



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

April 5, 2019

Sent electronically by email to:

Dan Brady: dan@danbradylaw.com

Sean Flynn: sean.flynn@pdcc.wa.gov

Chad Standifer: ChadS@atg.wa.gov

Dan Brady for:

Jeff Harvey, President. Enterprise Washington

North Cascade Jobs Enterprise Washington

1603 116th Avenue NE, Suite 120

Bellevue, WA 98004

Subject: Commission Final Order, North Cascade Jobs Enterprise Washington, PDC Case 42387

Dear Mr. Brady:

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

At its March 28, 2019 meeting, the Commission found North Cascade Jobs Enterprise Washington in violation of RCW 42.17A.235, RCW 42.17A.240, and RCW 42.17A.305 and assessed a total civil penalty of \$65,000 of which \$32,500 is suspended on the following conditions: (1) the Respondent is not found to have committed any further violations of RCW 42.17A or WAC 390, as detailed in the Stipulation, within four years of the date of the Commission's Final Order; (2) the Committee files amended C-4 reports that are in full compliance with the disclosure requirements of RCW 42.17A.240, WAC 390-16-037, and WAC 390-16-205, within thirty days from the date of the final order, and is in compliance with all reporting requirements; and (3) the Respondent pays the non-suspended portion of the penalty (\$32,500) within ninety days from the date of the final order.

Please make your \$32,500 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

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In the event North Cascade Jobs Enterprise Washington fails to meet any of the above terms of this order, the entire \$65,000 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,



Peter Lavallee
Executive Director

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

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

In re the Matter of Enforcement Action
Against:

NORTH CASCADE JOBS ENTERPRISE,
Washington PAC,

Respondent.

PDC CASE NO. 42387

FINAL ORDER

I. INTRODUCTION

This matter was heard by the Washington State Public Disclosure Commission (Commission) on March 28, 2019, at the Public Disclosure Commission Office, 711 Capitol Way, Room 206, Olympia, Washington 98504. The hearing was held pursuant to Chapter 34.05 RCW, Chapter 42.17A RCW, and Chapter 390-37 WAC.

Commissioners present were Anne Levinson, Commission Chair (presiding); David Ammons, Commission Vice-Chair; Commissioner William Downing and Commissioner Russell Lehman. Also present were Assistant Attorney General John S. Meader representing the Commission; Kurt Young and Phil Stutzman, Senior Compliance Officers, Alice Fiman, Compliance Officer, and Peter Lavalley, Executive Director, on behalf of PDC Staff; PDC General Counsel Sean Flynn representing PDC Staff; Respondent North Cascade Jobs Enterprise Washington PAC was represented by Dan Brady. Also present on behalf of the Respondent was Jeffrey Harvey, President of Enterprise Washington. The proceeding was open to the public and

1 recorded.

2 The hearing concerned allegations that Respondent North Cascade Jobs Enterprise
3 Washington PAC violated RCW 42.17A.235 and .240 by failing to timely and accurately file
4 Summary Campaign Contribution and Expenditure Reports (C-4 reports) disclosing \$169,990 in
5 expenditures made and orders placed for electioneering communication advertisements in the
6 2018 General Election. The Respondent was also alleged to have violated RCW 42.17A.305 by
7 failing to timely file Independent Expenditure reports (C-6 reports) disclosing \$190,191 in
8 Committee expenditures made for electioneering communication advertisements in the 2018
9 General Election.

10 The Commissioners had before them the following materials:

- 11 • Report of Investigation prepared by PDC Senior Compliance Officer Kurt Young and
12 Compliance Officer Alice Fiman, dated March 18, 2019, which included:
 - 13 ○ Three amended Committee Registrations (C-1 pc reports) filed by North
14 Cascade Jobs Enterprise Washington PAC on October 17, 2017, March 2,
15 2018, and October 7, 2018;
 - 16 ○ The October 17, 2018, complaint filed against North Cascade Jobs
17 Enterprise Washington PAC;
 - 18 ○ Electioneering Communications (C-6) reports filed by North Cascade
19 Jobs Enterprise Washington PAC on February 1, 2019;
 - 20 ○ Amended 21-day and 7-day Pre-2018 General Election Campaign
21 Summary Receipts and Expenditure Reports (C-4) for filed by North
22 Cascade Jobs Enterprise Washington PAC on February 6, 2019;
 - 23 ○ Amended Post-2018 Election Campaign Summary Receipts and
24 Expenditure Report (C-4) filed by North Cascade Jobs Enterprise
25 Washington PAC on February 6, 2019;
 - 26 ○ Initial response provided by North Cascade Jobs Enterprise Washington

1 PAC on January 2, 2019;

- 2 ○ Supplemental response provided by North Cascade Jobs Enterprise
- 3 Washington PAC on January 22, 2019.

- 4 ● Proposed Stipulation as to Facts, Violations, and Penalty submitted by the parties, signed on
- 5 March 25, 2019.

