



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: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

November 2, 2018

Sent electronically by email to:
Bruce Chandler at chandbq@bentonrea.com
Chad Standifer: ChadS@atg.wa.gov

Bruce Chandler
P.O. Box 1108
Zillah, WA 98953

Subject: Commission Final Order, Bruce Chandler (Bruce Chandler 2014, 2016, 2018 Campaigns & Surplus Funds Account), PDC Case 24627

Dear Representative Chandler:

Enclosed is a copy of the Public Disclosure Commission's Final Order Imposing Fine that was entered in the above-referenced case concerning Bruce Chandler (Bruce Chandler 2014, 2016, 2018 Campaigns & Surplus Funds Account). Also enclosed is a copy of the Stipulation as to Facts, Violations and Penalty that was accepted by the Commission.

At its October 25, 2018 meeting, the Commission found Bruce Chandler (Bruce Chandler 2014, 2016, 2018 Campaigns & Surplus Funds Account) in violation of RCW 42.17A.235, 42.17A.240, and 42.17A.220, and assessed a total civil penalty of \$25,000 of which \$10,000 is suspended on the condition that the Respondent is not found to have committed further violations of RCW 42.17A for four years from the date of the Order, not serve as his own treasurer for future campaigns or his surplus funds account, and must pay the non-suspended portion of the penalty (\$15,000) within 30 days from the date of this Order dated November 1, 2018.


Bruce Chandler (Bruce Chandler 2014, 2016, 2018 Campaigns & Surplus Funds Account)
Final Order Cover Letter
PDC Case 24627
Page 2

Please make your \$15,000 check or money order payable to the WA State Treasurer, and mail the payment to the address listed below:

**Department of Enterprise Services
Small Agency Services
PO Box 41465
Olympia, WA 98504-1465**

If you have questions, please contact Jennifer Hansen at (360) 586-4560; toll free at (877) 601-2828 or by email at jennifer.hansen@pdc.wa.gov.

Sincerely,



Peter Lavalley
Executive Director

Enclosure: Final Order and Stipulation as to Facts, Violations and Penalty

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

9 In re the Matter of Enforcement Action
10 Against:

11 BRUCE CHANDLER (Bruce Chandler 2014,
12 2016, 2018, Campaigns and Bruce Chandler
13 Surplus Funds Account),

14 Respondent.

PDC CASE NO. 24627

FINAL ORDER

15 **I. INTRODUCTION**

16 This matter was heard by the Washington State Public Disclosure Commission
17 (Commission) on October 25, 2018, at the Public Disclosure Commission Office, 711 Capitol
18 Way, Room 206, Olympia, Washington 98504. The hearing was held pursuant to Chapter 34.05
19 RCW, Chapter 42.17A RCW, and Chapter 390-37 WAC.

20 Commissioners present were Anne Levinson, Commission Chair (presiding); David
21 Ammons, Commission Vice-Chair; and Commissioner William Downing. Also present were
22 Assistant Attorney General John S. Meader representing the Commission; Jennifer Hansen,
23 Compliance Officer on behalf of PDC Staff; and Assistant Attorney General Chad Standifer
24 representing PDC Staff. Respondent Representative Bruce Chandler attended in-person. The
25 proceeding was open to the public and recorded.

26 The hearing concerned allegations that Respondent Bruce Chandler and the Bruce
Chandler Campaign (Campaign) violated RCW 42.17A.235 and .240 by failing to timely report

1 monetary contributions in 2014 totaling \$13,382 and expenditures made totaling \$21,821; by
2 failing to timely report monetary contributions in 2016 totaling \$110,940 and expenditures made
3 totaling \$113,306; and by failing to timely report monetary contributions in 2018 totaling
4 \$50,850 and expenditures made totaling \$2,122. The Campaign was also alleged to have
5 violated RCW 42.17A.220 by failing to timely deposit monetary contributions within five
6 business days of receipt, totaling \$13,382 in 2014; \$110,940 in 2016; and \$50,850 in 2018. The
7 hearing also concerned allegations that the Bruce Chandler Surplus Funds Account violated
8 42.17A.235 and .240 by failing to timely report the transfers of campaign surplus funds into the
9 surplus funds account totaling \$187,520 and expenditures made totaling \$127,482, during the
10 period November 1, 2013 through August 31, 2018.

