



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: pdc@pdc.wa.gov * Website: www.pdc.wa.gov

December 14, 2006

CLAUDIA KALLES
444 BEACON HILL DR
HOQUIAM WA 98550

Subject: Final Order - PDC Case No. 07-039

Dear Ms. Kalles:

Enclosed is the Public Disclosure Commission's Final Order that was entered in the above-referenced case. Also enclosed is a copy of the Stipulation.

Unless you seek reconsideration of the Final Order, or exercise your appeal rights as outlined in the Order, you are to pay the non-suspended portion of the assessed civil penalty (\$2,500) within 90 days from the date of the entry of the Final Order.

If you have questions, please contact me at (360) 664-8853 or toll free at 1-877-601-2828 or by e-mail at pstutzman@pdc.wa.gov.

Sincerely,

Philip E. Stutzman
Director of Compliance

Enclosures – Final Order and Stipulation

Copy to:
Linda A. Dalton, Senior Assistant Attorney General
Nancy Krier, Senior Counsel, Attorney General's Office



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2
3 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
4 **OF THE STATE OF WASHINGTON**

5 In the Matter of Enforcement Action Against:
6 Claudia Kalles,
7 Respondent

PDC CASE NO. 07-039
FINAL ORDER

8
9 This matter came for hearing before the Washington State Public Disclosure
10 Commission on November 30, 2006 at the Evergreen Plaza Building, Room 206, 711
11 Capitol Way South, in Olympia, Washington. Those present included Commission
12 members Ken Schellberg, Secretary; Mike Connelly, Member; and Earl Tilly, Member.
13 Also present were PDC Executive Director Vicki Rippie; Linda A. Dalton, Assistant
14 Attorney General; Phil Stutzman, Director of Compliance representing Commission staff,
15 and Claudia Kalles, Respondent. Nancy Krier, Senior Assistant Attorney General and
16 counsel for the Commission, was also present. The proceedings were open to the public
17 and were recorded.

18 This matter involved allegations that the Respondent committed two violations of
19 RCW 42.17.120 during the 2006 Grays Harbor County Assessor election.

20 PDC Staff submitted to the Commission the Notice of Administrative Charges dated
21 November 20, 2006 and the PDC Report of Investigation dated November 17, 2006 (with
22 exhibits). The parties submitted to the Commission a proposed Stipulation as to Facts,
23 Violations and Penalty (Stipulation) dated November 27, 2006. The parties also made oral
24 presentations to the Commission.

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1 Following consideration of the written and oral submissions, the Commission voted
2 to accept the Stipulation.

3 **I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

4 Based upon the Stipulation accepted by the Commission, which is hereby attached
5 and incorporated by reference, the Commission finds:

6 The Jurisdiction, Facts, Violations, and Penalty are established as provided in the
7 Stipulation.

8 **II. ORDER**

9 Based upon the findings and conclusions, the Commission orders that:

- 10 1. The Stipulation is accepted.
- 11 2. The Respondent is assessed a total civil penalty as provided in the
12 Stipulation in the amount of \$7,500. Of the penalty amount, \$5,000 will be suspended on
13 the following conditions: (1) that the Respondent does not serve in the capacity of treasurer
14 or deputy treasurer, or receive, account for or deposit campaign contributions in any future
15 election campaign for public office; and (2) that the Respondent commits no further
16 violations of RCW 42.17 for four years from the date of the entry of the Commission's
17 Final Order in this matter. Payment of the non-suspended portion of the penalty (\$2,500) is
18 due within 90 days from the date of entry of the Commission's Final Order in this matter.

