



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

August 2, 2016

Fiona Klaus
711 Le Lou WA PINE
Tacoma, WA 98422

Subject: Final Order, Fiona Klaus, PDC Case No. 14-016

Dear Ms. Klaus:

Enclosed is a copy of the Public Disclosure Commission's Final Order for PDC Case 14-016. The Order assessed a civil penalty of \$500 against you for violating RCW 42.17A.405 by making a contribution to Josiah Rowell that exceeded the state contribution limits.

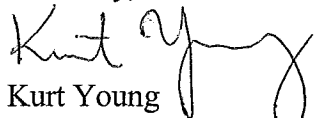
Under the terms of the Order, you are required to pay the \$500 penalty within 30 days of the date of the Order, or not later than **September 1, 2016**.

The penalty payment should be made payable to "WA STATE TREASURER", reference Fiona Klaus, PDC Case No. 14-016, and mailed to:

WA State Treasurer - Public Disclosure Commission
Financial Office
PO Box 41465
Olympia, WA 98504-1465

If you have any questions, please contact William Lemp at (360) 753-1980.

Sincerely,


Kurt Young
PDC Compliance Officer

Enclosure: Final Order in Case No. 14-016

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

In the Matter of Enforcement Action Against: Josiah Rowell, Fiona Klaus, and the 35th Legislative District Republican Central Committee Respondents.	PDC CASE NO. 14-016 FINAL ORDER
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I. INTRODUCTION

This matter was heard by the Washington State Public Disclosure Commission (Commission) on July 28, 2016 at the PDC 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. The proceeding was open to the public and recorded.

Commissioners Anne Levinson, Chair, John Bridges, Vice Chair, Katrina Asay and Jack Johnson were present. Assistant Attorney General Chad Standifer presented the matter on behalf of Public Disclosure Staff (Staff). Also present was Jean Cushman who represented Respondent Josiah Rowell. Neither Respondent Fiona Klaus, who is unrepresented, nor Respondent the 35th Legislative District Republican Central Committee, who is also unrepresented, appeared.

The parties submitted to the Commission proposed Stipulations as to Jurisdiction, Facts, Violation and Penalty. The Commission determined that the Stipulations would be accepted without modification.

1 Based on those Stipulations, the Commission HEREBY ORDERS that the following
2 Findings of Fact, Conclusions of Law, and Final Order of the Commission be entered:

3 **II. FINDINGS OF FACT**

4 1. On February 29, 2016, Staff issued a Notice of Administrative Charges to
5 Josiah Rowell, Fiona Klaus and the 35th Legislative District Republican Central Committee.

6 2. The 35th Legislative District Republican Central Committee (35th LD RCC) is
7 the official political committee supporting Republican candidates in the 35th Legislative
8 District.

9 3. Mr. Josiah Rowell was a Republican candidate for State Representative in the
10 35th Legislative District. He filed his Candidate Registration Statement (PDC form C-1) on
11 May 28, 2013.

12 4. On June 7, 2013, Ms. Fiona Klaus, Mr. Rowell's mother-in-law, wrote out a
13 check for \$5,000.00 to "the 35th Legislative District GOP Committee." The check contained
14 a handwritten notation in the lower left corner memo field stating: "Campaign Contribution
15 Josiah Rowell." Ms. Klaus resides in Gig Harbor, Washington, in the 26th Legislative
16 District.

17 5. On or around June 11, 2013, Ms. Virginia Beech, Treasurer of the 35th LD
18 RCC, received a phone call from Mr. Robert Knight, 35th LD RCC Chair. Mr. Knight asked
19 Ms. Beech to meet him at a park-and-ride in Shelton, Washington. At that meeting,
20 Mr. Knight gave Ms. Beech the \$5,000.00 check from Ms. Klaus. Ms. Beech then deposited
21 the check into the 35th LD RCC bank account. The 35th LD RCC did not report the funds as
22 "earmarked" for the Rowell campaign. On June 20, 2013, the 35th LD RCC held a meeting
23 and voted unanimously to certify Josiah Rowell as a Republican candidate and to disburse
24 \$5,000.00 to the Rowell campaign. The 35th LD RCC filed form C3 with the PDC on June 29,
25 2013 disclosing receipt of \$5,000.00 from Fiona Klaus.

26 6. On June 21, 2013, the Rowell campaign accepted a \$5,000.00 contribution

1 from the 35th LD RCC. The Rowell campaign filed form C3 with the PDC on June 24, 2013
2 disclosing receipt of \$5,000.00 from the 35th LD RCC. Mr. Rowell asserts he was told by the
3 35th LD RCC that this filing constituted proper disclosure of the contribution. The Rowell
4 campaign did not file PDC Special Report E to report the funds as an earmarked contribution.

5 7. Mr. Rowell acknowledged that he was aware of campaign contribution limits;
6 that he knew at the beginning of his campaign that an individual contributor could only give
7 \$900.00 per election, and he knew by the time his campaign was winding down that an
8 individual contributor could give \$950.00 per election.

9 III. CONCLUSIONS OF LAW

10 1. The Commission has jurisdiction to hear this matter pursuant to
11 RCW 42.17A.755.

12 2. RCW 42.17A.405 (2) and WAC 390-05-400 provide the following campaign
13 contributions limitations: No person, other than a bona fide political party or a caucus political
14 committee, may make contributions to a candidate for a legislative office that is in the
15 aggregate exceeds \$950.00 per election. No person may accept contributions that exceed the
16 contributions limitations provided in the section (as adjusted for inflation by the PDC rule).

