

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

In the Matter of Enforcement Action
Against:

Bailey Stober

Respondent.

Case No. 14-017

STIPULATION AS TO FACTS,
VIOLATIONS AND PENALTY

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Frederick C. Kiga, and Respondent Bailey Stober, 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 that 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

Bailey Stober Filings During 2011 Kent City Council Campaign

1. Bailey Stober was a candidate for Kent City Council in the 2011 general election. He filed an electronic Candidate Registration report (PDC form C-1) for the 2011 election on February 11, 2011. On the C-1, Mr. Stober identified Janet Stebbins as his treasurer, and indicated that he would follow the Full Reporting option, which requires frequent, detailed reports of contribution and expenditure activity. The C-1 listed no other officers.

2. Mr. Stober appeared only on the 2011 general election ballot, and was defeated by Deborah Ranniger in that election by a margin of approximately 33%.
3. Mr. Stober's 2011 campaign filings contained numerous gaps and errors, indicating that the reports were not complete or accurate. Mr. Stober's C-4 report for the 21-day pre-general election reporting period of September 1 – October 17, 2011 was filed on October 3, 2011, midway into the reporting period, and so could not include campaign activity through October 17, 2011.
4. Mr. Stober's 21-day pre-general election C-4 report disclosed \$8,150 in contributions and \$6,220 in expenditures as of October 3, 2011. Mr. Stober's next C-4 indicated that between that date and October 7, 2011, he raised an additional \$2,395 and spent an additional \$1,093. A C-3 report filed on October 7, 2011 reported the details of \$1,545 in contributions deposited during that four-day period, however the balance of contributions (\$850) were not disclosed. No reports of the \$1,093 in expenditure activity were filed.
5. Mr. Stober's C-4 report for the 7-day pre-general election reporting period of October 18 - 31, 2011 that Mr. Stober filed on October 7, 2011 was filed eleven days before the reporting period began, and so could not include campaign activity during the period.
6. Mr. Stober did not file a post-general election C-4 report covering November 1 – 30, 2011.
7. Mr. Stober 7-day pre-general election C-4, which showed that he received \$10,545 and spent \$7,313 through October 7, 2011, the date of the filing, ending with \$3,231 in cash on hand. Mr. Stober testified that he conducted no additional fundraising following this report, and that he finished his 2011 campaign with a small deficit, indicating that he made at least \$3,231 in additional campaign expenditures after October 7, 2011.

8. Mr. Stober's C-4 reports indicate that he received \$10,545 in contributions in his 2011 campaign; however his C-3 reports disclosed the details of only \$7,845 in contributions. Mr. Stober's reports and his testimony under oath indicate that in his 2011 campaign for Kent City Council, he received \$2,700 in unreported contributions and made at least \$4,324 in unreported expenditures. Approximately 25% of Mr. Stober's contributions for the 2011 election and 41% of his campaign expenditures have not been disclosed as required, due to Mr. Stober's failure to preserve financial records from that election.

Failure to Amend C-1 Candidate Registration for 2011 Kent City Council Campaign

9. Mr. Stober's February 11, 2011 Candidate Registration listed Janet Stebbins as Mr. Stober's campaign treasurer. However, Ms. Stebbins testified that in the days or weeks following a January 20, 2011 training in PDC offices in Olympia, she informed Mr. Stober that she could not serve as his treasurer. Ms. Stebbins testified that she did not prepare, review, certify, or file the seventeen C-3 and C-4 reports that Mr. Stober electronically submitted between March 11, 2011 and October 7, 2011 for Mr. Stober's 2011 campaign which listed her name as treasurer. Rather, the testimony of Mr. Stober and Ms. Stebbins indicates that Mr. Stober filed the reports.
10. Mr. Stober did not amend his C-1 Candidate Registration within 10 days of learning that Janet Stebbins would not perform treasury duties for his campaign.

Failure to Preserve Financial Records for 2011 Kent City Council Campaign

11. Mr. Stober stated that he possessed no banking records or other records of contribution and expenditure activity for his 2011 campaign. He stated that he was not aware that the law required him to maintain such records for five years following the year in which each campaign transaction occurred, and that he discarded the records following his 2011 campaign.

