

File a Formal Complaint - Glen Morgan

[Glenmorgan89](#) reported 10 hours ago (Mon, 6 Mar at 12:03 AM) via Portal Meta

To Whom it May Concern --

It has come to my attention that Bailey Stober -- an unsuccessful 2015 candidate for Kent City Council -- has committed numerous violations of **RCW 42.17A**.

During the investigatory phase of this enforcement proceeding, it should be noted that Stober is a serial violator of PDC regulations, including many of the same statutes referenced in this complaint.

Among other things, Stober forged the signature of his "treasurer" (she never agreed to be his treasurer) against her will and lied about it in his sworn testimony. Stober also has a long history of knowingly and maliciously filing false documents with the PDC, as evidenced in his 2011 and 2013 campaigns for Kent City Council.

In this complaint, it is obvious and self-evident that Stober has committed similar violations (related to **PDC Case No. 14-017**) of the disclosure provisions of **RCW 42.17A**. As a result, the PDC should require Stober to pay the \$2000 portion of his previous penalties that were suspended in **PDC Case No. 14-017**.

Additionally, Stober's long record of illegal behavior should be considered when determining what penalties to pursue against him as a result of this complaint.

1) Late filing of C1 & F1 forms. (Violation of RCW 42.17A.205, .700)

State law requires that candidates for public office must file C1s and F1s within 2 weeks of becoming a candidate.

Stober "became a candidate" as defined in **RCW 42.17A.005** when he made the following expenditure:

STOBER BAILEY MR 2/18/2015 \$290.00 WEBSITE HOSTING AND SETUP

As such, Stober was obligated to file the appropriate documentation with the PDC within 14 calendar days, or by 3/4/2015. Unfortunately, he did not file these important forms until 3/9/2015.

2) Failure to timely file C3 & C4 reports. (Violation of RCW 42.17A.235(1))

State law requires that candidates submit reports containing all contributions received and expenditures made on the same day they submit their statement of registration (C1).

Stober filed his C1 on 3/9/2015, however he failed to report having received the following contribution until much later:

KOESTHER MARTHA MS 3/3/2015 \$25.00 G SEATTLE WA 98168
(not reported until 4/10/2015)

He also failed to report having received this in-kind contribution:

MALIK DAVID MR 3/1/2015 \$795.60 G KENT WA 98030
(not reported until 4/10/2015)

3) Failure to return contributions given for the general election. (Violation of WAC 390-17-300 (6))

PDC regulations require that contributions given for the general election must be returned if the candidate loses in the primary.

Stober lost in the primary (did not proceed to general election), but failed to return the following contributions:

POLSKY ELLEN DR 3/22/2015 \$950.00 G
BHAGWHATI INC 3/1/2015 \$500.00 G
PEDRINI PATTY MRS 4/1/2015 \$100.00 G
WHITE SUSAN MRS 3/28/2015 \$100.00 G
KOESTHER MARTHA MS 3/3/2015 \$25.00 G

Stober must personally reimburse these contributors with his own money, or money he can lawfully acquire from a private source.

4) Failure to timely file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)

a) According to the PDC, the C4 for the time period of 7/28/15 to 8/31/15 was due on 9/10/15.

The original report that Stober filed for this time period failed to include the following expenditures:

JAMES DION MR 8/10/2015 \$1,200.00 AUBURN WA 98002 JULY AND AUGUST MANAGEMENT
COSTCO 8/10/2015 \$321.27 COVINGTON WA 98042 THANK YOU BBQ
COSTCO 8/5/2015 \$315.86 COVINGTON WA 98042 BBQ SPONSORSHIP FOOD
JAMES DION MR 8/5/2015 \$250.00 AUBURN WA 98002 JUNE MANAGEMENT FEE
SAFEWAY 8/5/2015 \$114.17 AUBURN WA 98002 BBQ SPONSORSHIP FOOD
SCHUKAR MARY 8/5/2015 \$100.00 AUBURN WA 98002 VOLUNTEER STIPEND

These expenditures were not reported until 9/11/2015, well past the statutory deadline.

b) According to the PDC, the C3 for the time period of 7/6/15 to 7/12/15 was due on 7/13/15.

This period included the following contributions:

MCCOY JOHN MR 7/12/2015 \$50.00 P SEATTLE WA 98117
SCHLEGEL ROBIN MS 7/10/2015 \$50.00 P SEATTLE WA 98115
STONE-VEKICH MARCEE MRS 7/9/2015 \$75.00 P SEATTLE WA 98126
BECK ELIZABETH MS 7/8/2015 \$50.00 P SEATTLE WA 98199

These contributions were not reported until 7/15/15, well past the statutory deadline.

c) According to the PDC, the C4 for the time period of 7/1/15 to 7/13/15 was due on 7/14/15.

Unfortunately, Stober failed to submit this important report until 7/15/15, well past the statutory deadline.

The PDC should investigate whether or not Stober's falsified C3 and C4 reports was filed maliciously, which would be a class C felony pursuant to **RCW 42.17A.750 (2)(c)**.

5) Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8), see WAC 390-05-295)

State law requires that the name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days. Per **WAC 390-05-295**, this includes any oral or

written order placed, debt or obligation to purchase goods or services or anything of value, or any offer to purchase advertising space, broadcast time or other advertising related product or service.

Unfortunately, Stober failed to report the following 5 expenditures as debt:

Vendor	Date	Amount	Description	Description of Violation
OVERNIGHT PRINTING	2015-07-22	\$2404.31	PRINTING	This should have been reported as debt on the 21 day pre-primary C4. (7/14)
OVERNIGHT PRINTING	2015-07-27	\$1656.41	PRINTING	This should have been reported as debt on the 7 day pre-primary C4. (7/28)
JAMES DION MR	2015-08-10	\$1200	JULY AND AUGUST MANAGEMENT	This should have been reported as debt on both the 21 day pre-primary pre-primary C4 (7/14) and the 7 day primary C4 (7/28)
REDWOODS ENTERPRISES	2015-07-13	\$450	KICKOFF FINAL PAYMENT	This should have been reported as debt on the 21 day pre-primary C4 (7/14) . Stober became aware of the fact that this final payment was required on 6/17/15, when he made the deposit for the venue.
JAMES DION MR	2015-08-05	\$250	JUNE MANAGEMENT FEE	This should have been reported as debt on the 21 day pre-primary C4 report (7/14) and 7 day pre-primary report (7/28). While this expenditure may not be over \$250, it is more than 30 days old.

6) Illegal personal use of campaign funds. (Violation of RCW 42.17A.445, see WAC 390-16-238 (1))

State law prohibits the use of campaign funds for personal purposes. Per PDC regulations, any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a personal use of campaign funds prohibited under **RCW 42.17A.445**.

After Stober lost in the primary election, he was statutorily required to refund money to his contributors. Unfortunately, he made the illegal decision not to use it for those purposes.

JAMES DION MR 8/10/2015 \$1,200.00 AUBURN WA 98002 JULY AND AUGUST MANAGEMENT
 JAMES DION MR 8/5/2015 \$250.00 AUBURN WA 98002 JUNE MANAGEMENT FEE
 SAFEWAY 8/5/2015 \$114.17 AUBURN WA 98002 BBQ SPONSORSHIP FOOD
 SCHUKAR MARY 8/5/2015 \$100.00 AUBURN WA 98002 VOLUNTEER STIPEND

Please note that before Stober lost the primary election, he had not made any payments (or reported any debt) whatsoever to James Dion.

After finding himself with a post-loss "slush fund", Stober doled out the remaining campaign money to his friends, claiming fraudulent descriptions for the expenditures. It is entirely possible that Dion never performed any services at all for the campaign.