6 II. STIPULATION

7 The parties jointly submitted a signed Stipulation as to Facts, Violations, and Penalty
8 (Stipulation). Mr. Flynn presented the Stipulation, reviewed the aggravating and mitigating
9 factors, and asked the Commission to accept the Stipulation. Attorney Dan Brady argued on
10 behalf of North Cascade Jobs Enterprise Washington PAC, explaining the factors that had led to
11 the late filings, noting that the Respondent took responsibility and had put different personnel
12 and a different treasurer in place. He also asked the Commission to accept the Stipulation. The
13 Commissioners asked the parties about comparable cases, the rationale for the proposed penalty
14 amount, the reason for a 90-day rather than a 30-day period to pay the non-suspended portion of
15 the fine, and the actions needed for the Respondent to come quickly into compliance with all
16 remaining reporting obligations without further delay.

17 The Commission voted 4-0 to accept the Stipulation.

18 III. FINDINGS OF FACT

19 1. The North Cascade Jobs Enterprise Washington PAC is a continuing political
20 committee registered with the Public Disclosure Commission (PDC) and has been filing
21 reports with the PDC since April 28, 2016.

22 2. For the 2018 election, the Committee was sponsored by, and affiliated with, the
23 Enterprise WA JOBS PAC. Enterprise WA JOBS PAC has been registered with the PDC as a
24 continuing political committee since 2008.

25 3. On March 2, 2018 the Committee filed an amended Committee Registration (C-1 pc
26 report) with the PDC as a continuing committee, selecting the Full Reporting Option.

1 4. On October 7, 2018, the Committee filed an amended Committee Registration (C-1
2 pc report) with the PDC as a continuing committee, selecting the Full Reporting Option.

3 5. On February 1, 2019, the Committee filed twelve C-6 reports disclosing \$190,191 in
4 expenditures for electioneering communication advertisements made during the period of
5 October 9 - November 2, 2018, including \$182,323 made in opposition to Pinky Vargas, and
6 \$7,868 made in support of Doug Ericksen.

7 6. The information in the C-6 report was disclosed between 88 and 114 days late, and
8 more than 87 days after the general election. The C-6 reports disclosed the following
9 activities:

- 10 o \$104,259 for 12 direct mail electioneering communication
11 advertisements that were presented to the public during the period
12 October 9 - November 2, 2018;
- 13 o \$52,325 in cable television electioneering communication
14 advertisements that ran during the period October 10 - November 6,
15 2018; and
- 16 o \$33,607 for Facebook and other social/digital media electioneering
17 communication advertisements that ran during the period October 10 -
18 November 6, 2018.

19 7. Eleven of the 12 C-6 reports filed by the Committee on February 1, 2019 disclosed
20 electioneering communications made in opposition to Pinky Vargas, and one C-6 report
21 disclosed electioneering communication made in support of Doug Ericksen.

22 8. On October 16, 2018, the Committee timely filed its 21-day Pre-General Election C-4
23 report disclosing \$190,000 in contributions received and three expenditures totaling \$35,531,
24 with no outstanding debts or obligations.

25 9. On February 6, 2019, the Committee amended its 21-day Pre-General Election C-4
26 report disclosing the same \$190,000 in contributions received, and \$88,286 in expenditures made

1 (which included the previously disclosed expenditures of \$35,531), and \$39,265 in debt and
2 liabilities.

3 10. The amended 21-day Pre-General Election C-4 report included \$52,755 in previously
4 unreported expenditures and \$29,265 in previously unreported debts that were all made in
5 opposition to Pinky Vargas and disclosed after the November 6, 2018 General Election. The
6 reported expenditures and debts include the following:

- 7 ○ \$29,500 in debts owed to Media Buying LLC, for cable TV electioneering
8 communication advertisements opposing Pinky Vargas that ran during the period
9 October 10 - November 6, 2018;
- 10 ○ \$22,523 in expenditures made for three direct mail electioneering communication
11 advertisements that included between 11,010 to 14,153 direct mail pieces;
- 12 ○ \$14,700 for mobile electioneering communication advertisements that ran during
13 the period October 10 - November 6, 2018;
- 14 ○ \$11,647 for Facebook electioneering communication advertisements that ran
15 during the period October 10 - November 6, 2018; and
- 16 ○ \$9,766 in debts owed for a direct mail electioneering communication
17 advertisement for 14,143 mail pieces.

18 11. The amended expenditure and debt information disclosed on the amended 21-day
19 Pre-General Election C-4 report was reported 113 days late and 92 days after the November 6,
20 2018 General Election.

21 12. On October 20, 2018, the Committee timely filed its 7-day Pre-General C-4 report
22 disclosing zero contributions received during the period, no expenditures made, no debts or
23 obligations outstanding, and a \$155,989 cash on hand balance.

