

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

In the Matter of Enforcement Action
Against:

Washington Society of Certified Public
Accountants PAC

Respondent.

Case No. 34207

**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 Washington Society of Certified Public Accountants PAC through Hayden Williams, Treasurer for the Respondent 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. The Washington Society of Certified Public Accountants (WA Soc of CPAs) is a statewide professional membership organization serving CPAs, educating consumers about CPAs and the services they provide, and encouraging students to study accounting and enter the profession.
2. The WA Soc of CPAs PAC (Committee) has been registered as a continuing political committee and reporting with the PDC dating back to at least the mid 1990's. In addition, the WA Soc of CPAs has been registered with the PDC as a Lobbyist Employer and filing the annual Employer's Lobbying Expenses report (L-3 report) since that same time.

3. On April 4, 2016, the Committee filed an amended Committee Registration (C-1pc report) with the PDC as a continuing committee, selecting the Full Reporting Option and listing Kimberly Scott as Committee Manager, Trina Doty as Committee Treasurer, and Carmen Aguiar, Marcia Benson, and Richard Jones as Committee Members.
4. On January 9, 2017, the Committee filed an amended C-1pc report with the PDC as a continuing committee under the Full Reporting Option and listing Ms. Scott as Committee Manager and Ms. Aguiar as a Committee member, and adding Hayden Williams as the new Committee Treasurer, with Benjamin Anderson and Laurie Anderson as new Committee Members.

Failure to timely file C-4 reports:

5. On August 22, 2016, the Committee filed two C-4 reports, the 21-Day Pre-Primary Election C-4 report and the 7-Day Pre-Primary Election C-4 report covering the period June 1 through July 25, 2016.

- 21-Day Pre-Primary Election C-4 report: The 21-Day Pre-Primary Election C-4 report was required to have been filed by the Committee on July 12, 2016, covering the period June 1 through July 11, 2016. The C-4 report disclosed \$656 in monetary contributions received, and \$26,723 in total expenditures that included 15 monetary contributions totaling \$26,000 made to a 2016 candidate for Washington State Governor, other Statewide Executive Office candidates, and candidates for the Washington State Legislature.

The \$26,000 in monetary contributions made to candidates were disclosed 41 days late and 20 days after the August 2, 2016 Primary Election had been held.

- 7-Day Pre-Primary Election C-4 report: The 7-Day Pre-Primary Election C-4 report was required to have been filed by the Committee on July 26, 2016, covering the period July 12 through 25, 2016. The C-4 report disclosed no contributions had been received, and \$49,898 in total expenditures made that included numerous contributions made to 2016 candidates for the legislature totaling \$49,800.

The \$49,800 in contributions to candidates were disclosed 27 days late and 20 days after the August 2, 2016 Primary Election had been held.

C-3 reports:

6. On August 22, 2016, the Committee filed C-3 reports covering the period April 1 through July 27, 2016, disclosing monetary contributions received during the period from individual CPA members and CPA firms totaling more than \$24,649. The contributions reported on the three C-3 reports were all disclosed after the August 2, 2016 Primary Election had been held and included the following:

- April 2016 C-3 report totaling \$4,036: The April 2016 C-3 report was a seven-page C-3 report disclosing \$4,036 in monetary contributions received from 59 individual CPA Members or CPA firms. The C-3 report was required to have been filed by the Committee on May 10, 2016 and was filed 104 days late and 20 days after the August 2, 2016 Primary Election had been held.

The C-3 report disclosed the Committee made one deposit on April 30, 2016 for contributions received during the entire month of April 2016.

- May 2016 C-3 report totaling \$3,811: The May 2016 C-3 report was an eight-page C-3 report disclosing \$3,811 in monetary contributions received from 63 individual CPA Members or CPA firms. The C-3 report was required to have been filed by the Committee on June 10, 2016 and was filed 73 days late and 20 days after the August 2, 2016 Primary Election had been held.

The C-3 report disclosed the Committee made one deposit on May 31, 2016 for contributions received during the entire month of May 2016.