11 The Commissioners had before them the following materials:

- 12 • Report of Investigation prepared by PDC Compliance Officer Jennifer Hansen, dated
13 October 11, 2018, which included:
 - 14 ○ Citizen Action Notice against Rep. Bruce Chandler by Walter M. Smith,
15 dated September 1, 2017;
 - 16 ○ Letter in response to the PDC complaint from Rep. Bruce Chandler,
17 including campaign account balance information.
 - 18 ○ C-4 report filed by the Campaign on October 27, 2014, and charts
19 documenting the late C-3 and C-4 reports.
- 20 • Memo to Commissioners from Jennifer Hansen dated October 18, 2018;
- 21 • Proposed Stipulation as to Facts, Violations, and Penalty submitted by the parties, signed on
22 October 18, 2018.

23 II. STIPULATION

24 The parties jointly submitted a signed Stipulation as to Facts, Violations, and Penalty
25 (Stipulation). Mr. Standifer presented the Stipulation, reviewed the aggravating and mitigating
26 factors, summarized cases with comparable fact-patterns and penalties that had been imposed by

1 the Commission in those cases, and asked the Commission to accept the Stipulation.
2 Representative Chandler provided testimony, explaining the factors that had led to the late
3 filings, taking responsibility, and also asked the Commission to accept the Stipulation.
4 Representative Chandler was asked about whether he had made arrangements for another
5 individual with appropriate expertise to assume the treasurer role going forward, and he stated
6 that those arrangements had been made.

7 The Commission voted 3-0 to accept the Stipulation.

8 III. FINDINGS OF FACT

9 1. Bruce Chandler is the incumbent State Representative from the 15th Legislative
10 District. He was elected to that office in 1998 and has served in that capacity since that time.

11 2. On November 5, 2013, Rep. Chandler filed a Candidate Registration (C-1 report)
12 disclosing his candidacy for re-election in 2014, selecting the full reporting option, and listing
13 Abby Sanders as Treasurer. Rep. Chandler was re-elected on November 4, 2014.

14 3. On June 6, 2016, Rep. Chandler filed a C-1 report disclosing his candidacy for re-
15 election in 2016, selecting the full reporting option, and listing himself as Treasurer for his
16 campaign and for his Surplus Funds Account. He was re-elected on November 8, 2016.

17 4. On May 8, 2018, Rep. Chandler filed a C-1 report disclosing his candidacy for re-
18 election in 2018, selecting the full reporting option, and listing himself as Treasurer for his
19 campaign and for his Surplus Funds Account.

20 5. On September 1, 2017, Walter Smith filed a complaint with the PDC alleging that
21 Rep. Chandler failed to file Monetary Contribution reports (C-3 reports) and Summary Full
22 Campaign Contributions and Expenditure reports (C-4 reports) for his 2016 re-election
23 campaign and for his surplus funds account. Mr. Smith also filed a Citizen Action Notice with
24 the Attorney General's Office on the same date.

25 6. On July 18, 2018, PDC Staff informed Rep. Chandler of the process for addressing
26 the complaint. Certified Public Accountant Ivan White, on behalf of the Campaign, contacted

1 the PDC later that month to collect information on how to file the documents.

2 7. PDC Staff reviewed the Campaign's filings and found that no C-3 reports had been
3 filed for the 2016 campaign; no C-3 or C-4 reports had been filed for the 2018 campaign; and
4 no C-4 reports had been filed for the Surplus Funds Account since 2013.

5 8. On August 13, 2018, PDC Staff requested a written response to the complaint from
6 Rep. Chandler by August 29, 2018.