The total amount of money illegally used for personal purposes is \$1664.17. The amount of money that Stober should have refunded to his general election contributors was \$1675. The nexus between these two amounts should be clear and obvious by even a casual investigation of this campaign.

These expenditures represent a serious violation of state law and PDC regulations.

7) Failure to list Dana Ralph and James Dion as committee officers. (Violation of RCW 42.17A.205 (2)(c), see WAC 390-05-245)

Stober's committee failed to list Dana Ralph and James Dion as officers on their C1 form, which is required by **RCW 42.17A.205(2)(c)**. Ralph made strategic campaign decisions for Stober and Dion was the campaign manager.

Dana Ralph and James Dion should have been listed as committee officers, because they likely, in conjunction with others, made, directed, or authorized expenditures, strategic or policy decisions on behalf of the committee.

WAC 390-05-245 defines committee officer as: "...any person designated by the committee as an officer on the C-1 or C-1pc registration statement and any person who alone or in conjunction with other persons makes, directs, or authorizes contribution, expenditure, strategic or policy decisions on behalf of the committee."

The PDC should investigate whether or not Stober's falsified C1 was filed maliciously, which would be a class C felony pursuant to **RCW 42.17A.750 (2)(c)**, and this would be an action consistent with Stober's previous violations proven by PDC investigators in the past. It is unfortunate that Stober did not learn from his historic interaction with the agency.

8) Illegal unauthorized expenditure of funds by an individual not listed as an officer on C1 form. (Violation of RCW 42.17A.425)

State law requires that: "No expenditures may be made or incurred by any candidate or political committee unless authorized by the candidate or the person or persons named on the candidate's or committee's registration form..." Because Dana Ralph and James Dion are likely officers for the committee – despite not being listed on the form – this is a violation. In their roles as strategic consultant and campaign manager respectively, these two individuals doubtlessly made illegal expenditures for the Committee.

9) Failure to include Sponsor ID on campaign website. (Violation of 42.17A.320)

On Bailey Stober's campaign website "www.BaileyStober.com", he fails to include sponsor ID.

Stober's website is written political advertisement under PDC definitions, and as such, is required to bear the mailing address and "paid for by" statement on the main page.

For instance, it should have read;

**Paid for by Bailey Stober for Kent City Council
12416 SE 272nd PI #C Kent, WA 98030**

10) Failure to report in-kind contribution of mailing list, professional photography, and filing fee. (Violation of RCW 42.17A.235)

a) Stober sent out a mailer to registered voters within his district.

He used a mailing list to target specific voters in an effort to win the maximum number of voters per dollar spent. Mailing lists have real market value, and many candidates actually pay hundreds of dollars for mailing lists from vendors such as L2. Unfortunately, because Stober failed to report the expenditure for said mailing lists, or the in-kind contribution of mailing lists from some outside entity, he is in violation of **RCW 42.17A.235**. He should amend his reports to include the source of his mailing lists, either as an in-kind contribution to his campaign or as an expenditure.

b) In his campaign, Stober used professional photography in numerous instances.

Unfortunately, Stober failed to report the in-kind contribution for professional photography. You can find examples of this professional photography on his website (attached). They appeared on his mailers as well.

Stober must update his reports to include the source of this in-kind contribution.

c) Stober failed to report the filing fee that he paid to the King County Elections Office to file for Kent City Council. The fee was roughly \$150.

Because the filing fee was a campaign related expense, it must have been reported to the public. This is clearly required by state law.

In fact, Attorney General Slade Gorton rendered an official AG opinion on this exact matter in 1974, when he wrote, in "In simplest terms, this payment (in those cases in which it is required) is a necessary part of the candidate's financial outlay if he is to have his name appear on the ballot and, in that manner, become eligible to be elected to the office he is seeking. Moreover, the payment is very clearly a transfer of something of value and it cannot be doubted that it is for the purpose of assisting the candidate and furthering his election campaign. Payment of the filing fee is thus precisely within the broad definition of "expenditure" as set forth above." **AGO 1974 No. 16 - July 29, 1974**

Stober failed to report this expenditure/in-kind contribution on his C4 form for the relevant time period (May), and thus clearly violated state law.

11) Failure to report expenditures in 2013 City Council race. (Violation of RCW 42.17A.235)

Stober failed to report ANY of the expenditures he made in his 2013 City Council race.

Stober claimed to have spent ~\$10,000 in total, however he did not report the details of a single expenditure. He selected the "full reporting" option on his 2013 C1. This further demonstrates and supports the original contention that Stober is a serial violator of the law.

12) Failure to maintain campaign records for 5 years. (Violation of RCW 42.17A.235 (6))

As evidenced in the attached earlier case against Stober, he failed to maintain campaign records for his 2013 campaign for Kent City Council.

State law requires that candidates maintain their campaign records for 5 years.

I believe Stober has failed to maintain (destroyed) many of the documents related to his 2015 campaign for Kent City Council as well.

If true, this destruction of documents was likely done maliciously.

I urge the PDC and the AG to investigate these claims immediately.

Best Regards,

Glen Morgan

Stober Complaint Attachment 1

these claims immediately.



ote



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE)	PDC CASE NO: 14-017
WITH RCW 42.17A)	
)	
Bailey Stober)	
)	
)	REPORT OF INVESTIGATION
)	
Respondent.)	
_____)	

I.
BACKGROUND

- 1.1 Bailey Stober was a candidate for Kent City Council in the 2011 and 2013 general elections.¹ He filed an electronic Candidate Registration report (PDC form C-1) for the 2011 election on February 11, 2011. On the C-1, Mr. Stober identified Janet Stebbins as his treasurer, and indicated that he would follow the Full Reporting option, which requires frequent, detailed reports of contribution and expenditure activity. The C-1 listed no other officers. **(Exhibit 1.)** Mr. Stober appeared only on the 2011 general election ballot, and was defeated by Deborah Ranniger in that election by a margin of approximately 33%.
- 1.2 On April 9, 2013, Mr. Stober filed an electronic C-1 registering his campaign for Kent City Council in 2013. On that registration, he listed himself as treasurer, and again chose the Full Reporting option. The C-1 listed no officers other than Mr. Stober. **(Exhibit 2.)** Mr. Stober appeared on both the primary and general election ballots in 2013. He was defeated by Ken Sharp in the 2013 general election by a margin of approximately 2%.

¹ Mr. Stober also registered a campaign for Kent City Council with the Public Disclosure Commission in 2009, however he filed no reports other than the C-1 Candidate Registration and F-1 Personal Financial Affairs Statement, and staff's review indicates that he did not appear on either the 2009 primary or general election ballot.

- 1.3 On November 27, 2013, Don Mason filed a complaint against Bailey Stober with the Public Disclosure Commission, alleging violations during Mr. Stober's 2011 and 2013 election campaigns. **(Exhibit 3.)**

II. ALLEGATIONS IN COMPLAINT

- 2.1 Mr. Mason's complaint alleged that Bailey Stober violated RCW 42.17A.235 and RCW 42.17A.240 by failing to file timely, complete, and accurate reports of contribution and expenditure activity during both the 2011 and 2013 elections. It further alleged a violation of RCW 42.17A.235(4) by Mr. Stober, for his alleged failure to maintain campaign books of account current within one business day during the eight days preceding the 2013 general election, and to make those books of account available for public inspection. Finally, the complaint alleged violations of RCW 42.17A.320 for Mr. Stober's alleged failure to include a complete statement of sponsor identification on printed and telephonic political advertising.