Bailey Stober Filings During 2013 Kent City Council Campaign

12. Bailey Stober was a candidate for Kent City Council in the 2013 general election. On April 9, 2013, Mr. Stober filed an electronic C-1 registering his campaign in 2013. On that registration, he listed himself as treasurer, and again chose the Full Reporting option. The C-1 listed no officers other than Mr. Stober.
13. Mr. Stober appeared on both the primary and general election ballots in 2013. He was defeated by Ken Sharp in the 2013 general election by a margin of approximately 2%.
14. As of the date of the November 5, 2013 general election, there were only three campaign finance reports on file with the PDC for Mr. Stober's 2013 campaign for Kent City Council. The three reports were C-3 contribution reports disclosing \$7,055 in total contribution deposits made from July 20 – August 5, 2013. The first two of the three reports were timely filed; however the third C-3 report, disclosing a \$900 contribution from Kent Firefighters, was due to be filed on August 12, 2013, and was filed 34 days late on September 15, 2013. Mr. Stober reported no other contributions, and disclosed no campaign expenditures, prior to the 2013 general election.
15. On May 7, 2014, Bailey Stober filed eleven C-3 and C-4 reports manually, on paper, disclosing \$3,200 in previously undisclosed monetary contributions deposited between July 30, 2013 and October 2, 2013, and approximately \$10,306 in previously undisclosed campaign expenditures incurred between April 2, 2013 and November 30, 2013.
16. Mr. Stober's C-3 reports filed on September 15, 2013 and May 7, 2014 indicate that in his 2013 campaign for Kent City Council, he received \$4,100 in contributions that were disclosed between 34 and 212 days late. The bulk of these contributions, \$3,200, were disclosed six months after the 2013 general election. The late-reported contributions represented 40% of contributions that Mr. Stober received in his 2013 campaign.

17. The C-4 reports Mr. Stober filed on May 7, 2014 indicate that 100% of his campaign expenditures for the 2013 election, \$10,306, were disclosed between 148 and 362 days late, and six months after that election.

Failure to Disclose 2013 Contribution and Expenditure Activity Electronically

18. Based on his campaign expenditures in the 2011 election, Mr. Stober was required to file reports of all contribution and expenditure activity in his 2013 campaign electronically.

19. Mr. Stober filed three C-3 Monetary Contributions reports via the PDC's ORCA software during the 2013 campaign, two of which were filed timely. Mr. Stober testified that he encountered technical difficulties, but by the conclusion of his campaign believed that he was successfully filing his reports electronically. Mr. Stober did not receive confirmation that any reports other than his initial three C-3 reports had been filed electronically, and the reports were not received.

20. Mr. Stober's eleven C-3 and C-4 reports filed on May 7, 2014 for his 2013 campaign were filed manually, on paper. Approximately one-third of Mr. Stober's contributions and all of his expenditures for that election were disclosed on paper, rather than electronically.

Failure to Make or Honor Campaign Books Inspection Appointments

21. On three occasions between October 31 – November 2, 2013, Bailey Stober received email and telephone contacts from Don Mason, seeking an appointment to inspect Mr. Stober's campaign books of account on Monday, November 4, 2013. Mr. Mason requested an inspection appointment at the location registered on Mr. Stober's C-1 Candidate Registration, the Kent Public Library.

22. Mr. Stober responded to Mr. Mason late on the evening of Sunday, November 3, 2013, stating that he would be unable to honor Mr. Mason's request for an appointment the following day, Monday November 4, 2013, because it was a work

day for Mr. Stober. Mr. Stober did not make any alternative arrangements to facilitate an inspection appointment.

23. Mr. Stober informed Mr. Mason that his campaign finance information was available for review on the PDC's Web site. He stated that his campaign had just submitted reports to the PDC and would continue to update its reports. He provided a link to Mr. Mason that he said would lead to detailed contribution information on the PDC's Web site.

24. As discussed above, at all times during the 2013 election, Mr. Stober had no more than three contribution reports on file with the PDC, and no expenditure reports. Mr. Stober testified that before sending his November 3, 2013 email to Mr. Mason, he queried the PDC's database for campaign finance data that was then on file for his campaign. However, he did not review the results of that query before sending the link to Mr. Mason, and was unaware that the record was incomplete.

