

OCT 12 2010

PIERCE COUNTY
PROSECUTING ATTORNEY



Pierce County

Office of the Assessor-Treasurer

2401 South 35th Street, Room 142
Tacoma, Washington 98409-7498
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FAX (253) 798-3142
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PROSECUTING ATTORNEY

October 12, 2010

Mr. Mark Lindquist
Pierce County Prosecuting Attorney
930 Tacoma Avenue South, Room 946
Tacoma, WA 98402-2171

Mr. Lindquist:

As the appointed Pierce County Prosecuting Attorney, it is your duty to serve your community by pursuing justice and safeguarding the public's trust, as your office's mission statement so appropriately maintains. We can both agree that public corruption poses an insidious threat to justice and to the public trust, and that it must be taken seriously. Its corrosive influence constitutes an obstacle to civilized society and the Rule of Law.

In a letter dated October 26, 2009 Pierce County Sheriff Paul A. Pastor informed this office he would not invest resources in the investigation of a matter that may not ultimately be prosecuted by your office. He referred to your offices' opinion that a Recall Petition hearing held in 2005 against former Assessor-Treasurer Ken Madsen, had somehow *litigated* the allegations of massive forgeries and other violations of law that took place in the Pierce County Assessor-Treasurer office from 2001 through 2008, as brought forth in the Pierce County Assessor-Treasurer Investigative Report dated September 2, 2009.

It is not necessary to be an attorney Sir, to understand that a Recall Petition pursuant to RCW 29A.56.140 does not constitute a proper *litigation* of criminal charges, but rather is merely a process to determine the adequacy of a ballot synopsis. As you must know, RCW 29A.56.140 does not even require the recall charges to be truthful. The fact of the matter is, there are no parties to a Recall Petition hearing, nor is there a burden of proof requirement. With all due respect Sir, you have been just plain wrong in your unsupportable decision to waver and condone these violations of law, by claiming the court found them to be legally justifiable.

As set forth in my sworn affidavit dated March 24, 2010 and in my criminal complaint dated October 4, 2010, both attached hereto, I can personally attest to the serious violations of law that took place in the Assessor-Treasurer office from 2001 through 2008, and to the significant harm inflicted upon our taxpayers by the damage done to the Pierce County property tax levy rates. It is an undeniable fact there has never been a law enforcement investigation into these aforementioned criminal acts.

Mr. Lindquist, I hereby urge you to stand up for our taxpayers and uphold the Rule of Law, by initiating a criminal investigation into the allegations set forth in my criminal complaint. The citizens of Pierce County await your decision.

Respectfully,

A handwritten signature in black ink, appearing to read "Alberto Ugaz", written over a horizontal line.

Alberto Ugaz
Pierce County
Deputy Assessor-Treasurer
253-798-4061
augas@co.pierce.wa.us

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AFFIDAVIT

I, Alberto Ugás, being first duly sworn on oath, depose and say:

- That I am over the age of eighteen and I have personal knowledge of the facts stated herein, and that I am competent to attest to the facts stated herein.
- That I am at present, and have been a resident and property tax payer of Pierce County since 1985.
- That I have been employed by the Pierce County Assessor-Treasurer as an appraiser since 1997 and was appointed Deputy Assessor-Treasurer in 2009.
- That I believe based on my personal knowledge, that 64% of the official assessment records for residential properties in Pierce County were unlawfully forged with 368,642 falsified entries during the years 2001 through 2008.
- That these above forgeries and falsifications were unlawfully carried out through the process of batch updates of the official Pierce County assessment computer records.
- That these batch updates were used after the Assessor-Treasurer's appraisal staff refused to commit these forgeries on an individualized basis, as requested by former Deputy Assessor-Treasurer Kathy Fewins at an appraisal staff meeting held by Sally Barnes in the first part of 2001.
- That I believe these forgeries and falsifications of the Pierce County official assessment records have been used to cover up the fact that scheduled physical inspections mandated by law were not being conducted during the years 2001 through 2008.
- That for five years between 2001 through 2008, the commercial appraisers in the Assessor-Treasurer office were not allowed to perform any appraisals in Pierce County, as part of a regular and systematic physical inspection cycle, as required by state law.
- That I have personal knowledge of select commercial property owners in Pierce County, being granted special considerations with their property assessments not granted to all property tax payers.
- That I have personal knowledge that in July 2004, the Washington Building (Parcel #201003-007-0) in downtown Tacoma had an assessed value of \$4,912,500 in the official assessment records; that on July 8, 2004 I personally re-appraised the Washington Building property to a value of \$8,490,700; that I was unduly pressured and instructed by my supervisors to lower the assessed value to \$7,257,000; that I believe the property owner was being granted special considerations not offered to all other property tax payers in Pierce County; that it is a fact that one week later, the Washington Building was sold for \$9,600,000.
- That actual physical inspections by a duly state accredited real estate appraiser, no less than once every six years, are a mandated condition or requirement for all ad valorem appraisals throughout the State of Washington. That this six year inspection cycle is used in conjunction with statistical modeling techniques when appraising a large number of properties. That statistical modeling techniques alone have never been considered an appropriate method to determine value, nor a lawful