- July 2016 C-3 report totaling \$16,802: The Committee filed one C-3 report for July on August 22, 2016, disclosing five contributions had been received between July 4 through 27, 2016 totaling \$16,802. Beginning June 1, 2016, the Committee was required to file weekly C-3 reports every Monday for contributions deposited the previous five calendar days. Based on the weekly C-3 reporting requirements, the Committee should have filed at least three separate C-3 reports disclosing those contributions, although three of the contributions were for \$100, \$50 and \$1 from individuals and were not material.

The two remaining contributions should have been disclosed on two separate C-3 reports as follows:

- 1) A \$15,000 monetary contribution was received from Moss Adams LLP on July 20, 2016, should have been deposited by the Committee no later than July 27, 2016, and disclosed on a C-3 report due August 1, 2016. The \$15,000 contribution from Moss Adams LLP was disclosed 21 days late and deposited three days late.
- 2) A \$1,650 monetary contribution was received from Sweeney Conrad, PS on July 27, 2016, within seven days of the August 2, 2020 Primary Election which required the Committee to file a Last-Minute Contribution Report (LMC) within 48 hours of receipt in accordance with RCW 42.17A.265. The Committee was required to have disclosed the contribution no later than July 29, 2016, either on a C-3 report or on an LMC report. The contribution was disclosed 23 days late.

PENALTY FACTORS

In reviewing the appropriateness of the civil penalty, Commission Staff reviewed the criteria in WAC 390-37-182. The mitigating factors in this matter include that:

7. Prior to when the complaint was filed, the Committee took corrective action and implemented new internal controls, including hiring a new Treasurer.
8. The Committee timely filed C-3 and C-4 reports for all of calendar years 2018 and 2019.
9. The Committee filed C-3 and C-4 reports throughout the calendar years 2015 through 2017, but periodically filed reports late during all three calendar years.
10. The Committee has not previously been found to have violated RCW 42.17A or WAC 390.

The aggravating factors in this matter include that:

11. The public was deprived of significant Committee campaign finance information for the 2016 Primary Election, involving \$75,800 in direct monetary contributions to candidates and monetary contributions to political committees.
12. The Committee is affiliated with the Washington Society of Certified Public Accountants a statewide professional organization with experienced staff administering its political committee.
13. The Committee has been filing C-3 and C-4 reports dating back to at least 1996.

14. Washington Society of Certified Public Accountants and the CPA PAC has the resources available to comply with the reporting requirements for its Committee in accordance with RCW 42.17A and WAC 390.

STATUTORY AND RULE AUTHORITY

RCW 42.17A.235 and **RCW 42.17A.240** requires political committees registered under the Full Reporting Option to file timely, accurate reports of contributions and expenditures, including monthly C-3 and C-4 reports which are required when contributions or expenditures exceed \$200 since the last report was filed.

Accelerated reporting begins five months prior to an election, and requires weekly C-3 reports to be filed if contributions are received, and the C-4 reports are required to be filed on the twenty-first day and the seventh day immediately preceding the date on which the election is held, and a post-election C-4 report is required on the tenth day of the first month after the election.

VIOLATIONS

Based on the Stipulation of Facts set forth above, the Committee stipulates to having violated RCW 42.17A.235 and .240 by failing to timely file Summary Campaign Contribution and Expenditure Reports (C-4 reports) and Monetary Contributions Reports (C-3 reports) disclosing contribution and expenditures undertaken during calendar year 2016.

PENALTY

1. Based upon the Stipulation of Facts and Violations set forth above, the Committee agrees to pay a total civil penalty of \$2,500 with \$1,250 suspended, as follows:
 - a. \$1,500, including \$750 for the late filed 2016 21-Day Pre-Primary Election C-4 report, and \$750 for the late filed 7-Day Pre-Primary Election C-4 reports; and
 - b. \$1,000, including \$250 for each of the four late filed C-3 reports.
2. \$1,250 of the \$2,500 penalty is suspended based on the following conditions:
 - a. The Committee 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 Committee is in compliance with all reporting requirements.
- c. The non-suspended portion of the penalty (\$1,250) is paid by the Committee 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 suspended portion of the penalty shall immediately become due without further action by the Commission.

The Committee affirms its intention to comply in good faith with the provisions of RCW 42.17A and WAC 390 in the future



Peter Lavalée, Executive Director
Public Disclosure Commission

3/13/2020
Date Signed



Hayden Williams, Treasurer WA CPA PAC

3/3/2020
Date Signed