STATUTORY AND RULE AUTHORITY

RCW 42.17.040 requires candidate to file timely campaign registrations, and to file an amended registration within ten days of any material change to the information on a previous registration. Effective January 1, 2012, RCW 42.17.040 was recodified as **RCW 42.17A.205**.

In the event of the death, resignation, removal, or change of a treasurer or deputy treasurer, **RCW 42.17.050** requires a candidate to designate and file with the commission the name and address of any successor treasurer. Effective January 1, 2012, RCW 42.17.050 was recodified as **RCW 42.17A.210**.

RCW 42.17A.235 and **.240** require candidates to file timely, complete, and accurate reports of monetary and in-kind contributions and expenditures, including contributions pledged but not received, debts, orders placed, and obligations. The reports are filed monthly following an excess of \$200 in contribution or expenditure activity, except during the five months before the election, during which time contribution reports are required to be filed on the Monday following the date of deposit, and summary reports of receipts and expenditures are required to be filed 21 days and again 7 days before each election in which the candidate appears on the ballot, and on the 10th of the month following the election. Reports of contributions must include the name and address of any contributor who has given more than \$25 in the aggregate, and the occupation and

employer of any individual contributor making more than \$100 in aggregate contributions.

RCW 42.17A.235 requires a candidate to keep the campaign committee's books of account current within one business day during the eight days before an election, and to allow and keep appointments to inspect the books of account during the same time period.

RCW 42.17A.235 also requires a treasurer or candidate to preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred. Prior to January 1, 2012, RCW 42.17A.235 and .240 were codified as **RCW 42.17.080** and **.090**, respectively.

RCW 42.17A.245 requires each candidate or political committee that expended five thousand dollars or more in the preceding year or expects to expend five thousand dollars or more in the current year to file all contribution reports and expenditure reports required under RCW 42.17A by the electronic alternative provided by the commission.

WAC 390-19-030 provides that a filer "expects to expend" \$5,000 or more for the purposes of the electronic filing requirement of RCW 42.17A.245 when the filer is a candidate for the same office last sought and his or her campaign expenditures in the previous election for the same office were \$5,000 or more.

VIOLATIONS

1. Based on the Stipulation of Facts set forth above, Respondent Bailey Stober stipulates that he violated RCW 42.17 and RCW 42.17A as follows:
 - A. RCW 42.17.080 and RCW 42.17.090 by failing to disclose \$2,700 in contributions and \$4,324 in expenditures for the 2011 Kent City Council Campaign;
 - B. RCW 42.17.040 and RCW 42.17.050 by failing to amend his C-1 Candidate Registration within 10 days of being informed of the resignation of the treasurer listed on his initial registration for his 2011 campaign;
 - C. RCW 42.17.235 by failing to preserve books of account, bills, receipts, and all other financial records of his 2011 Kent City Council campaign for not less than five calendar years following the year during which the transaction occurred;

- D. RCW 42.17A.235 and RCW 42.17A.240 by failing to timely file reports of \$4,100 in contributions and \$10,306 in expenditures for the 2013 Kent City Council Campaign;
- E. RCW 42.17A.245 by failing to file reports of all contribution and expenditure activity for his 2013 Kent City Council campaign by the electronic alternative provided by the commission; and
- F. RCW 42.17A.235 by failing to allow and honor appointments to inspect his campaign books of account for the 2013 election.

PENALTY

1. Based upon the Stipulation of Facts and Violations set forth above, Respondent Bailey Stober agrees to pay a total civil penalty of \$4,000 with \$2,000 suspended on the following conditions:
 - a. Respondent Stober is not found to have committed any of the same or similar violations of the disclosure provisions of RCW 42.17A within four years of the date of the final order in this matter.
 - b. Respondent Stober pays the non-suspended portion of the penalty (\$2,000) within two years from the date of the final order.

2. Respondent Bailey Stober affirms his intention to comply in good faith with the provisions of RCW 42.17A in the future.

Fred C. Kiga
Digitally signed by Fred C. Kiga
 DN: cn=Fred C. Kiga, o=Washington State
 Public Disclosure Commission, ou,
 email=fred.kiga@pdc.wa.gov, c=US
 Date: 2015.07.16 10:32:05 -07'00'
 Frederick C. Kiga, Executive Director
 Public Disclosure Commission

 Date Signed



 Bailey Stober, Respondent

7/15/15

 Date Signed