

Effort to recall auditor Troy Kelley tossed by state Supreme Court

Originally published March 3, 2016 at 10:43 am

Washington's highest court upheld a decision throwing out an effort to recall indicted state Auditor Troy Kelley, who is scheduled to face trial for tax evasion, money laundering and possession of stolen property.

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The Associated Press

Washington's Supreme Court on Thursday unanimously upheld a lower court's decision throwing out an effort to recall indicted state Auditor Troy Kelley.

Justice Charles Wiggins wrote in the opinion that the recall charges submitted by former lawmaker Will Knedlik, a disbarred attorney, were legally or factually insufficient.

Knedlik accused Kelley of not adhering to a constitutional requirement to live in Olympia; of failing to investigate alleged wrongful actions by Sound Transit; and of pressuring his staff to hire an office employee outside of normal procedures.

Kelley, a Democrat who was elected auditor in 2012, is scheduled to face a monthlong trial beginning March 14 at U.S. District Court in Tacoma.

He's charged with tax evasion, money laundering and possession of stolen property in connection with his prior operation of a real-estate-services firm called Post Closing Department, which tracked certain transactions for mortgage title and escrow firms.

Prosecutors say he kept about \$3 million in fees that he was supposed to refund to homeowners and later started paying himself \$245,000 a year from the proceeds. Kelley's attorney has characterized the matter as a contract dispute, not a criminal issue, and insists his client had no obligation to return the money.

Kelley took a leave of absence for much of last year after his indictment, but he returned to work in December. He has rebuffed calls from many, including Gov. Jay Inslee, that he resign.

Leaders in the state House of Representatives announced last month that they would not seek to impeach him — for now — for fear of prompting a delay in his trial.

Knedlik, who was disbarred in 2000 in part for filing frivolous claims, launched his recall effort last spring. A Pierce County Superior Court judge threw out the charges before Knedlik could begin collecting the 715,800 signatures from registered voters that would have been required to put the recall on a statewide ballot.

The Supreme Court upheld the decision, finding that Knedlik had failed to make a showing that he had knowledge of some of the facts alleged, and that others, even if true, would not have provided grounds for recall under the state Constitution.

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