

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

In the Matter of Enforcement Action  
Against:

Ann Rivers

Respondent.

PDC Case 15-94

STIPULATION AS TO FACTS,  
VIOLATIONS AND PENALTY

**I. INTRODUCTION**

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Evelyn Fielding Lopez, and Respondent Ann Rivers, submit this Stipulation as to Facts, Violations and Penalty in this matter. The parties agree that the Commission has the authority to accept, reject or modify the terms of this Stipulation. The parties further agree that in the event that the Commission suggests modification to any term of this agreement, each party reserves the right to reject that modification. In the event either party rejects a modification, this matter will proceed to hearing before the Commission.

**II. JURISDICTION**

The Public Disclosure Commission has jurisdiction over this proceeding pursuant to RCW 42.17A, the state campaign finance and disclosure laws; RCW 34.05, the Administrative Procedure Act; and WAC 390.

**III. FACTS**

1. 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 18<sup>th</sup> Legislative District, selecting the Full Reporting option, listing Fred Rivers as Treasurer and CAM Consulting (CAM) as PDC Compliance. CAM has provided professional PDC compliance services to numerous candidates for the state legislature since 2003. Senator Rivers was first elected to the legislature as State Representative, Position No. 1 in the 18<sup>th</sup> Legislative District in 2010, and served one-term in the House before being elected to the Senate in 2012. CAM has provided PDC

- compliance services to Senator Rivers' various campaign committees from January 2010 through October 2014.
2. In December 2014, Senator Rivers discovered errors in CAM's PDC reporting on behalf of her 2016 State Senate campaign. Senator Rivers then ended the relationship with CAM and retained Liz Coleman to correct all errors and omissions with any PDC reports filed by the campaign during the election cycle and to file all campaign PDC reports for the duration of the election cycle.
  3. On January 8, 2015, Ann Rivers filed an amended C-1 report which still listed Fred Rivers as Treasurer, but included Liz Coleman as a "Ministerial Employee" when she and checked Box #6 on the form.
  4. Ms. Coleman used bank and other records to reconstruct campaign contributions and expenditures, and amended various prior PDC C-3 and C-4 reports as appropriate. However, Ms. Coleman mistakenly only audited campaign records and filings from January 2014 forward, and Ms. Coleman's amended campaign filings did not reflect errors in prior filings that were subsequently carried forward.
  5. After learning from the PDC that errors existed in filings prior to January 2014, Senator Rivers and Ms. Coleman again reconciled campaign revenue and expenditures and amended all appropriate reports.
  6. Sen. Rivers paid Ms. Coleman \$4,250 for her services in reconciling campaign records, amending all reports, and filing reports through the remainder of the election cycle.

**Allegation No.1: Failure to timely file Monetary contribution reports (C-3 reports) (RCW 42.17A.235 and .240)**

7. 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 by the Campaign during the period May 8 to December 9, 2014.
8. The C-3 reports submitted by the Campaign were filed between 63 and 246 days late, and more than a month after the 2015 Legislative session began. The C-3

reports disclosed a number of the monetary contributions received by the Campaign were from corporations and organizations that employed a lobbyist in Washington or was from a political committee registered in Washington State.

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

9. The Campaign failed to timely file a number of C-4 reports for calendar years 2014 and 2015, that included the initial C-4 reports for some months, and a number of amended C-4 reports for other months. Some of the 61 late filed C-4 reports disclosed total contributions that had been received by the 2012 Campaign, and when combined with the Campaign failed to properly carrying forward previous expenditure totals from the last C-4 report, dramatically over-stated contributions by as much as \$182,000 as detailed under Allegation No. 3.
10. Those late filed C-4 reports submitted by the Campaign, amended and/or replaced previously disclosed contribution and expenditure information for calendar years 2014 and 2015. In some instances, the C-4 reports filed by the Campaign reported contribution or expenditure information that had not been disclosed on a prior C-4 report.

**Allegation No. 3: Failure to accurately disclose campaign contribution and expenditure totals and activities**

11. 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, and disclosed \$0 in total expenditures on line No. 10 of the C-4 report.
12. 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.
13. The C-3 and C-4 reports were filed electronically by the 2016 Campaign using the Online Reporting of Campaign Activities (ORCA) software. It is not clear, but somehow the Campaign managed to carry forward the 2012 "Final" contribution totals of \$182,221 into the 2016 Campaign contribution totals, but none of the 2012 expenditure totals.

14. The initial March 2014 C-report was filed 255 days late disclosing \$182,221 in contributions carried forward, that no new contributions had been received or expenditures made, listed \$0 in total expenditures made, with a cash on hand balance of \$182,221.
15. Based on staff's review and reconciliation, the February 2014 C-4 report filed by the Campaign should have carried forward \$7,050 in total contributions received on Line No. 1, and \$6,548 in total expenditures made on Line No. 10. 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.
16. 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. Since the C-4 reports filed by the Campaign during this timeframe failed to carry forward any of the expenditure totals from the prior C-4 reports and each C-4 report began with \$0 expenditures on Line No. 10 so the cash on hand balance was over-stated even more.
17. 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. 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.
18. No evidence was found that Ann Rivers or her Campaign intentionally filed inaccurate or misleading C-4 reports with the PDC.
19. Senator Rivers warrants that all errors and omissions that are the subject of this enforcement action have been corrected.

#### **IV. STATUTORY AND RULE AUTHORITY**

RCW 42.17A.235 and 240 require candidates to timely file accurate and complete reports of contribution and expenditure activities undertaken by the campaign. 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.

#### **V. VIOLATIONS**

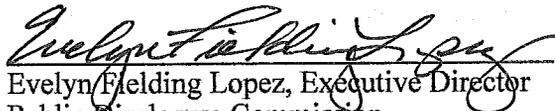
Based on the Stipulation of Facts set forth above, Respondent Ann Rivers that she (and/or her Campaign) violated RCW 42.17A.235 and .240 by:

- A. Failing to timely file Monetary Contribution reports (C-3 reports) and Campaign Summary Contribution and Expenditure reports (C-4 reports) for calendar years 2014 and 2015 disclosing contribution and expenditure activities undertaken for the 2016 election cycle.
- B. Inaccurately filing C-4 reports that over-reported the total Contributions and Cash on hand balances, and under-reported total expenditures on C-4 reports filed by the Campaign by more than \$182,000.

#### **VI. PENALTY**

1. Based upon the Stipulation of Facts and Violations set forth above, Respondent Ann Rivers agrees to pay a total civil penalty of \$4,000 of which \$3,000 is suspended on the following conditions:
  - A. Senator Rivers pays the \$1,000 non-suspended portion of the penalty within 60 days of receiving this Order.
  - B. Senator Rivers commits no further violations of RCW 42.17A or WAC 390 for four years from the date of the Order.
  - C. In the event Senator Rivers fails to meet any of the terms of the suspended penalty, the suspended portion of the penalty (\$3,000) shall become due without any further intervention of the Commission.

2. Respondent Ann Rivers affirms her intention to comply in good faith with the provisions of RCW 42.17A in the future.

  
Evelyn Fielding Lopez, Executive Director  
Public Disclosure Commission

12/5/2016  
Date Signed

  
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Senator Ann Rivers

11/20/16  
Date Signed