



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.pdcca.wa.gov

June 3, 2021

Sent electronically by email to: chairman@kitsaprepublicans.com,
vicechair@kitsaprepublicans.com, alicetaw@aol.com, georgeheather@wavecable.com,
juliana@mcmahans.org
Chad Standifer: chad.standifer@atg.wa.gov

Attn: Kitsap County Republican Party
Juliana McMahan, Chair
Justin Weis, Vice Chair
Alice Tawresey, Secretary
Heather George, Treasurer
9481 Silverdale Way NW
Silverdale, WA 98383

Subject: Commission Final Order, PDC Case 82077 Kitsap County Republican Party

Dear Juliana McMahan, Chair:

Enclosed is a copy of the Public Disclosure Commission's Final Order Imposing Fine that was entered in the above-referenced case concerning the Kitsap County Republican Party. Also enclosed is a copy of the Stipulation as to Facts, Violations and Penalty that was accepted by the Commission.

At its May 27, 2021 meeting, the Commission found the Kitsap County Republican Party violated RCW 42.17A.405 and WAC 390-05-400 by accepting contributions from corporations and a political committee that exceeded contribution limits for a bona fide political party committee for calendar years 2016, 2017, 2019, and 2020 and assessed a total civil penalty of \$4,000 of which \$2,000 is suspended on the following conditions: (1) 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 this Final Order. The suspended penalty shall not be assessed based solely upon any remediable violation, minor violation, or error classified by the Commission as appropriate to address by a technical correction; (2) The Respondent remains in full compliance with all PDC reporting requirements and; (3) The non-suspended portion of the penalty (\$2,000) is paid by the Respondent within 30 days of the date of this Final Order.

Please make your \$2,000 check or money order payable to the WA State Treasurer, and mail the payment to the address listed below:

**Public Disclosure Commission
PO Box 40908
Olympia, WA 98504-0908**

In the event Kitsap County Republican Party fails to meet any of the above terms of this order, the entire \$4,000 penalty will become immediately due without any further intervention of the Commission.

If you have questions, please contact Alice Fiman at (360) 584-4746; toll free at (877) 601-2828 or by email at alice.fiman@pdc.wa.gov.

Sincerely,
/s/ Peter Lavallee
Electronically signed: Peter Lavallee
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**
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10 In re the Matter of Enforcement Action
11 Against:

PDC CASE NO. 82077

12 KITSAP COUNTY REPUBLICAN PARTY,

FINAL ORDER

13 Respondent.
14 _____
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16 **I. INTRODUCTION**
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18 This matter was heard remotely by the Washington State Public Disclosure Commission
19 (PDC, Commission) on May 27, 2021, by audio and online streaming. The hearing was held
20 pursuant to Chapter 34.05 RCW, Chapter 42.17A RCW, and Chapter 390-37 WAC.

21 Commissioners present both telephonically and online were Fred Jarrett, Commission
22 Chair (presiding); Nancy Isserlis, Commission Vice-Chair; and Commissioners William
23 Downing, and Russell Lehman. Also present both telephonically and online were Assistant
24 Attorney General John S. Meader representing the Commission; Assistant Attorney General
25 Chad Standifer representing PDC staff; and Alice Fiman, Compliance Officer, for PDC Staff.
26 Juliana McMahan, Party Chair, also appeared telephonically and online. The proceeding was

1 open to the public as limited by Governor's Order 20-28 *et seq.* and recorded.

2 The hearing concerned allegations that the Kitsap County Republican Party (KCRP)
3 violated RCW 42.17A.405 and WAC 390-05-400 by accepting contributions from corporations
4 and a political committee that exceeded contribution limits for a bona fide political party
5 committee for calendar years 2016, 2017, 2019, and 2020.