19
20 **III. APPEALS**

21 **RECONSIDERATION OF FINAL ORDER - COMMISSION**

22 Any party may ask the Commission to reconsider this final order. Parties must
23 place their requests for reconsideration in writing, include the specific grounds or reasons
24 for the request, and deliver the request to the Public Disclosure Commission Office within
25 **TWENTY-ONE (21) BUSINESS DAYS** of the date that the Commission serves this order
26

1 upon the party. WAC 390-37-150. Service by the Commission on a party is accomplished
2 on the date of mailing by U.S. mail if the order is mailed, or the date of personal service if
3 personal service is made. RCW 34.05.010(19). The Commission orders are generally
4 mailed via U.S. mail.
5

6 Pursuant to WAC 390-37-150, the Public Disclosure Commission is deemed to have
7 denied the petition for reconsideration if, within twenty (20) business days from the date the
8 petition is filed, the Commission does not either dispose of the petition or serve the parties
9 with written notice specifying the date by which it will act on the petition. Pursuant to
10 RCW 34.05.470(5), the Respondent is not required to ask the Public Disclosure
11 Commission to reconsider the final order before seeking judicial review by a superior court.
12

13 **FURTHER APPEAL RIGHTS – SUPERIOR COURT**

14 Pursuant to RCW 42.17.395(5), a **final order** issued by the Public Disclosure
15 Commission is subject to judicial review under the Administrative Procedures Act, chapter
16 34.05 RCW. The procedures are provided in RCW 34.05.510 - .598. Pursuant to RCW
17 34.05.542(2), a petition for judicial review must be filed with the superior court in Thurston
18 County or the petitioner's county of residence or principal place of business. The petition
19 for judicial review must be served on the Public Disclosure Commission and any other
20 parties within **30 days** of the date that the Public Disclosure Commission serves this final
21 order on the parties. RCW 34.05.542 (4) provides: "Service of the petition on the agency
22 shall be by delivery of a copy of the petition to the office of the director, or other chief
23 administrative officer or chairperson of the agency, at the principal office of the agency.
24 Service of a copy by mail upon the other parties of record and the office of the attorney
25
26

1 general shall be deemed complete upon deposit in the United States mail, as evidenced by
2 the postmark.”

3 If reconsideration is properly sought, the petition for judicial review must be served
4 on the Public Disclosure Commission and any other parties within thirty (30) days after the
5 Commission acts on the petition for reconsideration.
6

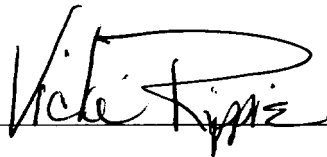
7 **ENFORCEMENT OF FINAL ORDERS**

8 The Commission will seek to enforce this final order in superior court under RCW
9 42.17.395-.397, and recover legal costs and attorney’s fees, if the penalty remains unpaid
10 and no petition for judicial review has been filed under chapter 34.05 RCW. This action
11 will be taken without further order by the Commission.
12

13 The Executive Director is authorized to enter this order on behalf of the Commission.

14 DATED THIS 14th day of December, 2006.

15 FOR THE COMMISSION:

16 
17 _____

18 VICKI RIPPIE, Executive Director

19
20 *Attachment:* Stipulation as to Facts, Violations and Penalty dated November 27, 2006

21 *Date of mailing:*

22 _____

23 *Copy mailed to:*

24 Claudia Kalles, Respondent
25 Linda A. Dalton, Senior Assistant Attorney General
26 Nancy Krier, Senior Counsel, Attorney General’s Office

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

6 In the Matter of Enforcement Action
7 Against:

8 Claudia Kalles,

9 Respondent.

PDC CASE NO. 07-039

STIPULATION AS TO FACTS,
VIOLATIONS AND PENALTY

10 The parties hereto, the Public Disclosure Commission Staff, through its Executive
11 Director, VICKI RIPPIE, and the Respondent CLAUDIA KALLES submit this Stipulation as
12 to Facts, Violations and Penalty. The parties agree that pursuant to RCW 42.17.360 and
13 WAC 390-37-090, the Commission has the authority to accept, reject, or to suggest
14 modifications to this Stipulation.