substitute for actual inspections. That the official assessed values of real properties in Pierce County were routinely changed during the years 2001 through 2008; in spite of the fact the scheduled inspections were never conducted as required by law. That as a result of these unlawful acts, appraisals were rendered on hundreds of thousands of properties without adequate regard to due diligence of state law.

- That during the past eight year period of 2001 through 2008, the residential and commercial appraisals rendered by the Pierce County Assessor-Treasurer office have not conformed to the laws of the State of Washington and have not conformed to any generally accepted appraisal methods or standards.
- That when a property tax system is intentionally improperly managed, the tax burden is shifted; it is never lost. That when a given property or group of properties are under-assessed, all remaining tax payers are forced to make up the difference through a higher levy rate.
- That as a property tax payer in Pierce County, I along with hundreds of thousands of others, have been harmed by these intentional unlawful acts. That I believe by what I have stated in this affidavit, a thorough criminal investigation into the unlawful acts committed in the Pierce County Assessor-Treasurer office during 2001 through 2008 needs to be conducted.



Alberto Ugás

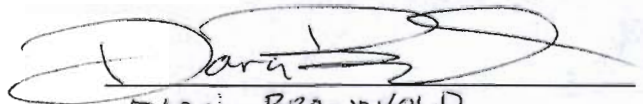
Tacoma, March 24, 2010

NOTARY:

STATE OF WASHINGTON)
)ss
COUNTY OF PIERCE)

On this 24th day of March, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Alberto Ugás, to me known to be the individual described herein and who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as a free and voluntary act and deed.

Given under my hand and official seal this 24 day of March, 2010.



DARCI BRANDVOLD
Notary Public in and for the State of Washington

Residing at Pierce

My commission expires 11-1-12



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CRIMINAL COMPLAINT

Alberto Ugás, the Pierce County Deputy Assessor-Treasurer, a Pierce County staff appraiser for more than 13 years, and a Washington State Certified Appraiser for close to 20 years, hereby requests a full in-depth criminal investigation into the following alleged criminal charges of violations of law that have led to the unlawful corruption of public records and public reports in the Pierce County Assessor-Treasurer office during the years 2001 through 2008. It is further alleged that during those said years, conspiracy to defraud; forgery and falsification of official public records took place in the Assessor-Treasurer office as stated in the following alleged charges that are clearly supported by direct conclusive evidence.

CHARGES

- Charge No. 1.** It is alleged that in 2001, then Pierce County Deputy Assessor-Treasurer Kathy Fewins made a demand to the Pierce County Assessor-Treasurer staff appraisers to unlawfully forge their initials upon the Pierce County official assessment records. Said alleged unlawful demand constitutes a conspiracy to defraud and can be attested to by several current county appraisers who were witnesses. It is further corroborated by the sworn affidavits of Lee Dorn (**EXHIBIT "A"**) and Alberto Ugás, (**EXHIBIT "B"**) attached hereto.
- Charge No. 2.** It is alleged that a county commercial appraiser was directed, coerced and pressured by his direct superiors to reduce an on-point and bona-fide assessment valuation for a major Pierce County property owner and campaign contributor to the former Pierce County Assessor-Treasurer. Said alleged unlawful coercion constitutes a conspiracy to defraud and is validated by the sworn affidavit of Alberto Ugás (**EXHIBIT "C"**) and the log