6 The Commissioners had before them the following materials:

- 7 • Report of Investigation for Case #82077 prepared by PDC Compliance Officer Alice Fiman,
8 dated May 17, 2021, which included:
 - 9 ○ Complaint and exhibits filed against the KCRP by Alex Bond, dated
10 December 12, 2020;
 - 11 ○ Response submitted by past KCRP Chair Tony Stephens, dated January
12 3, 2021;
 - 13 ○ Additional responses submitted by new KCRP Chair Juliana McMahan
14 and former Treasurer Chris Stephens, dated January 12, January 25,
15 February 18, and March 25, 2021;
 - 16 ○ Commercial lease agreement between the KCRP and the Mentor
17 Company provided by the Committee, signed January 30, 2020, and
18 notarized March 10, 2021;
 - 19 ○ Public data regarding notice of availability, ownership, and lease costs of
20 office space located in the Silverdale Village Shopping Center Building.
- 21
- 22 • Proposed Stipulation as to Facts, Violations, and Penalty submitted by the parties and signed
23 on May 21, 2021, by Peter Lavalley, Executive Director, for the PDC, and Juliana McMahan,
24 Chair of KCRP, Respondent.
- 25 • Enforcement Hearing Notice for the May 27, 2021, hearing, dated May 17, 2021.
- 26

II. STIPULATION

The parties jointly submitted a signed Stipulation as to Facts, Violations, and Penalty (Stipulation). Mr. Standifer presented the Stipulation, reviewed the aggravating and mitigating factors, summarized the proposed penalties, and asked the Commission to accept the Stipulation. Ms. McMahan provided testimony on behalf of the Respondent, answered questions, and confirmed the information provided by Mr. Standifer. The Respondent took responsibility and asked the Commission to accept the Stipulation. The Commission voted 4-0 to accept the Stipulation as submitted.

III. FINDINGS OF FACT

1. The Kitsap County Republican Party (KCRP) has been registered and filing as a bona fide political party committee with the PDC since the 1990's. Reports are on file with the PDC dating back to 2007.

2. For calendar years 2016 to 2020, KCRP was registered and filing reports with the PDC for one account, which is statutorily defined as a non-exempt account for a bona fide political party committee.

3. KCRP disclosed the following total contributions and expenditures for the following calendar years (CY): 1) CY 2016 - \$51,615.31 in total contributions received and \$48,296.22 in expenditures made; 2) CY 2017 - \$58,811.14 in total contributions received and \$55,090.25 in expenditures made; 3) CY 2018 - \$62,849.90 in total contributions received and \$70,317.49 in expenditures made; 4) CY 2019 - \$75,585.89 in total contributions received and \$69,376.74 in expenditures made; 5) CY 2020 - \$178,710.98 in total contributions received and \$186,785.64 in expenditures made.

4. KCRP disclosed receiving over-limit contributions to its non-exempt funds account

on six occasions, as follows:

- On October 4, 2016, KCRP filed a Monetary Contributions (C-3) report disclosing a \$10,000 contribution received from the Affordable Housing Council of the HBA of Kitsap County. This contribution exceeded contribution limits by \$4,500. As of January 18, 2021, the Affordable Housing Council of the HBA of Kitsap County is registered as a political committee with the PDC under the name Affordable Housing Council of the Kitsap Building Association.
- On April 2, 2017, KCRP filed a Full Campaign Summary Contributions and Expenditures report (C-4) for March of 2017, disclosing the receipt of a \$30,000 in-kind contribution from the Mentor Company on March 26, 2017, for leased office space.
- On April 10, 2019, KCRP filed a C-4 report for March of 2019, disclosing the receipt of a \$30,000 in-kind contribution from the Mentor Company on March 1, 2019, for “Market rate, utilities, property tax for office.”
- On March 2, 2020, KCRP filed a C-4 report for February of 2020, disclosing the receipt of a \$30,000 in-kind contribution from the Mentor Company on February 2, 2020, for “rent and utilities.”
- On December 10, 2020, KCRP filed a C-3 report listing two contributions received on December 9, 2020, that included: 1) a \$10,000 contribution from Burke Mechanical of Port Orchard, and 2) a \$10,000 contribution from Emerald Fire, LLC, of Gig Harbor. Both contributors are businesses and both contributions exceeded contribution limits.

IV. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this proceeding pursuant to Chapter 42.17A

1 RCW, the state campaign finance and disclosure law; Chapter 34.05 RCW, the Administrative
2 Procedure Act; and Title 390 WAC.

