



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In the Matter of Enforcement
Action Against

2016 Ann Rivers Campaign

Respondent.

PDC Case 15-094

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. Staff alleges that Ann Rivers, an incumbent State Senator from the 18th Legislative District and a candidate seeking re-election to that office in 2016, violated RCW 42.17A.235 and .240 by: (1) Failing to timely file Monetary Contribution reports (C-3 reports) and Campaign Summary Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities undertaken for the 2016 election cycle; and (2) Inaccurately filing C-4 reports that over-reported the total Contributions and Cash on hand balances on C-4 reports filed by the Friends of Ann River by more than \$182,000.

III. Facts

3. On September 12, 2013, Ann Rivers filed a Candidate Registration (C-1 report) declaring her candidacy for re-election to the office of State Senator in 2016 for the 18th Legislative District, selecting the Full Reporting option. The C-1 report filed by Senator Rivers listed Fred Rivers as Treasurer and CAM Consulting as PDC Compliance.

- On January 8, 2015, Ann Rivers filed an amended C-1 report which still listed Fred Rivers as Treasurer, but added Liz Coleman as a “Ministerial Employee.”

Allegation No.1: Failure to timely file C-3 reports disclosing monetary contributions (RCW 42.17A.235 and .240)

- On February 10, 2015, the 2016 Ann Rivers Campaign (Campaign) filed 13 new C-3 reports, and one amended C-3 report disclosing \$21,085 in monetary contributions that had been received dating back to May 8, 2014.
- The C-3 reports submitted by the Campaign were filed between 63 and 246 days late as detailed in the chart below. The late filed C-3 reports disclosed the Campaign received a number of monetary contributions from corporations and organizations that employed a lobbyist in Washington and/or had a political committee registered in Washington State, prior to the start of 2015 Legislative Session. The C-3 reports were filed by the Campaign more than a month after the Legislative session had convened.

Date Received	Date Deposited	Amount of Contributions	C-3 Report Due	C-3 Report Filed	Days Late
5/8/2014	5/8/2014	\$ 900	6/10/2014	2/10/2015	246
6/12/2014	6/12/2014	\$ 500	6/16/2014	2/10/2015	240
6/23/2014	6/30/2014	\$ 1,000	7/7/2014	2/10/2015	219
7/3/2014	7/3/2014	\$ 950	7/7/2014	2/10/2015	219
7/13/2014	7/13/2014	\$ 1,900	7/14/2014	2/10/2015	212
8/12/2014	8/12/2014	\$ 500	8/18/2014	2/10/2015	177
9/12/2014	9/17/2014	\$ 5,100	9/22/2014	2/10/2015	142
9/24/2014	9/24/2014	\$ 1,500	9/29/2014	2/10/2015	135
10/1/2014	10/7/2014	\$ 2,400	10/13/2014	2/10/2015	121
10/9/2014	10/17/2014	\$ 2,335	10/20/2014	2/10/2015	114
10/21/2014	10/21/2014	\$ 400	10/27/2014	2/10/2015	107
10/28/2014	10/30/2014	\$ 850	11/3/2014	2/10/2015	100
11/9/2014	11/13/2014	\$ 2,850	12/10/2014	2/10/2015	63
Totals		\$ 21,085			63-246

Allegation No. 2: Failure to timely file C-4 reports (RCW 42.17A.235)

- The Campaign failed to timely file a number of C-4 reports for calendar years 2014 and 2015. The initial C-4 reports and some of the amended C-4 reports included the 2012 contribution totals, which over-stated contributions by \$182,000 as detailed below.

8. The amended and new C-4 reports filed by the Campaign amended and/or replaced previously disclosed contribution and expenditure information for calendar years 2014 and 2015. In addition, some of the C-4 reports filed by the Campaign reported contribution or expenditure information that had not been disclosed on a prior C-4 report.
9. Those late filed C-4 reports are summarized below and described in more detail in exhibits #10 and #11 to the Report of Investigation.