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from then commercial appraisal supervisor Jim Hall. **(EXHIBIT "D")**

Charge No. 3. It is alleged that unlawful discrimination routinely and systematically took place in the selection of residential properties to be physically appraised, in direct violation of state laws designed to ensure uniformity of taxation, as directed by Article 7, Section 1 of the State Constitution. Said alleged unlawful discrimination is verified by maps created during the years 2001 through 2008 and by the direct testimony of Assessor-Treasurer staff provided to independent investigator Deborah Diamond. **(EXHIBIT "E")**

Charge No. 4. It is alleged that Pierce County commercial appraisal staff were unlawfully directed not to perform annual physical appraisals for multiple years during 2001 through 2008, in direct violation of state laws designed to ensure uniformity of taxation, as directed by the State Constitution. An examination of commercial properties reveals that out of a total of some 24,348 commercial properties, only 9,436 have been lawfully physically appraised and that those experienced significant movements to their assessments caused during these physical appraisals. Of those 9,436 properties inspected, 6,753 had their values collectively increased by 1.5 billion dollars, while 2,558 had their values collectively reduced by 599 million dollars. A 2.1 billion dollar movement to their collective assessments. This alleged unlawful omission of commercial physical appraisals can be verified by the log created by then commercial appraisal supervisor Jim Hall, **(EXHIBIT "D")** and by the direct testimony of Assessor-Treasurer staff provided to independent investigator Deborah Diamond. **(EXHIBIT "E")**

Charge No. 5. It is alleged that an in-depth, in-office examination of the Assessor-Treasurer official assessment records has disclosed and verified that 188,671 individual official assessment records were criminally forged with falsified appraiser initials KMP to fraudulently signify a physical appraisal had been performed on those parcels as required by state law, during the years 2001 through 2008, when in fact no physical appraisals had been conducted. (Forgery is a Class C felony; RCW 9A.60.020)

Charge No. 6. It is alleged that an in-depth, in-office examination of the Assessor-Treasurer official assessment records has disclosed and verified that 179,971 individual official assessment records were criminally forged with falsified Certification Codes to fraudulently signify a physical appraisal had been performed on those parcels as required by state law, during the years 2001 through 2008,

when in fact no physical appraisals had been conducted.
(Forgery is a Class C felony; RCW 9A.60.020)

Charge No. 7. It is alleged that an in-depth, in-office examination of the Assessor-Treasurer official assessment records has disclosed and verified that from 2001 through 2008, annual official reports to the Washington State Department of Revenue were criminally forged with falsified figures as to the number of physical appraisals being performed during said years.

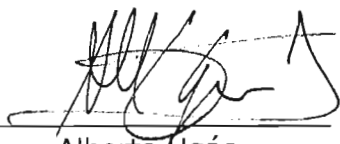
Charge No. 8. It is alleged that an in-depth, in-office examination of the Assessor-Treasurer official assessment records has disclosed and verified that from 2001 through 2008 annual Workload Reports to the Pierce County Office of Budget & Finance were criminally forged with falsified figures as to the number of physical appraisals being performed during said years.

It is hereby alleged that from 2001 through 2008, the assessed values of real property in Pierce County were determined through illegal processes. This unlawful tampering of real property assessments has irreparably harmed the taxpayers. The Pierce County Assessor-Treasurer office, among other duties, bills and collects property tax payments in excess of one billion dollars each and every year from real and personal property owners in Pierce County. It is my professional opinion that our taxpayers continue to suffer harm as a result of these unlawful acts, through their payment of compulsory taxes based on illegally determined property tax levy rates.

I have personal knowledge of the facts stated in each of the above charges. These alleged unlawful acts have critically undermined the integrity of the entire property tax system in Pierce County; in so doing, they have grievously harmed every one of our citizens. I submit this criminal complaint in good faith and believe its contents to be true. I hereby request your office to timely conduct a thorough criminal investigation on behalf of our more than 812,000 Pierce County citizens and to determine what violations of law took place and who the perpetrators were.

October 4, 2010

Respectfully,


Alberto Ugás
Deputy Assessor-Treasurer

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