III. FINDINGS

Bailey Stober Filings During 2011 Campaign

- 3.1 PDC staff reviewed reports on file for Mr. Stober's 2011 Kent City Council campaign. The reports consisted of eight Monetary Contributions reports (PDC form C-3), and nine Summary, Full Reports of Receipts and Expenditures (PDC form C-4). The C-3 reports disclosed \$7,845 in contributions, and were timely filed between March 11 and October 7, 2011. The C-4 reports disclosed that Mr. Stober received \$10,545 and spent \$7,313 through October 31, 2011. The last report filed for the campaign was a C-4 covering the 7-day pre-general election period of October 18 – 31, 2011.
- 3.2 Staff noted numerous gaps and errors in Mr. Stober's 2011 campaign filings, indicating that the reports were not complete or accurate. The problems noted were as follows:
- Mr. Stober's C-4 report for the 21-day pre-general election reporting period of September 1 – October 17, 2011 was filed on October 3, 2011, midway into the reporting period, and so could not certify his activity through October 17, 2011.
 - The 21-day pre-general election C-4 report disclosed \$8,150 in contributions and \$6,220 in expenditures as of October 3, 2011. **(Exhibit 4.)** Mr. Stober's next C-4 indicated that between that date

and October 7, 2011, he raised an additional \$2,395 and spent an additional \$1,093. **(Exhibit 5.)** A C-3 report filed on October 7, 2011 reported the details of \$1,545 in contributions deposited during that four-day period, however the balance of contributions (\$850) were not disclosed. No reports of the \$1,093 in expenditure activity were filed.

- The C-4 report for the 7-day pre-general election reporting period of October 18 - 31, 2011 that Mr. Stober filed on October 7, 2011 was filed eleven days *before* the reporting period began, and so could not certify his activity during the period.
- No post-general election C-4 report covering November 1 – 30, 2011 was received from Mr. Stober.

3.3 In a response to the complaint received on February 1, 2014, Mr. Stober stated that he mailed a final report for his 2011 campaign to the PDC in December of 2011. **(Exhibit 6.)** In an interview under oath with Mr. Stober on May 8, 2014, he stated that he mailed the report rather than filing electronically because he was using a new computer which did not have his ORCA electronic filing data set on it. He stated that he did not possess a copy of the mailed report, and believed that he mailed the original to the PDC.

3.4 On February 20, 2014, PDC staff notified Mr. Stober of the specific gaps in reporting for his 2011 campaign, and requested that he amend or supplement his reports as necessary to disclose all reportable information for that campaign. **(Exhibit 7.)** On seven occasions during the spring and summer of 2014, Mr. Stober contacted staff by email, stating that the requested reports for 2011 would be delivered within days. On June 11, 2014, after Mr. Stober failed to deliver the reports as requested, PDC staff asked him simply to state the total of contributions received and expenditures made in his 2011 campaign.

3.5 During an interview under oath with Mr. Stober on March 2, 2015, Mr. Stober stated that he possessed no banking records or other records of contribution and expenditure activity for his 2011 campaign. He stated that he was not aware that the law required him to maintain such records for five years following the year in which each campaign transaction occurred, and that he discarded the records following his 2011 campaign. He stated that during the spring and summer of 2014, when he stated he was working on the 2011 contribution and expenditure reports requested by staff, he was actually attempting to determine the estimated total of his contributions and expenditures in that election, intending to present that information in lieu of PDC filings. In the end, he said that he was unable even to provide that information due to his lack of records: *"I knew that at some point I wasn't going to be able to get all the specifics, so what I was trying to do was at*

least get you that email summary that you had asked for. And I just wasn't able to get those numbers. And I'd rather sit here and tell you I don't have those numbers than give you false numbers. And so that's just kind of where we're at today, and why I have nothing from 2011 to present to you. And honestly, I'd rather take the hit and be at fault for saying I don't have it, than say, 'Here's a made-up C-3 or C-4 for you guys.' "

- 3.6 During his interview under oath on May 8, 2014, PDC staff reviewed Mr. Stober's 2011 reports with him, including the 7-day pre-general election C-4, which showed that Mr. Stober received \$10,545 and spent \$7,313 through October 7, 2011, the date of the filing, ending with \$3,231 in cash on hand. Mr. Stober stated with "pretty solid confidence" that he conducted no additional fundraising following this report, and that he finished his 2011 campaign with a small deficit, indicating that Mr. Stober made at least \$3,231 in additional campaign expenditures after October 7, 2011.
- 3.7 While Mr. Stober's C-4 reports indicate that he received \$10,545 in contributions in his 2011 campaign, as discussed above, his C-3 reports disclosed the details of only \$7,845 in contributions. Mr. Stober's reports and his testimony under oath indicate that in his 2011 campaign for Kent City Council, he received \$2,700 in unreported contributions and made at least \$4,324 in unreported expenditures. Approximately 25% of Mr. Stober's contributions for the 2011 election and 41% of his campaign expenditures were not disclosed as required.

Designation and Registration of Treasurer / Certification of Reports for 2011 Bailey Stober Campaign

- 3.8 **Initial Interview Under Oath with Bailey Stober:** In his interview under oath on May 8, 2014, Mr. Stober stated that Janet Stebbins, his treasurer of record, served as treasurer for his entire 2011 campaign. He stated that Ms. Stebbins' duties as treasurer included filing PDC reports. He stated that she compiled and maintained an ORCA data set and uploaded reports for him personally. He stated that he was actively involved in the process, reviewing the reports Ms. Stebbins submitted for completeness and accuracy.
- 3.9 **Initial Interview Under Oath with Janet Stebbins:** On October 16, 2014, PDC staff conducted an interview under oath with Janet Stebbins. In her interview, Ms. Stebbins made statements that were significantly at odds with the testimony of Bailey Stober. **(Exhibit 8.)** Ms. Stebbins stated that she attended a training with Mr. Stober in PDC offices in Olympia, and after the class, informed him that she would not serve as his treasurer.¹ Ms. Stebbins stated that she had nothing to do with any of his campaign finances at any

¹ PDC records **(Exhibit 9)** show that Mr. Stober and Ms. Stebbins attended a PDC filer training on January 20, 2011.

point; that she did not prepare or file his PDC reports for the 2011 election, and was not present on any occasion when they were prepared or filed; that she did not see the reports after they were filed; that she never had possession of any of Mr. Stober's campaign records; that electronic filing data for his campaign was never stored on a computer that belonged to her, or one that she used; and that she had never used the PDC's electronic filing software on any occasion, or filed PDC reports for any candidate or political committee. Ms. Stebbins said that other than attending one PDC class with Mr. Stober, and telling him afterward that she could not serve as his treasurer, she did not meet with him or contact him on any occasion to discuss campaign business.