7 9. PDC Staff notified Rep. Chandler by email, telephone, and voice message concerning
8 the missing 2016 and 2018 reports on August 15, 24, 27, and 30, 2018, and on September 4,
9 2018. The 2016 campaign reports were submitted on September 18, 2018, and the 2018
10 campaign reports were submitted on September 12, 2018.

11 10. On September 7, 2018, PDC Staff issued a Subpoena Duces Tecum to Rep. Chandler
12 requesting documents concerning his 2014, 2016, and 2018 campaigns. In response, on
13 September 17, 18, and 19, 2018, the Campaign filed 68 C-3 and C-4 reports covering the period
14 of 2014 to 2018. In addition, Rep. Chandler also filed 79 C-3 and C-4 reports for that period
15 disclosing expenditures and transfers from the surplus account. Ivan White worked with PDC
16 Filer Assistance Specialist Chip Beatty in the last two weeks of September, 2018, for help in
17 properly filing the missing information.

18 11. Representative Chandler stated he did not have campaign records verifying the date
19 the monetary contributions had been received and that he had relied on bank statements and other
20 banking records to reconstruct the C-3 reports.

21 12. Review of the C-3 and C-4 filings by Rep. Chandler showed that his reports were
22 1,346 to 1,436 days late for the 2014 campaign; 616-1,135 days late for the 2016 campaign; and
23 2 to 579 days late for the 2018 campaign.

24 13. Respondent has worked with PDC Staff to come into compliance with all reporting
25 requirements and has not been the subject of any prior enforcement actions.

26 14. Due to the violations, the public was deprived of critical campaign finance

1 information for four years, including more than \$110,000 in contributions and expenditure
2 activities for the entire 2016 election cycle. The Respondent is an experienced 9-term incumbent
3 State Representative and served as his own Treasurer during the period of the violations. The
4 Respondent failed to timely respond to requests for information during PDC Staff's investigation
5 of this matter. The Respondent also failed to promptly file the missing C-3 and C-4 reports after
6 being made aware of the complaints filed against him in September, 2017.

7 **IV. CONCLUSIONS OF LAW**

8 1. The Commission has jurisdiction over this proceeding pursuant to Chapter 42.17A
9 RCW, the State campaign finance and disclosure law; Chapter 34.05 RCW, the Administrative
10 Procedure Act; and Title 390 WAC.

11 2. The 2014 Campaign violated RCW 42.17A.235 and .240 by failing to timely report
12 monetary contributions totaling \$13,382 and expenditures made totaling \$21,821. In addition,
13 his 2014 Campaign also violated RCW 42.17A.220 by failing to timely deposit monetary
14 contributions within five business days of receipt totaling \$13,382.

15 3. The 2016 Campaign violated RCW 42.17A.235 and .240 by failing to timely report
16 monetary contributions received totaling \$110,940 and expenditures made totaling \$113,306. In
17 addition, his 2016 Campaign also violated RCW 42.17A.220 by failing to timely deposit
18 monetary contributions within five business days of receipt totaling \$110,940.

19 4. The 2018 Campaign violated RCW 42.17A.235 and .240 by failing to timely report
20 monetary contributions received totaling \$50,850 and expenditures made totaling \$2,122. In
21 addition, his 2018 Campaign also violated RCW 42.17A.220 by failing to timely deposit
22 monetary contributions within five business days of receipt totaling \$50,850.

23 5. The Bruce Chandler Surplus Funds Account violated RCW 42.17A.235 and .240 by
24 failing to timely report the transfers of campaign surplus funds into the surplus funds account
25 totaling \$187,520 and expenditures made totaling \$127,482, during the period November 1, 2013
26 through August 31, 2018.