17 3. RCW 42.17A.240 states in pertinent part that:

18 Each report required under RCW 42.17A.235 (1) and (2) must be certified
19 as correct by the treasurer and the candidate and shall disclose the
20 following:

21 . . .

22 (2) The name and address of each person who has made one or more
23 contributions during the period, together with the money value and date of
24 each contribution and the aggregate value of all contributions received
25 from each person during the campaign . . .

26 4. RCW 42.17A.435 states:

No contribution shall be made and no expenditure shall be incurred,
directly or indirectly, in a fictitious name, anonymously, or by one person
through an agent, relative, or other person in such a manner as to conceal
the identity of the source of the contribution or in any other manner so as
to effect concealment.

1 5. WAC 390-16-308 provides in pertinent part that:

2 Any person who makes a contribution shall inform the candidate or
3 treasurer, at the time the contribution is made, of the true and actual source
4 of funds from which the contribution is made. To identify the source of a
5 contribution received by check or other written instrument in the absence
6 of other information, a candidate or treasurer shall apply the following:

7 Provided, that in cases where the source of the contribution is known and
8 differs from the guidelines set forth below, the known source of the
9 contribution shall be reported;

10 Provided further, that contributions made through an intermediary or
11 conduit or transmitted by an intermediary shall identify the true and actual
12 source of the funds.

13 6. RCW 42.17A.270 states:

14 A political committee receiving a contribution earmarked for the benefit of
15 a candidate or another political committee shall:

16 (1) Report the contribution as required in RCW 42.17A.235 and
17 42.17A.240;

18 (2) Complete a report, entitled "Earmarked contributions," on a form
19 prescribed by the commission that identifies the name and address of
20 the person who made the contribution, the candidate or political
21 committee for whose benefit the contribution is earmarked, the amount
22 of the contribution, and the date that the contribution was received;
23 and

24 (3) Mail or deliver to the commission and the candidate or political
25 committee benefiting from the contribution a copy of the "Earmarked
26 contributions" report within two working days of receipt of the
contribution.

(4) A candidate or political committee receiving notification of an
earmarked contribution under subsection (3) of this section shall report
the contribution, once notification of the contribution is received by
the candidate or committee, in the same manner as any other
contribution, as required by RCW 42.17A.235 and 42.17A.240.

7. Respondent 35thLD RCC violated:

a. RCW 42.17A.435 by concealing a contribution made by Ms. Fiona
Klaus, earmarked for her son-in-law, Josiah Rowell, a candidate for State
Representative in the 35th Legislative District; and

b. RCW 42.17A.270 by failing to appropriately process and report an
earmarked contribution.

8. Respondent Josiah Rowell violated:

a. RCW 42.17A.240 by failing to report a contribution from
Ms. Klaus to Mr. Rowell's campaign;

1 b. RCW 42.17A.405 by accepting an over-limit contribution of
2 \$5,000.00 that came from Ms. Klaus, his mother-in-law, to be used by his
campaign; and

3 c. WAC 390-16-308 by failing to identify the actual source of funds
4 for which the contribution was made to his campaign.

5 9. Respondent Fiona Klaus violated RCW 42.17A.405 and WAC390-05-400 by
6 making a contribution specifically earmarked for her son-in-law, Mr. Rowell, a candidate for
7 State Representative for the 35th Legislative District, which was above the contribution limits
8 for candidates for state legislative office.

9 IV. ORDER

10 Based upon the findings and conclusions, the Commission orders that:

11 1. Respondent Fiona Klaus, is assessed a civil penalty of \$500.00 which is payable
12 within 30 days of the date of this order.

13 2. Respondent 35th LD RCC is assessed a civil penalty of \$5,000.00 of which
14 \$2,500.00 is suspended so long as: a) Respondent 35th LD RCC complies with all current
15 reporting obligations within 30 days from the date of entry of the Commission's Final Order in
16 this matter; b) that Respondent 35th LD RCC pays the non-suspended portion of the penalty
17 (\$2,500.00) with 180 days from the date of entry of the Commission's Final Order in this
18 matter, payable in five monthly installments of \$500, with the first payment within 30 days of
19 entry of the Commission's Final Order; and c) that Respondent 35th LD RCC commits no
20 further violations of RCW 42.17A or the rules promulgated thereunder, for four years from the
entry of the Commission's Final Order.

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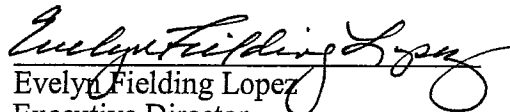
1 3. Respondent Josiah Rowell agrees to pay a civil penalty of \$2,000.00, which is
2 payable within 30 days of the date of this order.

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

4 So ORDERED this 2nd day of August, 2016.

5 WASHINGTON STATE PUBLIC
6 DISCLOSURE COMMISSION

7 FOR THE COMMISSION:

8 
9 Evelyn Fielding Lopez
Executive Director

10 *Copy of this Order mailed and emailed to:*

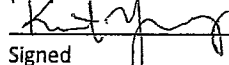
11 Jeanne Cushman, attorney for Respondent Rowell (Jeanne@ahnePLLC.com)

12 Fiona Klaus, Respondent (Fsisgar@aol.com)

13 35th Legislative District Republican Central Committee (3thGOP@Gmail.com)

14 Chad Standifer, AAG, Attorney for PDC Staff (chads@atg.wa.gov)

15 I, Kurt Young, 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.

16  8/2/2016
Signed Date

17 NOTICE: RECONSIDERATION

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

22 NOTICE: PETITION FOR JUDICIAL REVIEW

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