3 2. Based on the facts set forth above and the agreed stipulation of the parties, the
4 Respondent, KCRP, violated RCW 42.17A.405 and WAC 390-05-400 by accepting
5 contributions from corporations and a political committee that exceeded contribution limits for
6 a bona fide political party committee for calendar years 2016, 2017, 2019, and 2020.

7 8 **V. ORDER**

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10 Based upon its Findings of Fact, the stipulated Findings of Fact, and its Conclusions of
11 Law, the Commission accepts the agreed Stipulation of the parties and orders that:

12
13 1. The Respondent pay a total civil penalty of \$4,000 with \$2,000 suspended on the
14 following conditions:

15
16 a. Respondent is not found to have committed any further violations of
17 Chapter 42.17A RCW or Title 390 WAC, within four years of the date of
18 the Final Order in this matter. The suspended penalty shall not be
19 assessed based solely upon any remediable violation, minor violation, or
20 error classified by the Commission as appropriate to address by a
21 technical correction.

22 b. The Respondent is in compliance with all reporting requirements.

23 c. The non-suspended portion of the penalty (\$2,000) is paid by the
24 Respondent within 30 days of the date of the Final Order in this matter.


25 If the Respondent fails to make timely payment of the non-suspended
26

1 portion of the penalty, the \$2,000 suspended portion of the \$4,000 total
2 civil penalty shall immediately become due without further action by the
3 Commission.

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5 So ORDERED this 3rd day of June, 2021.

6 WASHINGTON STATE PUBLIC
7 DISCLOSURE COMMISSION

8 FOR THE COMMISSION:

9 

10 Fred Jarrett,
11 Chair, Public Disclosure Commission

12 *Copy of this Order mailed and/or emailed to:*

13 Juliana McMahan, Chair, Kitsap County Republican Party,
14 (chairman@kitsaprepublicans.com);

15 Alice Fiman, PDC Compliance Officer (alice.fiman@pdc.wa.gov);

16 Chad Standifer, Assistant Attorney General, Counsel for PDC Staff (ChadS@atg.wa.gov).

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19
20 I, Alice Fiman, certify that I mailed and/or emailed a copy of this order to the Respondent/
21 Applicant at his/her respective address postage pre-paid on the date stated herein.

22 *electronically signed Alice Fiman June 3, 2021*

23 Signed

Date

1 **NOTICE: RECONSIDERATION**

2 Pursuant to the provisions of RCW 34.05.470 and WAC 390-37-150, you may file a Petition for
3 Reconsideration with the PDC within ten (10) days from the date this Final Order is served upon
4 you. Any Request for reconsideration must state the specific grounds for the relief requested.
5 Petitions must be electronically mailed to the Washington State Public Disclosure Commission,
6 711 Capitol Way, Room 206, Box 40908, Olympia WA 98504-0908, pdcc@pdcc.wa.gov.

6 **NOTICE: PETITION FOR JUDICIAL REVIEW**

7 You have the right to appeal this Final Order to Superior Court, pursuant to the Petition for
8 Judicial Review provisions of RCW 34.05.542. Any Petition for Judicial Review of this Final
9 Order must be filed with the court and also served upon both the Commission and the Office of
10 the Attorney general within thirty (30) days after the date this Final Order is served upon you.
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**BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF
WASHINGTON**

In the Matter of Enforcement Action Against:
Kitsap County Republican Party

Case No. 82077
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 Kitsap County Republican Party, submit this Stipulation as to Facts, Violations and Penalty in this matter. The parties agree 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 accept or 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. The Kitsap County Republican Party (KCRP) has been registered and filing campaign finance reports under the Full Reporting Option as a bona-fide political party committee with the Public Disclosure Commission (PDC) since the 1990's, and such reports are on file with the PDC dating back to 2007.
2. For calendar years 2016 to 2020, the KCRP was registered and filing reports with the PDC for one account, which is statutorily defined as a non-exempt account for a bona-fide political party committee.
3. The KCRP disclosed the following total contributions and expenditures for the following calendar years: (1) Calendar Year (CY) 2016 - \$51,615.31 in total contributions received, and \$ 48,296.22 in expenditures made; (2) CY 2017 - \$58,811.14 in total contributions received, and \$55,090.25 in expenditures made; (3) CY 2018 - \$62,849.90 in total contributions received, and \$70,317.49 in expenditures made; (4) CY 2019 - \$75,585.89 in total contributions received, and \$69,346.74 in expenditures made; and (5) CY 2020 - \$178,704.98 in total contributions received, and \$186,785.64 in expenditures made.