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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 Bruce Chandler is assessed a total civil penalty of \$25,000, with \$10,000 suspended, on the following conditions:
 - a. The Respondent is not found to have committed any further violations of Chapter 42.17A RCW or Title 390 WAC within four years of the date of the Final Order in this matter.
 - b. The Respondent remains in compliance with all PDC reporting requirements.
 - c. The non-suspended portion of the penalty (\$15,000) is paid by the Respondent within 30 days of the date of the Final Order in this matter.
 - d. In any future campaign in which the Respondent is a candidate, he may not serve as his campaign treasurer, or as treasurer for his surplus funds account, and he will instead use an experienced and trained treasurer for any future campaigns.
2. If the Respondent fails to comply with any of the conditions of this Order, the suspended portion of the penalty shall immediately become due without further action by the Commission.

So ORDERED this 1st day of November, 2018.

WASHINGTON STATE PUBLIC
DISCLOSURE COMMISSION

FOR THE COMMISSION:


Anne Levinson
Chair, Public Disclosure Commission

Copy of this Order mailed and/or emailed to:

Representative Bruce Chandler, Respondent
P.O. Box 1108
Zillah, WA 98953
(bruce.chandler@leg.wa.gov)

Jennifer Hansen, PDC Staff (jennifer.hansen@pdc.wa.gov)
Chad Standifer, Assistant Attorney General, Counsel for PDC Staff (ChadS@atg.wa.gov)

Electronically

Jennifer Hansen 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.

email

Kim Hansen 11/2/18
Signed Date

NOTICE: RECONSIDERATION

Pursuant to the provisions of RCW 34.05.470 and WAC 390-37-150, you may file a Petition for Reconsideration with the PDC within ten (10) days from the date this Final Order is served upon you. Any 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 Capitols Way, Room 206, Box 40908, Olympia WA 98504-0908.

NOTICE: PETITION FOR JUDICIAL REVIEW

You have the right to appeal this Final Order to Superior Court, pursuant to the Petition for Judicial Review provisions of 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.

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

In the Matter of Enforcement Action
Against:

Bruce Chandler (Bruce Chandler 2014,
2016 & 2018 Campaigns and Bruce
Chandler Surplus Funds Account)

Respondent.

Case No. 24627

STIPULATION AS TO
FACTS, VIOLATIONS AND
PENALTY

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Peter Lavallee, and Respondent Bruce Chandler 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 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.

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.

Facts

1. Bruce Chandler is the incumbent Republican State Representative from the 15th Legislative District since being elected to that office in 1998, and was re-elected to office in 2000, 2002, 2004, 2006, 2008, 2010, 2012, 2014, and 2016.
2. On November 2, 2000, Bruce Chandler filed a C-1 report establishing the Bruce Chandler Surplus Funds Account, selecting the Full Reporting option, and listing himself as Treasurer.

3. On November 5, 2013, Bruce Chandler filed a C-1 report disclosing his candidacy for re-election in 2014 to the office of State Representative from the 15th Legislative District, selecting the Full Reporting option, and listing Abby Sanders as Treasurer. Bruce Chandler listed himself as treasurer for the surplus funds account.
4. On June 6, 2016, Bruce Chandler filed a C-1 report disclosing his candidacy for re-election in 2016 to the office of State Representative, selecting the Full Reporting option, and listing himself as Treasurer.
5. On May 8, 2018, Bruce Chandler filed a Candidate Registration (C-1 report) disclosing his candidacy for re-election in 2018 to the office of State Representative, selecting the Full Reporting option, and listing himself as Treasurer.
6. The chart below summarizes the late filed, late disclosed contribution and expenditure activities for the Bruce Chandler Campaigns for election years 2014, 2016 and 2018, as follows:

Election Year	Total Contributions	Total Expenditures	Days Late
2014	\$13,382	\$21,821	1,346-1,436
2016	\$110,940	\$113,306	616-1,135
2018	\$50,850	\$2,122	2-579
Totals	\$175,172	\$137,249	2-1,436

2014 Campaign Late reported C-3 and C-4 reports

7. The 2014 Campaign filed a total of five C-3 reports covering the period July 2014 through October 31, 2014, disclosing the receipt of 27 monetary contributions totaling \$10,007. The C-3 reports were filed between 1,346 and 1,430 days late by the 2014 Campaign, and the Campaign failed to timely deposit monetary contributions received within five business days of receipt.
8. The 2014 Campaign filed a total of four C-4 reports covering the period September 1 through December 31, 2014, disclosing the receipt of \$13,382 in monetary contributions received and \$21,821 in expenditure made.

