is calculated to obstruct or impair its efficiency and destroy the value of its operation and reports as fair, impartial and reasonably accurate, would be to defraud the United States by depriving it of its lawful right and duty of promulgating or diffusing the information so officially acquired in the way and at the time required by law or departmental regulation.

Hass, 216 U.S. at 479-480. In *Hammerschmidt*, Chief Justice Taft, defined "defraud" as follows:

To conspire to defraud the United States means primarily to cheat the Government out of property or money, but it also means to interfere with or obstruct one of its lawful governmental functions by deceit, craft or trickery, or at least by means that are dishonest. It is not necessary that the Government shall be subjected to property or pecuniary loss by the fraud, but only that its legitimate official action and purpose shall be defeated by misrepresentation, chicane or the overreaching of those charged with carrying out the governmental intention.

Hammerschmidt, 265 U.S. at 188. **(Emphasis added to said laws)**