



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:

Zona Lenhart and 2010 Zona Lenhart
Campaign

Respondent.

PDC Case No. 11-034

Notice of Administrative Charges

IT IS ALLEGED as follows:

I. Jurisdiction

1. The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17 RCW, the Public Disclosure Act; 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 Zona Lenhart and the 2010 Zona Lenhart campaign for Franklin County Auditor violated provisions of the state campaign finance disclosure laws during the 2010 election as follows:

Alleged Failure to Timely Report Contributions and Expenditures (RCW 42.17.080 and .090)

- a. On October 25, 2010, expenditures totaling \$1,234 were reported from 13 to 45 days late;
- b. On October 27, 2010, contributions totaling \$100 were reported 16 days late;
- c. On October 28, 2010, contributions totaling \$9,000 were reported 24 days late;
- d. On January 6, 2011, expenditures totaling \$10,343 were reported 72 days late;

- e. On March 6, 2011, contributions totaling \$4,110, received between August 25, 2010 and October 25, 2010 from Ms. Lenhart, were reported 132 to 188 days late, and 124 days after the general election;

Alleged Failure to Timely File by the Electronic Alternative (RCW 42.17.369)

- f. On March 8, 2011, the Lenhart campaign electronically filed its C-3 and C-4 reports 165 days late and 126 days after the general election;

Alleged Receipt of Over-Limit Contributions (RCW 42.17.640)

- g. On September 28, 2010, the Lenhart campaign accepted over-limit general election contributions totaling \$7,400. The over-limit contributions were from Bart Gallant (\$3,700) and Hilke Gallant (\$3,700).

III. Background and Facts

- 3. Zona Lenhart began serving as the Franklin County Auditor in 1989. On June 21, 2010, she filed a Candidate Registration (PDC Form C-1) with the Public Disclosure Commission (PDC), declaring her candidacy for re-election in 2010. Ms. Lenhart chose the full reporting option, indicating that she would file the frequent, detailed campaign reports that are required by law. She listed her treasurer as Tracie Boothe. In late July 2010, she replaced her treasurer with Dennis Huston. An amended C-1 reflecting this change was filed February 28, 2011. Ms. Lenhart lost to Matt Beaton in both the 2010 primary and general elections.

Alleged Failure to Timely Report Contributions and Expenditures (RCW 42.17.080 and .090)

- 4. On October 25, 2010, expenditures totaling \$1,234 were reported from 13 to 45 days late. The campaign filed a C-4 report with a postmark of October 25, 2010 that covered the period July 27, 2010 to October 12, 2010. Contributions totaled \$1,405 and expenditures totaled \$1,234. This report covered the 7-day pre-primary C-4 report period (July 27 to August 9, due August 10), the post-primary report period (August 10 to August 31, due September 10), and the 21-day pre-general C-4 report period (September 1 – October 11, due October 12).

Expenditures during this period totaled \$1,234. This filing resulted in the following late reporting of expenditures:

- Expenditures totaling \$236 were required to be reported on the post-primary C-4 report on September 10, but were reported 45 days late on October 25, 2010.
 - Expenditures totaling \$998 were required to be reported on 21-day pre-general C-4 report on October 12, but were reported 13 days late on October 25, 2010.
5. The campaign filed a C-4 report with a postmark of January 6, 2011 covering the period October 19, 2010 to November 1, 2010. This report included a portion of the 7-day pre-general election C-4 report period and a portion of the post-general election C-4 report period. The report included \$9,975 in contributions and \$10,368 in expenditures. This C-4 report resulted in the following late reporting:
- On October 27, 2010, contributions totaling \$100 were reported 16 days late;
 - On October 28, 2010, contributions totaling \$9,000 were reported 24 days late;
 - On January 6, 2011, expenditures totaling \$10,343 were reported 72 days late;
 - On March 6, 2011, contributions totaling \$4,110, received between August 25, 2010 and October 25, 2010 from Ms. Lenhart, were reported 132 to 188 days late, and 124 days after the general election.

Alleged Failure to Timely File by the Electronic Alternative (RCW 42.17.369)

6. The Lenhart campaign initially filed its C-3 and C-4 reports on paper. Electronic filing is required when expenditures exceed, or are expected to exceed, \$10,000 for a campaign. On September 24, 2010, expenditures exceeded \$10,000 when the campaign placed an order totaling \$6,039 to B&B Express for printing. Orders placed are expenditures, and on September 24, 2010, the campaign's monetary expenditures totaled \$8,876, making total

expenditures \$14,915. On March 8, 2011, the campaign electronically filed its C-3 and C-4 reports 165 days late, and 126 days after the November 2, 2010 general election.

Alleged Receipt of Over-Limit Contributions (RCW 42.17.640)

7. On September 28, 2010, the Lenhart campaign accepted over-limit general election contributions totaling \$7,400. The over-limit contributions were from Bart Gallant (\$3,700) and Hilke Gallant (\$3,700). The contribution was initially reported on October 28, 2010 as a \$9,000 loan from Bart Gallant. On March 6, 2011, the campaign re-filed a C-3 report electronically and listed the contribution as a \$4,500 loan from Bart Gallant and a \$4,500 loan from Hilke Gallant. Each contributor has an \$800 contribution limit for the general election. Therefore, the campaign accepted a \$3,700 over-limit contribution from Bart Gallant and a \$3,700 over-limit contribution from Hilke Gallant.

V. LAW

RCW 42.17.080 and 090 require candidates to file timely, accurate reports of contributions and expenditures, including in-kind contributions. 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, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit.

RCW 42.17.3691 states, in part, that, each candidate or political committee that expended ten thousand dollars or more in the preceding year or expects to expend ten thousand dollars or more in the current year shall file all contribution reports and expenditure reports required by this chapter by the electronic alternative provided by the commission under **RCW 42.17.369**. The commission may make exceptions on a case-by-case basis for candidates whose authorized committees lack the technological ability to file reports using the electronic alternative provided by the commission.

(3) Failure by a candidate or political committee to comply with this section is a violation of this chapter.

RCW 42.17.640 states, in part:

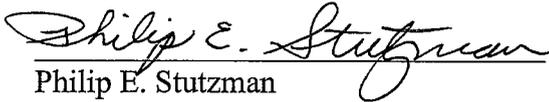
- (1) The contribution limits in this section apply to: ...
- (c) Candidates for county office;
- (2) No person, other than a bona fide political party or a caucus political committee, may make

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contributions to a candidate for a legislative office, county office, city council office, or mayoral office that in the aggregate exceed eight hundred dollars...

(14) No person may accept contributions that exceed the contribution limitations provided in this section.

RESPECTFULLY SUBMITTED this 31st day of August, 2011.



Philip E. Stutzman
Director of Compliance