9. The four C-4 reports were filed between 1,346 to 1,436 days late, disclosing 2014 expenditures which included a \$7,000 transfer of surplus funds to the Bruce Chandler Surplus Funds Account, and two expenditures totaling \$11,675 for consulting and web management services.

2016 Campaign Late reported C-3 and C-4 reports

10. The 2016 Campaign filed a total of 12 C-3 reports covering the period July 2015 through November 30, 2016, disclosing the receipt of 181 monetary contributions totaling \$110,940. The C-3 reports were filed between 645 and 1,042 days late by the 2016 Campaign, and the Campaign failed to timely deposit monetary contributions received within five business days of receipt.
11. The 2016 Campaign filed a total of 24 C-4 reports covering the period January 1, 2015 through December 31, 2016, disclosing the receipt of \$110,940 in monetary contributions received and \$113,306 in expenditure made. The C-4 reports were filed by the 2016 Campaign between 616 to 1,135 days late, and the Campaign expenditures included \$95,000 in 2016 campaign surplus funds transferred to the Bruce Chandler Surplus Funds account.

2018 Campaign Late reported C-3 and C-4 reports

12. The 2018 Campaign filed a total of three C-3 reports covering the period August 1, 2017 through August 30, 2018, disclosing the receipt of 76 monetary contributions totaling \$50,850. The C-3 reports were filed between 30 and 245 days late by the 2018 Campaign, and the Campaign failed to timely deposit monetary contributions received within five business days of receipt.
13. The 2018 Campaign filed a total of 20 C-4 reports covering the period January 1, 2017 through August 31, 2018, disclosing the receipt of \$50,850 in monetary contributions received and \$2,122 in expenditure made. The C-4 reports were filed by the 2018 Campaign between 2 to 579 days late.

Bruce Chandler Surplus Funds Account Late Filed C-3 & C-4 Reports

14. The Bruce Chandler Surplus Funds Account filed 11 C-3 reports for the period November 1, 2013 through August 31, 2018, disclosing deposits for the receipt of surplus funds transferred

from 2014 and 2016 campaign surplus funds totaling \$187,520. The C-3 reports disclosed the receipt of surplus fund transfers dating back to December of 2014 and were filed between 17 and 1,752 days late.

15. The Bruce Chandler Surplus Funds Account filed 58 C-4 reports during the period November 1, 2013 through August 31, 2018 disclosing \$187,520 in surplus fund deposits and \$127,482 in expenditures made. However, based on the level of expenditure activities, only 30 of the late-filed C-4 reports were required based on more than \$200 in expenditures having been made since the last C-4 report was filed. Those 30 C-4 reports were filed between 17 to 1,752 days late by the Bruce Chandler Surplus Funds Account disclosing four contributions totaling \$105,000 made to the House Republican Organizational Committee (HROC) in 2014, 2015 and 2016.
16. All of the surplus fund contributions made to HROC were made prior to a general election being held in 2014, 2015, and 2016, and those contributions were used to support candidates on the ballot during those years.

Factors in Mitigation

17. The Respondent has not been the subject of a prior PDC enforcement action since being elected State Representative in 1998.

Factors in Aggravation

18. The public was deprived of critical campaign finance information for four years, including more than \$110,000 in contribution and expenditure activities for the entire 2016 election cycle. *BOE*
19. The Respondent is an experienced 9-term incumbent State Representative from the 15th Legislative District.
20. The Respondent served as his own Treasurer.
21. The Respondent failed to timely respond to requests for information during PDC staff's investigation of this matter.