24 13. On February 6, 2019, the Committee amended its 7-day Pre-General Election C-4
25 report disclosing no contributions received, \$40,896 in previously unreported expenditures, and
26 \$52,271 in previously unreported debts and liabilities.

1 14. The \$40,896 in previously unreported expenditures, and the \$52,271 in previously
2 unreported debts and liabilities, were all made in opposition to Pinky Vargas, disclosed after the
3 November 7, 2018 General Election, and included the following:

- 4 o \$40,896 for expenditures made for four direct mail electioneering communication
5 advertisements that included between 11,010 to 14,153 mail pieces;
- 6 o \$29,500 in debts owed to Media Buying LLC, for cable TV electioneering
7 communication advertisements opposing Pinky Vargas that ran during the period
8 October 10 - November 6, 2018; and
- 9 o \$22,771 in outstanding debts owed for three direct mail electioneering
10 communication advertisements.

11 15. The amended expenditure and debt information disclosed on the amended 7-day Pre-
12 General Election C-4 report was reported 99 days late and 92 days after the 2018 General
13 Election.

14 **IV. CONCLUSIONS OF LAW**

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

18 2. North Cascade Jobs Enterprise Washington PAC violated RCW 42.17A.235 and .240
19 by failing to timely and accurately file Summary Campaign Contribution and Expenditure
20 Reports (C-4 reports) disclosing \$169,990 in expenditures made and orders placed for
21 electioneering communication advertisements in the 2018 General Election.

22 3. North Cascade Jobs Enterprise Washington PAC violated RCW 42.17A.305 by failing
23 to timely file Independent Expenditure reports (C-6 reports) disclosing \$190,191 in Committee
24 expenditures made for electioneering communication advertisements in the 2018 General
25 Election.

26 **V. ORDER**

1 Based upon the stipulated Findings and Conclusions, the Commission accepts the
2 Stipulation of the parties and orders that:

- 3 1. Respondent North Cascade Jobs Enterprise Washington PAC is assessed a total
4 civil penalty of \$65,000, with \$32,500 suspended, on the following conditions:
- 5 a. North Cascade Jobs Enterprise Washington PAC is not found to have
6 committed any further violations of Chapter 42.17A RCW or Title 390
7 WAC within four years of the date of the Final Order in this matter. The
8 suspended penalty shall not be assessed based solely upon any remediable
9 violation, minor violation, or error classified by the Commission as
10 appropriate to address by a technical correction.
- 11 b. North Cascade Jobs Enterprise PAC files amended C-4 reports that are in
12 full compliance with the disclosure requirements of RCW 42.17A.240,
13 WAC 390-16-037, and WAC 390-16-205, and is in compliance with all
14 reporting requirements, within thirty days from the date of the Final Order
15 in this matter.
- 16 c. The non-suspended portion of the penalty (\$32,500) is paid by the
17 Respondent within 90 days of the date of the Final Order in this matter.
- 18 2. If the Respondent fails to comply with any of the conditions of this Order, the
19 suspended portion of the penalty shall immediately become due without further
20 action by the Commission.

21 So ORDERED this 4th day of April, 2019.

22
23 WASHINGTON STATE PUBLIC
DISCLOSURE COMMISSION

24 FOR THE COMMISSION:

25 

26 Anne Levinson
Chair, Public Disclosure Commission

1 Copy of this Order mailed and/or emailed to:

2 Dan Brady, Attorney for North Cascade Jobs Enterprise Washington PAC
3 1200 4th Ave.
4 Seattle, WA 98112
5 (dan@danbradylaw.com)

6 Kurt Young and Alice Fiman, PDC Staff (Kurt.Young@pdc.wa.gov;
7 Alice.Fiman@pdc.wa.gov);
8 Chad Standifer, Assistant Attorney General, Counsel for PDC Staff (ChadS@atg.wa.gov)

9 I, Alice Fiman, certify that I mailed a copy of this order to the Respondent/
10 Applicant at his/her respective address postage pre-paid on the date stated herein.
11 Alice Fiman 4/5/2019
12 Signed Date

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15 **NOTICE: RECONSIDERATION**

16 Pursuant to the provisions of RCW 34.05.470 and WAC 390-37-150, you may file a Petition for
17 Reconsideration with the PDC within ten (10) days from the date this Final Order is served upon
18 you. Any Request for reconsideration must state the specific grounds for the relief requested.
19 Petitions must be delivered or mailed to the Washington State Public Disclosure Commission,
711 Capitols Way, Room 206, Box 40908, Olympia WA 98504-0908.

20 **NOTICE: PETITION FOR JUDICIAL REVIEW**

21 You have the right to appeal this Final Order to Superior Court, pursuant to the Petition for
22 Judicial Review provisions of RCW 34.05.542. Any Petition for Judicial Review of this Final
23 Order must be filed with the court and also served upon both the Commission and the Office of
24 the Attorney general within thirty (30) days after the date this Final Order is served upon you.
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