- 3.10 In her interview, Ms. Stebbins reviewed a document supplied by PDC staff, containing signature authorization for electronic filing for Bailey Stober's 2011 campaign. (This wet-signature authorization supplied by campaigns for electronic filing of contribution and expenditure reports is required under WAC 390-19-020[2], and is known commonly as a "signature card.") The signature card, which was processed as received on February 15, 2011, appeared to contain the signatures of Bailey Stober and Janet Stebbins. **(Exhibit 10.)** However, in her interview under oath, Ms. Stebbins stated unequivocally, with "one hundred percent" certainty, that the signature was not hers. She offered an example of her signature for comparison. **(Exhibit 11.)** Ms. Stebbins stated under oath that she had no prior knowledge that her name, or a signature purporting to be hers, appeared on a PDC signature card; that she never discussed with Mr. Stober the requirement to turn in a signature card for electronic filing for his campaign; that Mr. Stober never informed her that he would be signing any document for her, on her behalf; and that he never asked her permission to sign her name to any document.
- 3.11 **Additional Interview Under Oath with Bailey Stober:** In Mr. Stober's March 2, 2015 interview under oath, PDC questioned him about the discrepancy between his prior testimony and that of Janet Stebbins. Mr. Stober stated that his prior testimony was in error. He stated that though he previously recalled Ms. Stebbins preparing and filing his 2011 campaign reports, a recent conversation with Ms. Stebbins convinced him that his memory was incorrect. Staff asked Mr. Stober whether, if Ms. Stebbins did not file his 2011 reports, he was the person who filed the reports. He replied, *"Yeah. I mean, I would have. I remember filing the last couple for sure. Absolutely."*
- 3.12 Responding to Janet Stebbins' assertion that she had virtually no involvement in his campaign beyond attending an initial training in PDC offices, Mr. Stober stated that he had frequent contact with Ms. Stebbins related to their work with the Kiwanis, and could not recall whether they also had contact regarding his campaign: *"I don't remember the specifics of conversations from four years ago."* Mr. Stober could not recall whether he

filed the C-1 Candidate Registration that listed Janet Stebbins as his treasurer, though he believed it was most likely him who filed the registration: *"I know this may sound ridiculous to you guys, but 2011 seems like an eternity ago. I really do not remember. Especially the nitty-gritty of who filed what report and paperwork. I've probably seen a hundred pieces of paper a day every day for my adult life. I really honestly don't remember."*

- 3.13 PDC staff questioned Mr. Stober regarding the signature card during his March 2, 2015 interview under oath. Mr. Stober confirmed that the signature card bore his signature, however he stated that he did not recall preparing or mailing the signature card to the PDC, or asking any person to do so on his behalf. He stated that he did not recall any person asking him to sign his name to the signature card, and did not recall whether his 2011 campaign had any staff or volunteer whose duties would include setting the campaign up for electronic filing. He stated that he was unaware whether any person other than Janet Stebbins had access to his login credentials for electronic filing, and was in a position to produce a signature card for his campaign; however, he did not believe so. When asked to identify any staff or volunteer other than Ms. Stebbins who worked on his 2011 campaign, Mr. Stober could recall only one name, Karen Zammit. He could not recall whether he had asked Ms. Zammit to perform any treasury or PDC filing duties.
- 3.14 PDC staff asked Mr. Stober whether he signed Ms. Stebbins' name to his committee's 2011 signature card. He responded under oath that he did not. He stated that he had no additional information to offer regarding the identity of the person who may have signed Ms. Stebbins' signature, if not Ms. Stebbins herself.
- 3.15 **Additional Interview Under Oath with Janet Stebbins:** On March 31, 2015, PDC staff conducted a follow-up interview with Janet Stebbins. Ms. Stebbins repeated her prior testimony that the signature on Mr. Stober's electronic filing signature authorization was not hers; however, in contrast to her interview under oath on October 16, 2014, she stated that it was possible that she may have given Mr. Stober authorization to sign her name to some document in order to allow him to file disclosure reports with the PDC. She did not specifically recall having given this authorization to Mr. Stober, and stated with certainty that she did not authorize any other person to sign Mr. Stober's signature card on her behalf. Ms. Stebbins stated that she would not normally agree to have any person sign her name to an important document, however, at the time of Mr. Stober's 2011 campaign, she did not recognize the importance of his disclosure obligations.
- 3.16 Ms. Stebbins stated that following her October 16, 2014 interview with PDC staff, she discussed her testimony with Mr. Stober, and conversations that she had with him at the time of his 2011 campaign: *"He was talking about the conversation that we had when we were in my office. And we talked about a*

couple of other things. 'Oh, yeah, it was right around the time that the Kiwanis was doing this or that...[and I said] Oh, OK, I sort of remember that...It was right after the class. Oh yeah, OK.' And it was just, you know, little things that rang some distant bells...He reminded me that we had a conversation about this when we were in my office when I still had my practice in Kent. And we were talking about the fact that I told him, I felt like this job was too big for me. And he said 'OK, that's fine. I still have to file some reports.' And again, I don't remember the conversation, but I sort of remember him telling me that. And that's all I remember. But I do remember having a conversation with him in my office about how to wrap up my involvement in the [campaign]."

- 3.17 Ms. Stebbins stated that as Mr. Stober represented it to her, in the context of their 2011 conversation, it was clear that she was no longer performing treasury duties for Mr. Stober, but that he still needed her name to appear on his reports: *"He said, 'Do you remember, I had to file that one report. And you were still officially the treasurer then. So I asked you if I could go ahead and file it.'"* PDC staff asked Ms. Stebbins to describe Mr. Stober's characterization of the "one report" he needed to file. She responded, *"It was an expense report, he said. And I do remember that, because we got a good laugh. Because he's a 20-something year old kid who's lousy at paperwork."*
- 3.18 PDC staff asked Ms. Stebbins how soon after the January 20, 2011 PDC training she informed Mr. Stober that she would not serve as his treasurer. She could not recall specifically, but stated that the conversation occurred from a few days to a few weeks after the training. She stated, *"I never did anything for him. So it was within a matter of days or weeks. It was very soon after the class."*
- 3.19 Following Mr. Stober's second interview under oath, PDC staff made repeated attempts to contact Karen Zammit, the only person other than Janet Stebbins who Bailey Stober believed was in a position to have signed Ms. Stebbins' name to the electronic filing signature card received from his campaign on February 15, 2011. Staff was unsuccessful in reaching Ms. Zammit to obtain her testimony.
- 3.20 Janet Stebbins testified that the signature appearing on Mr. Stober's electronic filing signature card was not hers, but that she may have authorized Mr. Stober to sign one or more documents on her behalf. Mr. Stober, for his part, stated under oath that he did not sign Ms. Stebbins' name to the signature card. Staff was unable to find evidence indicating that, more likely than not, Mr. Stober or any other person signed Ms. Stebbins' name to the signature card received on February 15, 2011, with or without her permission. However, the testimony of Mr. Stober and Ms. Stebbins indicates that Ms. Stebbins did not prepare, review, certify, or file the seventeen C-3 and C-4 reports electronically submitted between March 11,

2011 and October 7, 2011 for Mr. Stober's 2011 campaign, and which listed her name as treasurer. Rather, the testimony obtained by staff indicates that Mr. Stober filed the reports, and that he failed to amend his C-1 Candidate Registration within 10 days of learning that Ms. Stebbins would not serve as treasurer for his 2011 campaign.

Bailey Stober Filings During 2013 Campaign

- 3.21 As of the date of the November 5, 2013 general election, there were only three campaign finance reports on file with the PDC for Mr. Stober's 2013 campaign for Kent City Council. The three reports were C-3 contribution reports disclosing \$7,055 in total contribution deposits made from July 20 – August 5, 2013. The first two of the three reports were timely filed, however the third C-3 report, disclosing a \$900 contribution from Kent Firefighters, was due to be filed on August 12, 2013, and was filed 34 days late on September 15, 2013. **(Exhibit 12.)** Mr. Stober reported no other contributions, and disclosed no campaign expenditures, prior to the 2013 general election.
- 3.22 As discussed above, on February 20, 2014, PDC staff notified Mr. Stober of gaps in reporting for his campaigns, including his 2013 campaign, and requested that he amend or supplement his reports as necessary to disclose all reportable information for that campaign. Staff informed Mr. Stober that he was required by law to file the missing reports electronically.
- 3.23 On May 7, 2014, Bailey Stober filed eleven C-3 and C-4 reports manually, on paper, disclosing \$3,200 in previously undisclosed monetary contributions deposited between July 30, 2013 and October 2, 2013, and approximately \$10,306 in previously undisclosed campaign expenditures incurred between April 2, 2013 and November 30, 2013. **(Exhibit 13.)**
- 3.24 In his response to the complaint received on February 1, 2014, Mr. Stober acknowledged that he failed to timely disclose contributions and expenditures as required for his 2013 campaign. He stated that the failure to file was due to technical issues with the PDC's electronic filing software, as well as the departure of a consultant whose duties included filing PDC reports for his campaign. (In his interview under oath on May 8, 2014, Mr. Stober clarified that prior to the consultant's departure, he had personally assumed filing duties, and that he personally filed the initial timely C-3 report received on May 29, 2013. He also stated that although he had experienced technical difficulty with electronic filing, as late as November 3, 2013, he believed that his contribution and expenditure reports had been properly submitted, and were available for inspection on the PDC's Web site.)
- 3.25 Mr. Stober stated that he visited PDC offices in March of 2013 and left a message for PDC filer assistance specialists seeking help, and that his call

