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**BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON**

In re the Matter of Enforcement Action  
Against:  
House Republican Organizational Committee,  
Respondent.

PDC CASE NO. 9208  
FINAL ORDER

**I. INTRODUCTION**

This matter was heard by the Washington State Public Disclosure Commission (Commission) on December 7, 2017 at the Public Disclosure Commission Office, 711 Capitol Way, Room 206, Olympia, Washington 98504. The hearing was held pursuant to RCW 34.05, RCW 42.17A, and WAC 390-37.

Commissioners present included Anne Levinson, Commission Chair (presiding); Jack Johnson, Commission Vice-Chair; and Commissioners John Bridges, Katrina Asay, and David Ammons. Also present were Assistant Attorney General Scott Douglas representing the Commission; Kurt Young, Compliance Officer on behalf of PDC Staff; and Assistant Attorney General Chad Standifer on behalf of PDC Staff. Respondent House Republican Organizational Committee (HROC) was represented by attorney Mark Lamb. The proceeding was open to the public and recorded.

The hearing concerned allegations that Respondent HROC violated RCW 42.17A.235 and .240 by failing to timely disclose \$85,000 in monetary contributions made to seven 2016

1 candidates for State representative, and one bona-fide political party organization on Summary  
2 Campaign Contribution and Expenditure reports (C-4 reports).

3 The PDC had before it the following materials:

- 4 • Notice of Administrative Charges dated November 1, 2017;
- 5 • Report of Investigation prepared by PDC Compliance Officer Kurt Young, dated October  
6 25, 2017;
- 7 • Complaint filed on October 21, 2016 against HROC by Mina Mercer;
- 8 • C-3 report filed by Citizens for Phil Fortunato dated September 5, 2016;
- 9 • C-3 report filed by Friends for Teri Hickel dated August 22, 2016;
- 10 • C-4 report filed by HROC dated September 12, 2016;
- 11 • C-4 report filed by HROC dated October 18, 2016;
- 12 • C-3 report filed by Janice Huxford for State Representative dated September 5, 2016;
- 13 • C-3 report filed by Citizens for Kochmar dated August 22, 2016;
- 14 • C-3 report filed by Friends to Elect Vicki Kraft dated August 27, 2016;
- 15 • C-3 report filed by Washington State Republican Party Exempt dated August 15, 2016;
- 16 • C-3 report filed by Washington State Republican Party Non-Exempt dated September 12,  
17 2016;
- 18 • C-3 report filed by Friends of Jim Walsh dated September 12, 2016;
- 19 • C-3 report filed by Jesse Young for State House Committee dated August 26, 2016;
- 20 • Spreadsheet of HROC 2016 expenditures, prepared by PDC Staff.
- 21 • Email response to complaint from Mark Lamb to Kurt Young dated September 20, 2017;
- 22 • Amended C-4 report filed by HROC dated September 25, 2017;
- 23 • Stipulation As To Facts, Violations, and Penalty submitted by the parties, signed on  
24 November 21 and 28, 2017.

1 **II. STIPULATION**

2 The parties jointly submitted a signed Stipulation as to Facts, Violations, and Penalty  
3 (Stipulation). Mr. Standifer summarized the Stipulation and asked the Commission to accept the  
4 Stipulation. Mr. Lamb likewise asked the Commission to accept the Stipulation. Mr. Young  
5 provided testimony regarding related compliance issues with HROC's C-4 reports filed in 2017.  
6 Mr. Young testified that HROC inadvertently carried forward the contribution and expenditure  
7 totals for the 2016 election which resulted in HROC overstating its beginning balance on the C-  
8 4 report filed in January 2017. That overstated balance was carried through on all subsequent C-  
9 4 reports filed by HROC. HROC agreed that all C-4 reports for 2017 would be amended prior to  
10 filing the Post-Election Report due on December 11, 2017. Staff testified that HROC was  
11 otherwise in compliance with RCW 42.17A and WAC 390 as of the date of the hearing.

12 The Commission voted 5-0 to accept the Stipulation as to Facts, Violations, and Penalty.

13 **III. FINDINGS OF FACT**

14 1. The House Republican Organizational Committee (HROC) supports Republican  
15 legislative candidates seeking the office of State Representative. HROC has been registered and  
16 reporting with the PDC dating back to at least 1994, and prior to that, HROC filed reports as the  
17 House Republican PAC.