C-4 Report Received date	Late Information Disclosed
February 10, 2015	<ul style="list-style-type: none"> • March 1, 2014 through January 31, 2015: The Campaign filed 11 new C-4 reports and five amended C-4 reports disclosing \$24,085 in monetary contributions received and \$12,086 in expenditures made that were disclosed between 31 and 276 days late.
December 22, 2015	<ul style="list-style-type: none"> • October 2015: The Campaign filed its initial October 2015 C-4 report disclosing \$38,930 in contributions received that were disclosed 42 days late.
February 17, 2016	<ul style="list-style-type: none"> • February 2015: The Campaign filed an amended February 2015 C-4 report disclosing \$500 in expenditures made, that was disclosed almost one year late. • March 2015: The Campaign filed an amended March 2015 C-4 report disclosing \$1,360 in expenditures made, that were disclosed 10 months late. • May 2015: The Campaign filed an amended May 2015 C-4 report disclosing \$3,625 in expenditures made, that were disclosed 252 days late. • August 2015: The Campaign filed an amended August 2015 C-4 report disclosing \$6,610 in expenditures made, that were disclosed 160 days late. • September 2015: The Campaign filed an amended September 2015 C-4 report disclosing \$1,6994 in expenditures made, that were disclosed 160 days late. • October 2015: The Campaign filed an amended October 2015 C-4 report disclosing \$1,500 in previously un-reported monetary contributions received that were disclosed 99 days late. • November 2015: The Campaign filed an amended November 2015 C-4 report disclosing \$2,360 in previously un-reported monetary contributions received that were disclosed 69 days late.

March 13, 2016,	<ul style="list-style-type: none">• September 2015: The Campaign filed a new September 2015 C-4 report disclosing \$6,300 in previously un-reported monetary contributions received that were disclosed 185 days late.• November 2015: The Campaign filed a new November 2015 C-4 report disclosing \$4,050 in previously un-reported monetary contributions received that were disclosed 94 days late.
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Allegation No. 3: Failure to accurately disclose campaign contribution and expenditure totals and activities

10. On February 10, 2015, the Campaign filed its initial March 2014 C-4 report, which incorrectly carried forward \$182,221 in contributions from the 2012 Campaign.
11. Staff reviewed and reconciled the Campaign filings and discovered that the “Final” 2012 Campaign C-4 report (filed September 12, 2013), disclosed \$182,221 in total contributions received, and \$182,221 in total expenditures. The 2016 C-3 and C-4 reports were filed electronically using the Online Reporting of Campaign Activities (ORCA) software, and somehow the Campaign carried forward the 2012 “Final” contribution totals of \$182,221 into the 2016 Campaign contribution totals, but none of the 2012 expenditures.
12. The initial March 2014 C-report was filed 255 days late disclosing \$182,221 in contributions carried forward, no new contributions had been received or expenditures made, \$0 in total expenditures made, and a cash on hand balance of \$182,221. Based on staff’s review, the February 2014 C-4 report totals should have carried forward \$7,050 in total contributions received and \$6,548 in total expenditures made.
13. The Campaign continued to file C-4 reports that included the Final 2012 contribution totals on the C-4 totals filed for the remainder of 2014, all of calendar year 2015, and into January of 2016. During the period April 1, 2014 through January 31, 2016, whenever the Campaign received new contributions for the 2016 election cycle, they were added on the C-4 reports to the 2012 contribution totals, which significantly over-reported total contributions received.

14. Since the C-4 reports filed by the Campaign during this period failed to carry forward any of the 2012 expenditure totals from the prior reporting period, each C-4 report began with \$0 expenditures so the cash on hand balance was significantly over-stated as well.
15. The Campaign filed numerous new and amended C-4 reports, that included three to six new or amended C-4 reports being filed for each month, with each of C-4 reports disclosing differing contribution, expenditure, or outstanding liabilities information than what was disclosed on the initial C-4 report, the prior amendment, or the most recent C-4 filing.

IV. Laws

RCW 42.17A.235 and **240** require continuing political committees to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during this same time period, and must be disclosed on Monday for contributions deposited the previous seven days.

RESPECTFULLY SUBMITTED this 13th day of October, 2016.


Evelyn Fielding Lopez
PDC Executive Director