was not returned. Staff noted that this March 2013 visit pre-dated all reportable activity conducted by Mr. Stober's 2013 campaign, as documented in the reports he had since filed. Staff asked whether Mr. Stober made additional attempts to seek assistance after he began receiving contributions and making expenditures. Mr. Stober stated that he believed he contacted staff on either one or two other occasions, but he could not produce any record of those contacts, for example an email or telephone record.

- 3.26 Staff searched the email and telephone records of PDC filer assistance specialists Jennifer Hansen and Chip Beatty for the period of January 17, 2013 through the 2013 general election. Staff found no record of any emails, messages, or other contacts from Mr. Stober, or of messages left from the telephone number that Mr. Stober had on file during the 2013 election.
- 3.27 Mr. Stober's C-3 reports filed on September 15, 2013 and May 7, 2014 indicate that in his 2013 campaign for Kent City Council, he received \$4,100 in contributions that were disclosed between 34 and 212 days late. The bulk of these contributions, \$3,200, were disclosed six months after the 2013 general election. The late-reported contributions represented 40% of contributions that Mr. Stober received in his 2013 campaign. The C-4 reports Mr. Stober filed on May 7, 2014 indicate that 100% of his campaign expenditures for the 2013 election, \$10,306, were disclosed six months after that election, between 148 and 362 days late. Approximately one-third of Mr. Stober's contributions and all of his expenditures were disclosed on paper, rather than electronically.

Alleged Failure to Make or Honor Campaign Books Inspection Appointments

- 3.28 In his complaint filed on November 27, 2013, Don Mason alleged that he contacted Mr. Stober by voice message and email on Thursday, October 31, 2013, requesting an appointment on Monday, November 4, 2013 to inspect Mr. Stober's campaign books of account. Mr. Mason alleged that he subsequently made contact with Mr. Stober by telephone, during which Mr. Stober acknowledged his request. Mr. Mason stated that he contacted Mr. Stober again by email on Friday, November 1, 2013, and Saturday, November 2, 2013 to request an appointment; in the second email, Mr. Mason alludes to Mr. Stober's acknowledgement of his request.
- 3.29 Mr. Mason stated that the next response he received to his request was an email from Mr. Stober sent at 11:26 p.m. on Sunday, November 3, 2013. In that email (**Exhibit 3, p 14**), Mr. Stober stated that he would be unable to honor Mr. Mason's request for an appointment the following day, Monday November 4, 2013, because it was a work day. He stated that his campaign had just submitted reports to the PDC and would continue to update its reports. Mr. Stober provided a link to Mr. Mason that he said would lead to

detailed contribution information on the PDC's Web site. However, as discussed above, at all times during the 2013 election, Mr. Stober had no more than three contribution reports on file with the PDC, and no expenditure reports.

- 3.30 In his interview under oath on May 8, 2014, Mr. Stober stated that although he had not received confirmation from the PDC that his expenditure reports had been successfully filed, he believed that the reports were received. He stated that before sending his November 3, 2013 email to Mr. Mason, he queried the PDC's database for campaign finance data that was then on file for his campaign. However, he did not review the results of that query before sending the link to Mr. Mason, so he was unaware that the record was incomplete.
- 3.31 Mr. Stober stated during his interview that he did not respond to Mr. Mason's emails of Friday, November 1, 2013, and Saturday, November 2, 2013 until late in the evening on Sunday, November 3, 2013, because he did not check his campaign email address during those three days. He stated that he had only one other campaign staff or volunteer working with him at that time, and that her duties did not involve checking his campaign email address. He stated that that duty fell only to him.

**Alleged Failure to Include Proper Sponsor Identification
In Political Advertising**

- 3.32 In his complaint filed Don Mason alleged that Bailey Stober sponsored telephonic "robocall" political advertising and print political advertising that failed to include statements of sponsor identification.
- 3.33 In his response to the complaint received on February 1, 2014, Mr. Stober acknowledged that his campaign sponsored the telephone calls in question. He stated, correctly, that telephone calls sponsored by a candidate as political advertising in support of his campaign need not include a statement of sponsor identification.
- 3.34 Regarding the printed political advertising identified in the complaint (**Exhibit 3, p 16**) Mr. Stober stated in his response that the advertising was not sponsored or approved by his campaign, and was not distributed by him or any representative of his campaign. He stated that he should not be held responsible for the failure of an unknown sponsor outside his campaign to include sponsor identification in political advertising.
- 3.35 In his interview under oath on May 8, 2014, Mr. Stober clarified that the advertisement in question was based on a preliminary draft of an advertisement he had previously circulated among his supporters. However,

he testified that he was not aware of the identity of the sponsor, and that it was essentially an independent expenditure.

IV. SCOPE

4.1 PDC staff reviewed the following documents:

1. C-1 Candidate Registration forms and C-3 and C-4 contribution and expenditure reports and data filed by Bailey Stober for the 2011 and 2013 elections for Kent City Council;
2. A signature authorization document for electronic filing for Bailey Stober's 2011 campaign, received on February 15, 2011;
3. A complaint against Bailey Stober, received on November 27, 2013 from Don Mason;
4. A response to the complaint filed by Don Mason, received from Bailey Stober on February 1, 2014;
5. Additional correspondence received from Bailey Stober on January 28, 2014, March 9, 2014, April 20, 2014, May 2, 2014, May 5, 2014, May 20, 2014, May 26, 2014, June 20, 2014, February 24, 2015, March 9, 2015, and July 6, 2015;
6. Email and telephone records of PDC Filer Assistance Specialists Jennifer Hansen and Chip Beatty for the period of January 17, 2013 through the 2013 general election;
7. A record of attendees at January 20, 2011 training in PDC offices;
8. Email correspondence received from Janet Stebbins on October 14, 2014, with an attached copy of a completed I-9 form bearing her signature; and
9. Email correspondence received from Rich Sweeney of Renton Printery on June 20, 2014.

4.2 PDC staff conducted the following interviews under oath:

1. Bailey Stober was interviewed on May 8, 2014 and March 2, 2015; and
2. Janet Stebbins was interviewed under oath on October 14, 2014 and March 31, 2015.

V.
LAW

RCW 42.17.040 requires candidate to file timely campaign registrations, and to file an amended registration within ten days of any material change to the information on a previous registration. Effective January 1, 2012, RCW 42.17.040 was recodified as **RCW 42.17A.205**.

In the event of the death, resignation, removal, or change of a treasurer or deputy treasurer, **RCW 42.17.050** requires a candidate to designate and file with the commission the name and address of any successor treasurer. Effective January 1, 2012, RCW 42.17.050 was recodified as **RCW 42.17A.210**.