22. The Respondent failed to promptly file the missing C-3 and C-4 reports after being made aware of the complaints filed against him in September 2017.

Statutory and Rule Authority

RCW 42.17A.235 and **RCW 42.17A.240** require candidates to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-3 and C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report; on the twenty-first day and the seventh day immediately preceding the date on which the election is held; and on the tenth day of the first month after the election.

In addition, candidates are required to maintain campaign books of accounts and records to verify the information disclosed on the C-3 and C-4 reports.

RCW 42.17A.220 states that all monetary contributions received by a candidate or political committee shall be deposited by candidates, political committee members, paid staff, or treasurers in a depository in an account established and designated for that purpose. Such deposits shall be made within five business days of receipt of the contribution.

RCW 42.17A.430 states that surplus funds may be held in a separate account for nonreimbursed public office-related expenses or as otherwise provided in this section including transfer to a political party or caucus political committee, and that any disposition must be reported in accordance with **RCW 42.17A.240**.

WAC 390-16-236 requires officials to register a surplus funds account with the PDC by filing a C-1 report establishing the account, and file C-3 and C-4 reports disclosing activities undertaken through the account.

Violations

Based on the Stipulation of Facts, Respondent Bruce Chandler stipulates to the following:

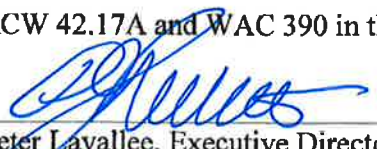
1. The Bruce Chandler 2014 Campaign violated **RCW 42.17A.235** and **.240** by failing to timely report monetary contributions received totaling \$13,382 and expenditures made totaling \$21,821. In addition, his 2014 Campaign also violated **RCW 42.17A.220** by failing to timely deposit monetary contributions within five business days of receipt totaling \$13,382.
2. The Bruce Chandler 2016 Campaign violated **RCW 42.17A.235** and **.240** by failing to timely report monetary contributions received totaling \$110,940 and expenditures made totaling \$113,306. In addition, his 2016 Campaign also violated **RCW 42.17A.220** by failing to timely deposit monetary contributions within five business days of receipt totaling \$110,940.

3. The Bruce Chandler 2018 Campaign violated RCW 42.17A.235 and .240 by failing to timely report monetary contributions received totaling \$50,850 and expenditures made totaling \$2,122. In addition, his 2018 Campaign also violated RCW 42.17A.220 by failing to timely deposit monetary contributions within five business days of receipt totaling \$50,850.
4. The Bruce Chandler Surplus Funds Account violated RCW 42.17A.235 and .240 by failing to timely report the transfers of campaign surplus funds into the surplus funds account totaling \$187,520 and expenditures made totaling \$127,482, during the period November 1, 2013 through August 31, 2018.


Penalty

1. Based upon the Stipulation of Facts and Violations set forth above, Bruce Chandler (2018 Bruce Chandler Campaign; 2016 Bruce Chandler Campaign; 2014 Bruce Chandler Campaign; and Bruce Chandler Surplus Funds Account) agrees to pay a total civil penalty of \$25,000 with \$10,000 suspended on the following conditions:
 - a. The Respondent is not found to have committed any further violations of RCW 42.17A or WAC 390 within four years of the date of the final order in this matter.
 - b. The Respondent is in compliance with all reporting requirements.
 - c. The non-suspended portion of the penalty (\$15,000) is paid by the Respondent within 30 days of the date of the final order in this matter.
 - d. In any future campaign in which Respondent Chandler is a candidate, he may not serve as his campaign treasurer, or as treasurer for his surplus funds account, and he will use an experienced and trained treasurer for any future campaigns.

Respondent Bruce Chandler affirms his intention to comply in good faith with the provisions of RCW 42.17A and WAC 390 in the future.


Peter Lavallec, Executive Director
Public Disclosure Commission

10/18/2018
Date Signed


Bruce Chandler
State Representative, 15th Legislative District

10-16-18
Date Signed