4. The KCRP disclosed receiving over-limit contributions to its non-exempt funds account on six occasions, as follows:
- On October 4, 2016, the KCRP filed a Monetary Contributions (C-3) report disclosing a \$10,000 contribution received from the Affordable Housing Council of the HBA of Kitsap County. The \$10,000 contribution from the Affordable Housing Council of the HBA of Kitsap County exceeded contribution limits by \$4,500. As of January 18, 2021, the Affordable Housing Council of the HBA of Kitsap County is registered as a political committee with the PDC under the name Affordable Housing Council of the Kitsap Building Association (KBAAHC).
 - On April 2, 2017, the KCRP filed a Full Campaign Summary Contributions and Expenditures report (C-4 report) for March of 2017, disclosing the receipt of a \$30,000 in-kind contribution from the Mentor Company on March 26, 2017, for office space.
 - On April 10, 2019, the KCRP filed a C-4 report for March of 2019 disclosing the receipt of a \$30,000 in-kind contribution from the Mentor Company on March 1, 2019, for “Market rate, utilities, property tax for office.”
 - On March 2, 2020, the KCRP filed a C-4 report for February of 2020, disclosing the receipt of a \$30,000 in-kind contribution from the Mentor Company on February 2, 2020, for “rent and utilities.”
 - On December 10, 2020, the KCRP filed a C-3 report listing two contributions received on December 9, 2020, that included: (1) a \$10,000 contribution from Burke Mechanical of Port Orchard; and (2) a \$10,000 contribution from Emerald Fire, LLC, of Gig Harbor. Both contributors are businesses, and both contributions exceeded contribution limits.

STATUTORY AND RULE AUTHORITY

RCW 42.17A.405 and WAC 390-05-400 prohibit non-exempt bona-fide political party committees from accepting contributions of more than \$5,500 in a calendar year from any person, except an individual, bona fide political party, or caucus political committee, unless an exempt funds account is established. Contributions to an exempt funds account of a bona fide political party committee are not subject to contribution limits in accordance with **RCW 42.17A.405(15)**.

VIOLATIONS

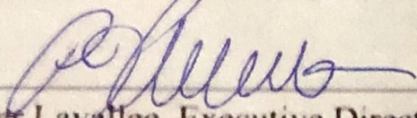
Based on the Stipulation of Facts set forth above, the Respondent stipulates to having violated RCW 42.17A.405 and WAC 390-05-400 by accepting contributions from corporations and a political committee that exceeded contribution limits for a bona fide political party committee for calendar years 2016, 2017, 2019 and 2020.

PENALTY

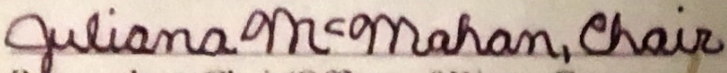
1. Based upon the Stipulation of Facts and Violations set forth above, the Respondent agrees to pay a total civil penalty of \$4,000 with \$2,000 suspended, on the following conditions:
 - a. The Respondent is not found to have committed any further violations of RCW 42.17A or WAC 390 within four years of the date of the final order in this matter.

The suspended penalty shall not be assessed based solely upon any remediable violation, minor violation, or error classified by the Commission as appropriate to address by a technical correction.
 - b. The Respondent is in compliance with all reporting requirements.
 - c. The non-suspended portion of the penalty (\$2,000) is paid by the Respondent within 30 days of the date of the final order in this matter. If the Respondent fails to make timely payment of the non-suspended portion of the penalty, the \$2,000 suspended portion of the penalty shall immediately become due without further action by the Commission.

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


Peter Lavallee, Executive Director
Public Disclosure Commission

5/21/2021
Date Signed


Juliana McMahon, Chair
Respondent, Chair/Officer of Kitsap County
Republican Party

5/21/2021
Date Signed