RCW 42.17A.235 and **.240** require candidates to file timely, complete, and accurate reports of monetary and in-kind contributions and expenditures, including contributions pledged but not received, debts, orders placed, and obligations. The reports are filed monthly following an excess of \$200 in contribution or expenditure activity, except during the five months before the election, during which time contribution reports are required to be filed on the Monday following the date of deposit, and summary reports of receipts and expenditures are required to be filed 21 days and again 7 days before each election in which the candidate appears on the ballot, and on the 10th of the month following the election. Reports of contributions must include the name and address of any contributor who has given more than \$25 in the aggregate, and the occupation and employer of any individual contributor making more than \$100 in aggregate contributions.

RCW 42.17A.235 requires a candidate to keep the campaign committee's books of account current within one business day during the eight days before an election, and to allow and keep appointments to inspect the books of account during the same time period.

RCW 42.17A.235 also requires a treasurer or candidate to preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred. Prior to January 1, 2012, RCW 42.17A.235 and .240 were codified as **RCW 42.17.080** and **.090**, respectively.

RCW 42.17A.245 requires each candidate or political committee that expended five thousand dollars or more in the preceding year or expects to expend five thousand dollars or more in the current year to file all contribution reports and expenditure reports required under RCW 42.17A by the electronic alternative provided by the Commission.

WAC 390-19-020(2) requires persons filing by electronic means to register with the PDC and receive a filer identification number and password. The rule

requires candidate filers to have a current C-1 Candidate Registration Statement and an original signature on file with the PDC prior to receiving a filer identification number.

RCW 42.17.430 requires every report and statement required to be filed under chapter RCW 42.17 to identify the person preparing it, and to be certified as complete and correct, both by the person preparing it and by the person on whose behalf it is filed. Effective January 1, 2012, RCW 42.17.430 was recodified as **RCW 42.17A.145**.

WAC 390-19-030 provides that a filer "expects to expend" \$5,000 or more for the purposes of the electronic filing requirement of RCW 42.17A.245 when the filer is a candidate for the same office last sought and his or her campaign expenditures in the previous election for the same office were \$5,000 or more.

RCW 42.17A.320(1) requires all written political advertising sponsored by a candidate to include the sponsor's name and address, and requires all radio and television political advertising sponsored by a candidate to include the sponsor's name. Independent expenditure advertising transmitted by a method that does not include a visual image, including telephonic advertising, is addressed under RCW 42.17A.320(5).

Respectfully submitted this 15th day of July, 2015.



Tony Perkins
Assistant Director

EXHIBIT LIST

- Exhibit 1** C-1 filed by Bailey Stober on February 11, 2011 for 2011 Kent City Council campaign.
- Exhibit 2** C-1 filed by Bailey Stober on April 9, 2013 for 2013 Kent City Council campaign.
- Exhibit 3** Complaint against Bailey Stober, received on November 27, 2013 from Don Mason.
- Exhibit 4** C-4 for the 21-day pre-general election reporting period in 2011, filed by Bailey Stober on October 3, 2011.
- Exhibit 5** C-4 for the 7-day pre-general election reporting period in 2011, filed by Bailey Stober on October 7, 2011.
- Exhibit 6** Response to the complaint filed by Don Mason, received from Bailey Stober on February 1, 2014.
- Exhibit 7** PDC staff email to Bailey Stober, sent on February 20, 2014 (last message only, without attachments).
- Exhibit 8** Transcript of October 16, 2014 interview with Janet Stebbins.
- Exhibit 9** PDC record of attendees at January 20, 2011 training in PDC offices.
- Exhibit 10** Signature authorization document for electronic filing for Bailey Stober's 2011 campaign, received on February 15, 2011.
- Exhibit 11** I-9 form provided by Janet Stebbins on October 14, 2014, for handwriting comparison.
- Exhibit 12** C-3 report filed by Bailey Stober on September 15, 2013 for the 2013 election.
- Exhibit 13** Eleven C-3 and C-4 reports filed manually by Bailey Stober on May 7, 2014 for the 2013 election.



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdcc@pdc.wa.gov • Website: www.pdc.wa.gov

July 27, 2015

BAILEY STOBER
12416 SE 272nd PL #C
KENT WA 98030

Subject: Final Order, Bailey Stober, PDC Case No. 14-017

Dear Mr. Stober:

Enclosed is a copy of the Public Disclosure Commission's Final Order for PDC Case No. 14-017. Also enclosed is a copy of the Stipulation of Facts, Violations and Penalty. Thank you for your cooperation throughout this process.

Please note that payment of the non-suspended portion of the penalty (\$2,000) is to be paid as follows: (1) \$1,000 of the non-suspended portion of the penalty must be paid within 12 months of the date of the final order; and (2) the remaining \$1,000 of the non-suspended portion of the penalty must be paid within 24 months of the date of the final order. The payments should be made payable to "WA STATE TREASURER" and should reference Case No. 14-017.

PDC staff proposes that you make quarterly payments of \$250, as noted below:

- \$250 by October 27, 2015
- \$250 by January 27, 2016
- \$250 by April 27, 2016
- \$250 by July 27, 2016
- \$250 by October 27, 2016
- \$250 by January 27, 2017
- \$250 by April 27, 2017
- \$250 by July 27, 2017

Please confirm in writing (email is acceptable) if you agree to this payment plan. If you have questions, please contact me at (360) 664-8853; toll free at (877) 601-2828 or by email at phil.stutzman@pdc.wa.gov.

Sincerely,

Philip E. Stutzman
Director of Compliance

Enclosure: (1) Stipulation; (2) Information About Appeals and Enforcement of Final Orders

1
2
3
4
5
6
7 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
8 **OF THE STATE OF WASHINGTON**

9 IN RE COMPLIANCE WITH RCW 42.17A:

PDC CASE NO. 14-017

10 Bailey Stober

FINAL ORDER

11 Respondent.
12
13

14 **I. INTRODUCTION**

15 This matter was heard by the Washington State Public Disclosure Commission (PDC) on
16 July 23, 2015 at the PDC Office, 711 Capitol Way, Room 206, Olympia, Washington 98504.
17 The hearing was held pursuant to RCW 34.05, RCW 42.17A, and WAC 390-37. The proceeding
18 was open to the public, and recorded and videotaped.

19 Commissioners Katrina Asay, Chair, and Members Amit Ranade, Anne Levinson and
20 John Bridges were present. Director of Compliance Phil Stutzman presented the case on behalf
21 of PDC staff. Respondent, Bailey Stober, was present and addressed the Commission.

22 The PDC had before it the following materials: Notice of Administrative Charges dated
23 July 15, 2015; Report of Investigation and attached Exhibits 1-13, dated July 15, 2015; and
24 Stipulation as to Facts, Violation, and Penalty, signed by Respondent on July 15, 2015 and by
25 PDC staff on July 16, 2015.
26

1 The hearing concerned allegations that Respondent violated RCW 42.17.080 and RCW
2 42.17.090 by failing to disclose \$2,700 in contributions and \$4,324 in expenditures for the
3 2011 Kent City Council Campaign; RCW 42.17.040 and RCW 42.17.050 by failing to amend
4 his C-1 Candidate Registration within 10 days of being informed of the resignation of the
5 treasurer listed on his initial registration for his 2011 campaign; RCW 42.17A.235 by failing to
6 preserve books of account, bills, receipts, and all other financial records of his 2011 campaign
7 for not less than five calendar years following the year during which the transaction occurred;
8 RCW 42.17A.235 and RCW 42.17A.240 by failing to timely file reports of \$4,100 in
9 contributions and \$10,306 in expenditures for the 2013 Kent City Council Campaign; RCW
10 42.17A.245 by failing to file reports of all contribution and expenditure activity for his 2013
11 campaign by the electronic alternative provided by the commission; and RCW 42.17A.235 by
12 failing to allow and honor appointments to inspect his campaign books of account for the 2013
13 election.