18 2. On July 10, 2012, HROC filed an amended Committee Registration (C-1 pc report) with  
19 the PDC as a continuing committee listing Army Davis as COO-CFO, and Samantha Colton as  
20 Treasurer. The amended C-1 pc report filed by HROC was in effect throughout the 2016 election  
21 cycle, and the first six months of 2017.

22 3. On September 12, 2016, HROC timely filed the 2016 Post-Primary Election C-4 report  
23 covering the period of July 26 through August 31, 2016, disclosing \$943,000 in monetary  
24 contributions received and \$25,551 in expenditures made. The C-4 report disclosed two  
25 expenditures to ADP for HROC Payroll, fees and taxes totaling \$25,126.

26 4. The C-4 report disclosed that no contributions were made by HROC to any candidates,

1 or bona fide political party organization during the reporting period covered by the 2016 Post-  
2 Primary Election C-4 report .

3 5. On September 25, 2017, HROC filed an amended Post-Primary Election C-4 report  
4 disclosing eight new expenditures in the form of monetary contributions totaling \$85,000 that  
5 were disclosed 378 days late, and more than 10 months after the November 8, 2016 general  
6 election had been held.

7 6. The late-reported HROC expenditures included a \$50,000 monetary contribution made  
8 to the Washington State Republican Party Non-Exempt funds account on August 30, 2016. In  
9 addition, the C-4 report disclosed seven previously unreported monetary contributions totaling  
10 \$35,000, \$5,000 each to the following 2016 Legislative candidates seeking the office of State  
11 Representative: Phil Fortunato; Teri Hickel; Janice Huxford; Linda Kochmar; Vicki Kraft; Jim  
12 Walsh; and Jesse Young.

13 7. HROC carried forward the contribution and expenditure totals for the 2016 election which  
14 resulted in HROC overstating its beginning balance on the C-4 report filed in January 2017. That  
15 overstated balance was carried through on all subsequent C-4 reports filed by HROC.

16 8. HROC was otherwise in compliance with RCW 42.17A and WAC 390 as of the date of  
17 the hearing in this matter.

#### 18 **IV. CONCLUSIONS OF LAW**

19 1. The Commission has jurisdiction over this proceeding pursuant to RCW 42.17A, the  
20 State campaign finance and disclosure law; RCW 34.05, the Administrative Procedure Act; and  
21 WAC 390.

22 2. Respondent House Republican Organizational Committee violated RCW 42.17A.235  
23 and 42.17A.240 by failing to timely disclose \$85,000 in monetary contributions made to seven  
24 2016 candidates for State Representative, and one bona-fide political party organization on C-4  
25 reports.  
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**V. ORDER**

Based upon the stipulated Findings and Conclusions, the Commission accepts the stipulation of the parties and orders that:

1. Respondent House Republican Organizational Committee shall amend its 2017 C-4 reports to accurately reflect the assets and expenditures of HROC.

2. Respondent House Republican Organizational Committee is assessed a total civil penalty of \$10,000 for violation of RCW 42.17A.235 and 42.17A.240, to be paid within 30 days of entry of this Order.

So ORDERED this 20th day of December, 2017.

WASHINGTON STATE PUBLIC  
DISCLOSURE COMMISSION

FOR THE COMMISSION:



\_\_\_\_\_  
Anne Levinson  
Chair, Public Disclosure Commission

*Copy of this Order mailed and/or emailed to:*

Mark Lamb, Counsel for Respondent

Phil Stutzman, PDC Staff (phil.stutzman@pdc.wa.gov )

I, <u>Jana Y. Greer</u> , certify that I mailed a copy of this order to the Respondent/ Applicant at his/her respective address postage pre-paid on the date stated herein. <u>Jana Y. Greer</u> <u>12/20/17</u> Signed _____ Date _____
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1 **NOTICE: RECONSIDERATION**

2 Pursuant to the provisions of RCW 34.05.470 and WAC 390-37-150, you may file a Petition for  
3 Reconsideration with the PDC within twenty-one (21) days from the date this Final Order is  
4 served upon you. Any Request for reconsideration must state the specific grounds for the relief  
5 requested. Petitions must be delivered or mailed to the Washington State Public Disclosure  
Commission, 711 Capitols Way, Room 206, Box 40908, Olympia WA 98504-0908.

6 **NOTICE: PETITION FOR JUDICIAL REVIEW**

7 You have the right to appeal this Final Order to Superior Court, pursuant to the Petition for  
8 Judicial Review provisions of RCW 34.05.542. Any Petition for Judicial Review of this Final  
9 Order must be filed with the court and also served upon both the Commission and the Office of  
10 the Attorney general within thirty (30) days after the date this Final Order is served upon you.