

Ex-Washington state auditor fights disbarment following prison time

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Troy Kelley, a former Washington state auditor, was in front of the state Supreme Court on Tuesday June 11, 2024 fighting efforts to disbar him due to convictions on eight felonies, crimes that led to a federal prison sentence. (Jerry Cornfield/Washington State Standard)

Disgraced former state auditor Troy X. Kelley returned to a Washington courtroom Tuesday to fight his disbarment as a result of his 2017 conviction on eight felonies, crimes that landed him in federal prison.

Kelley urged the state Supreme Court to [reject the recommendation](#) for disbarment made by the Washington State Bar Association's Disciplinary Board and, instead, consider [his suspension](#) the last six years as "time served" and reinstate him to inactive status. Kelley told the court he has no plans to practice law again.

He asked justices to take into account his public service in the military and as an elected official, and the length of time since the incidents underlying his convictions occurred. Those are mitigating factors he said the disciplinary board should have weighed.

"Attorney discipline is intended to protect the public. Does the public need to be protected more than the last six years I've been suspended?" Kelley said.

"This case is different. This is not a typical case of theft. This is not a typical case of an attorney taking money from a client," he said in [the 40-minute hearing](#). "That's why I'm fighting so hard."

If disbarred, Kelley could have to wait up to five years to seek reinstatement.

An attorney representing the bar association argued disbarment is the "appropriate sanction" for the integrity of the legal profession.

"It would send a terrible message to the public for this court to determine that a lawyer who has been convicted of eight federal felonies, all of which were crimes of dishonesty, would be allowed to continue practicing law and would not face disbarment as other lawyers have," said Benjamin Attanasio, disciplinary counsel for the Office of Disciplinary Counsel of the Washington State Bar Association.

Kelley won a seat in the state House in 2006 and served three terms before getting elected Washington state auditor in 2012.

His designs on a second term were dashed with [his indictment](#) in April 2015 on a cache of charges arising from his operation of a real estate services business from 2006 to

2008. Those charges, which were not related to his elected position, included money laundering, possession of stolen property, lying to federal officials and filing false tax returns.

Federal prosecutors argued as Kelley tracked transactions for mortgage title companies, he kept about \$3 million in fees that he was supposed to refund to homeowners. He later started paying himself from the proceeds, investigators said.

In May 2015, Kelley took unpaid leave from the \$120,459-a-year elected post. He said he intended to stay away until his legal fight was done but returned in December after several state lawmakers said they would try to impeach him for dereliction of duty.

“I said I would not be back until the conclusion of my legal issues. Now I am being impeached solely because I’m taking a leave of absence. That’s why I am back,” Kelley said [in an interview](#) at the time.

Kelley faced two trials. The first ended in April 2016 with the jury finding him not guilty of making a false statement to the IRS and deadlocking on the remaining counts. A second trial resulted in [convictions in December 2017](#) on eight felonies, including possessing stolen funds, making false declarations and filing false tax returns. He was acquitted of money laundering.

His convictions led to his interim suspension from the bar in January 2018. He’s been fighting disbarment efforts since then, he said.

In the meantime, in June 2018, a federal judge sentenced Kelley to a year and a day in prison, plus one year of supervised release, according to [press accounts](#). He entered federal prison in July 2021 and records show he was released in February 2022.

On Tuesday, he told justices he is still fighting to erase those convictions. He declined to comment further following the hearing.