14 **Stipulation**

15 The parties jointly submitted a signed Stipulation as to Facts, Violations, and Penalty
16 (Stipulation). Mr. Stutzman summarized the Stipulation and asked the Commission to accept
17 the Stipulation. Mr. Stober also urged the Commission to accept the Stipulation. The parties
18 represented that Mr. Stober was a 2015 candidate for office and that his 2015 reports appeared
19 to be up-to-date.

20 The Commission voted 4-0 to accept the Stipulation as to Facts, Violations, and Penalty
21 with two modifications: (1) that \$1,000 of the non-suspended portion of the penalty be paid
22 within 12 months of the date of the final order; and (2) that the remaining \$1,000 of the non-
23 suspended portion of the penalty be paid within 24 months of the date of the final order. The
24 parties accepted the Commission's modifications to the Stipulation.

25 **I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

26

1 3. In the event Respondent fails to meet either of the terms in paragraph 2, the suspended
2 portion of the penalty (\$2,000) shall become due without any further intervention of the
3 Commission.

4 The Executive Director is authorized to enter this order on behalf of the Commission.

5
6 So ORDERED this 21 day of July, 2015.

7 WASHINGTON STATE PUBLIC
8 DISCLOSURE COMMISSION

9 FOR THE COMMISSION:

10 Frederick C. Kiga
11 Executive Director

12 **ATTACHMENTS:**

- 13 (1) *Stipulation as to Facts, Violation, and Penalty (July 16, 2015)*
14 (2) *Appeals and Enforcement of Final Orders*

15 I, Janet Bentley, certify that I mailed a
16 copy of this order to the Respondent/Applicant at
17 his/her respective address postage pre-paid on the date
18 stated herein.

19 **NOTICE: RECONSIDERATION**

20 PURSUANT TO THE PROVISIONS OF RCW 34.05.470 AND WAC 390-37-150 YOU MAY
21 FILE A PETITION FOR RECONSIDERATION WITH THE PDC WITHIN TWENTY-ONE
22 (21) DAYS FROM THE DATE THIS FINAL ORDER IS SERVED UPON YOU. ANY
23 REQUEST FOR RECONSIDERATION MUST STATE THE SPECIFIC GROUNDS FOR
24 THE RELIEF REQUESTED. PETITIONS MUST BE DELIVERED OR MAILED TO THE
25 WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION, 711 CAPITOL WAY,
26 ROOM 206, BOX 40908, OLYMPIA WA 98504-0908.

27 **NOTICE: PETITION FOR JUDICIAL REVIEW**

28 YOU HAVE THE RIGHT TO APPEAL THIS FINAL ORDER TO SUPERIOR COURT,
29 PURSUANT TO THE PETITION FOR JUDICIAL REVIEW PROVISIONS OF RCW
30 34.05.542. ANY PETITION FOR JUDICIAL REVIEW OF THIS FINAL ORDER MUST BE
31 FILED WITH THE COURT AND ALSO SERVED UPON BOTH THE COMMISSION AND
32 THE OFFICE OF THE ATTORNEY GENERAL WITHIN THIRTY (30) DAYS AFTER
33 THE DATE THIS FINAL ORDER IS SERVED UPON YOU.



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In the Matter of Enforcement Action
Against

Bailey Stober

Respondent.

PDC Case No. 14-017

Notice of Administrative Charges

I. JURISDICTION

1. The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17A RCW, the state campaign finance and disclosure laws; Chapter 34.05 RCW, the Administrative Procedure Act; and Title 390 WAC. These charges incorporate the Report of Investigation and all related exhibits by reference.

II. ALLEGATIONS

2. PDC staff alleges that Bailey Stober, a candidate for Kent City Council in the 2011 and 2013 general elections, violated RCW 42.17 and RCW 42.17A as follows:
 - A. RCW 42.17.080 and RCW 42.17.090 by failing to disclose \$2,700 in contributions and \$4,324 in expenditures for the 2011 Kent City Council Campaign;
 - B. RCW 42.17.040 and RCW 42.17.050 by failing to amend his C-1 Candidate Registration within 10 days of being informed of the resignation of the treasurer listed on his initial registration for his 2011 campaign;

- C. RCW 42.17.235 by failing to preserve books of account, bills, receipts, and all other financial records of his 2011 Kent City Council campaign for not less than five calendar years following the year during which the transaction occurred;
- D. RCW 42.17A.235 and RCW 42.17A.240 by failing to timely file reports of \$4,100 in contributions and \$10,306 in expenditures for the 2013 Kent City Council Campaign;
- E. RCW 42.17A.245 by failing to file reports of all contribution and expenditure activity for his 2013 Kent City Council campaign by the electronic alternative provided by the commission; and
- F. RCW 42.17A.235 by failing to allow and honor appointments to inspect his campaign books of account for the 2013 election.

III. FACTS

Bailey Stober Filings During 2011 Kent City Council Campaign

- 3. Bailey Stober was a candidate for Kent City Council in the 2011 general election. He filed an electronic Candidate Registration report (PDC form C-1) for the 2011 election on February 11, 2011. On the C-1, Mr. Stober identified Janet Stebbins as his treasurer, and indicated that he would follow the Full Reporting option, which requires frequent, detailed reports of contribution and expenditure activity. The C-1 listed no other officers.
- 4. Mr. Stober appeared only on the 2011 general election ballot, and was defeated by Deborah Ranniger in that election by a margin of approximately 33%.
- 5. Mr. Stober's 2011 campaign filings contained numerous gaps and errors, indicating that the reports were not complete or accurate. Mr. Stober's C-4 report for the 21-day pre-general election reporting period of September 1 – October 17, 2011 was filed on October

- 3, 2011, midway into the reporting period, and so could not include campaign activity through October 17, 2011.
6. Mr. Stober's 21-day pre-general election C-4 report disclosed \$8,150 in contributions and \$6,220 in expenditures as of October 3, 2011. Mr. Stober's next C-4 indicated that between that date and October 7, 2011, he raised an additional \$2,395 and spent an additional \$1,093. A C-3 report filed on October 7, 2011 reported the details of \$1,545 in contributions deposited during that four-day period, however the balance of contributions (\$850) were not disclosed. No reports of the \$1,093 in expenditure activity were filed.
 7. Mr. Stober's C-4 report for the 7-day pre-general election reporting period of October 18 - 31, 2011 that Mr. Stober filed on October 7, 2011 was filed eleven days before the reporting period began, and so could not include campaign activity during the period.
 8. Mr. Stober did not file a post-general election C-4 report covering November 1 - 30, 2011.
 9. Mr. Stober 7-day pre-general election C-4, which showed that he received \$10,545 and spent \$7,313 through October 7, 2011, the date of the filing, ending with \$3,231 in cash on hand. Mr. Stober testified that he conducted no additional fundraising following this report, and that he finished his 2011 campaign with a small deficit, indicating that he made at least \$3,231 in additional campaign expenditures after October 7, 2011.
 10. Mr. Stober's C-4 reports indicate that he received \$10,545 in contributions in his 2011 campaign; however his C-3 reports disclosed the details of only \$7,845 in contributions. Mr. Stober's reports and his testimony under oath indicate that in his 2011 campaign for Kent City Council, he received \$2,700 in unreported contributions and made at least \$4,324 in unreported expenditures. Approximately 25% of Mr. Stober's contributions for the 2011 election and 41% of his campaign expenditures have not been disclosed as required, due to Mr. Stober's failure to preserve financial records from that election.

Failure to Amend C-1 Candidate Registration for 2011 Kent City Council Campaign

11. Mr. Stober's February 11, 2011 Candidate Registration listed Janet Stebbins as Mr. Stober's campaign treasurer. However, Ms. Stebbins testified that in the days or weeks following a January 20, 2011 training in PDC offices in Olympia, she informed Mr. Stober that she could not serve as his treasurer. Ms. Stebbins testified that she did not prepare, review, certify, or file the seventeen C-3 and C-4 reports that Mr. Stober electronically submitted between March 11, 2011 and October 7, 2011 for Mr. Stober's 2011 campaign which listed her name as treasurer. Rather, the testimony of Mr. Stober and Ms. Stebbins indicates that Mr. Stober filed the reports.
12. Mr. Stober did not amend his C-1 Candidate Registration within 10 days of learning that Janet Stebbins would not perform treasury duties for his campaign.

Failure to Preserve Financial Records for 2011 Kent City Council Campaign

13. Mr. Stober stated that he possessed no banking records or other records of contribution and expenditure activity for his 2011 campaign. He stated that he was not aware that the law required him to maintain such records for five years following the year in which each campaign transaction occurred, and that he discarded the records following his 2011 campaign.

Bailey Stober Filings During 2013 Kent City Council Campaign

14. On April 9, 2013, Mr. Stober filed an electronic C-1 registering his campaign for Kent City Council in the 2013 general election. On that registration, he listed himself as treasurer, and again chose the Full Reporting option. The C-1 listed no officers other than Mr. Stober.
15. Mr. Stober appeared on both the primary and general election ballots in 2013. He was defeated by Ken Sharp in the 2013 general election by a margin of approximately 2%.

16. As of the date of the November 5, 2013 general election, there were only three campaign finance reports on file with the PDC for Mr. Stober's 2013 campaign for Kent City Council. The three reports were C-3 contribution reports disclosing \$7,055 in total contribution deposits made from July 20 – August 5, 2013. The first two of the three reports were timely filed; however the third C-3 report, disclosing a \$900 contribution from Kent Firefighters, was due to be filed on August 12, 2013, and was filed 34 days late on September 15, 2013. Mr. Stober reported no other contributions, and disclosed no campaign expenditures, prior to the 2013 general election.
17. On May 7, 2014, Bailey Stober filed eleven C-3 and C-4 reports manually, on paper, disclosing \$3,200 in previously undisclosed monetary contributions deposited between July 30, 2013 and October 2, 2013, and approximately \$10,306 in previously undisclosed campaign expenditures incurred between April 2, 2013 and November 30, 2013.
18. Mr. Stober's C-3 reports filed on September 15, 2013 and May 7, 2014 indicate that in his 2013 campaign for Kent City Council, he received \$4,100 in contributions that were disclosed between 34 and 212 days late. The bulk of these contributions, \$3,200, were disclosed six months after the 2013 general election. The late-reported contributions represented 40% of contributions that Mr. Stober received in his 2013 campaign.
19. The C-4 reports Mr. Stober filed on May 7, 2014 indicate that 100% of his campaign expenditures for the 2013 election, \$10,306, were disclosed between 148 and 362 days late, and six months after that election.

Failure to Disclose 2013 Contribution and Expenditure Activity Electronically

20. Based on his campaign expenditures in the 2011 election, Mr. Stober was required to file reports of all contribution and expenditure activity in his 2013 campaign electronically.
21. Mr. Stober filed three C-3 Monetary Contributions reports via the PDC's ORCA software during the 2013 campaign, two of which were filed timely. Mr. Stober testified that he

encountered technical difficulties, but by the conclusion of his campaign believed that he was successfully filing his reports electronically. Mr. Stober did not receive confirmation that any reports other than his initial three C-3 reports had been filed electronically, and the reports were not received.

22. Mr. Stober's eleven C-3 and C-4 reports filed on May 7, 2014 for his 2013 campaign were filed manually, on paper. Approximately one-third of Mr. Stober's contributions and all of his expenditures for that election were disclosed on paper, rather than electronically.

Failure to Make or Honor Campaign Books Inspection Appointments

23. On three occasions between October 31 – November 2, 2013, Bailey Stober received email and telephone contacts from Don Mason, seeking an appointment to inspect Mr. Stober's campaign books of account on Monday, November 4, 2013. Mr. Mason requested an inspection appointment at the location registered on Mr. Stober's C-1 Candidate Registration, the Kent Public Library.
24. Mr. Stober responded to Mr. Mason late on the evening of Sunday, November 3, 2013, stating that he would be unable to honor Mr. Mason's request for an appointment the following day, Monday November 4, 2013, because it was a work day for Mr. Stober. Mr. Stober did not make any alternative arrangements to facilitate an inspection appointment.
25. Mr. Stober informed Mr. Mason that his campaign finance information was available for review on the PDC's Web site. He stated that his campaign had just submitted reports to the PDC and would continue to update its reports. He provided a link to Mr. Mason that he said would lead to detailed contribution information on the PDC's Web site.
26. As discussed above, at all times during the 2013 election, Mr. Stober had no more than three contribution reports on file with the PDC, and no expenditure reports. Mr. Stober testified that before sending his November 3, 2013 email to Mr. Mason, he queried the PDC's database for campaign finance data that was then on file for his campaign.

However, he did not review the results of that query before sending the link to Mr. Mason, and was unaware that the record was incomplete.

IV. LAW

RCW 42.17.040 requires candidate to file timely campaign registrations, and to file an amended registration within ten days of any material change to the information on a previous registration. Effective January 1, 2012, RCW 42.17.040 was recodified as **RCW 42.17A.205**.

In the event of the death, resignation, removal, or change of a treasurer or deputy treasurer, **RCW 42.17.050** requires a candidate to designate and file with the commission the name and address of any successor treasurer. Effective January 1, 2012, RCW 42.17.050 was recodified as **RCW 42.17A.210**.

RCW 42.17A.235 and **.240** require candidates to file timely, complete, and accurate reports of monetary and in-kind contributions and expenditures, including contributions pledged but not received, debts, orders placed, and obligations. The reports are filed monthly following an excess of \$200 in contribution or expenditure activity, except during the five months before the election, during which time contribution reports are required to be filed on the Monday following the date of deposit, and summary reports of receipts and expenditures are required to be filed 21 days and again 7 days before each election in which the candidate appears on the ballot, and on the 10th of the month following the election. Reports of contributions must include the name and address of any contributor who has given more than \$25 in the aggregate, and the occupation and employer of any individual contributor making more than \$100 in aggregate contributions.

RCW 42.17A.235 requires a candidate to keep the campaign committee's books of account current within one business day during the eight days before an election, and to allow and keep appointments to inspect the books of account during the same time period.

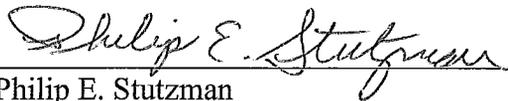
RCW 42.17A.235 also requires a treasurer or candidate to preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred. Prior to January 1, 2012, RCW 42.17A.235 and .240 were codified as **RCW 42.17.080** and **.090**, respectively.

RCW 42.17A.245 requires each candidate or political committee that expended five thousand dollars or more in the preceding year or expects to expend five thousand dollars or more in the current year to file all contribution reports and expenditure reports required under RCW 42.17A by the electronic alternative provided by the commission.

Bailey Stober, Case No. 14-017
Notice of Administrative Charges
Page 8

WAC 390-19-030 provides that a filer “expects to expend” \$5,000 or more for the purposes of the electronic filing requirement of RCW 42.17A.245 when the filer is a candidate for the same office last sought and his or her campaign expenditures in the previous election for the same office were \$5,000 or more.

RESPECTFULLY SUBMITTED this 15th day of July, 2015.



Philip E. Stutzman
Director of Compliance