15 **I. JURISDICTION**

16 The Public Disclosure Commission has jurisdiction over this proceeding pursuant to
17 Chapter 42.17 RCW, the Public Disclosure Act; Chapter 34.05 RCW, the Administrative
18 Procedure Act; and Title 390 WAC.

19 **II. FACTS**

20 1. On February 1, 2001, Darrell Haglund left the Thurston County Assessor's
21 Office, where he was employed as a real estate appraiser, and accepted an appointment to the
22 position of Grays Harbor County Assessor. In September 2001, he ran for election to complete
23 the final year of the unexpired term of the Assessor's position, but lost the election to Ed Prkut.
24 He then returned to the Thurston County Assessor's office where he has been employed as a
25 real estate appraiser since January 1, 2002. In 2006, when incumbent Ed Prkut decided not to
26 run for re-election, Mr. Haglund again ran for the position of Grays Harbor County Assessor.

1 2. Cherri Rose-Konschu is a real estate appraiser for the Grays Harbor County
2 Assessor's office. She was a candidate for Grays Harbor County Assessor in the 2006
3 election. Ms. Rose-Konschu defeated Darrell Haglund in the Democratic Primary election
4 held September 19, 2006. There was no Republican challenger in the general election, and Ms.
5 Rose-Konschu was elected as the Grays Harbor County Assessor on November 7, 2006.

6 3. Ted May was employed for 30 years by the Thurston County Assessor's Office
7 as a Residential Real Estate Appraiser. For the past two years, Mr. May has been employed by
8 the Grays Harbor County Assessor's Office as a Senior Residential Real Estate Appraiser. He
9 resigned his position with the Grays Harbor County Assessor's Office following the September
10 19, 2006 Primary Election.

11 4. Claudia Kalles is employed by the Grays Harbor County Assessor's Office as
12 Chief Deputy Assessor. She has been employed by the Assessor's Office for 34 years and has
13 been the Chief Deputy Assessor since November 2001.

14 5. Ms. Kalles served as the Campaign Manager for the Cherri Rose-Konschu
15 campaign. Ms. Kalles and Ms. Rose-Konschu were the only names listed on the campaign
16 bank account. Campaign contributions were received and deposited by Ms. Kalles who
17 recorded the contributor information in a notebook and gave the relevant information to the
18 campaign treasurer who recorded the information on C-3 reports. Ms. Rose-Konschu signed
19 all C-3 and C-4 reports, disclosing the campaign's contribution and expenditure activities.

20 **A. \$1,000 Contribution Made on July 11, 2006**

21 6. On July 10, 2006, Cherri Rose-Konschu filed a Candidate Registration (PDC
22 form C-1) as a candidate for Grays Harbor County Assessor. On July 11, 2006, Ted May
23 contributed \$1,000 to the Rose-Konschu campaign. He wrote a check in the amount of \$1,000,
24 payable to Claudia Kalles, the Campaign Manager. Mr. May made the check payable to Ms.
25 Kalles because he did not want Ms. Rose-Konschu's name to appear on the check. Ms. Kalles
26 deposited the check in the campaign bank account.

1 7. Ms. Kalles said she offered to report the \$1,000 contribution in her name
2 because she knew Mr. May wanted to remain anonymous. Mr. May said he did not want Mr.
3 Haglund, who he had worked with at the Thurston County Assessor's Office, to know he had
4 contributed to Ms. Rose-Konschu's campaign because he feared there would be repercussions
5 if Mr. Haglund won the election and knew of his contributions. Mr. May said he told Ms.
6 Kalles to show his contribution as anonymous if it was allowable to report his contribution in
7 that manner.

8 8. Ms. Kalles recorded her name in the contributor notebook as the source of the
9 May contribution and provided this information to the treasurer who reported Claudia Kalles as
10 contributing \$1,000 on July 11, 2006.

11 **B. \$1,000 Contribution Made on July 31, 2006**

12 9. On July 31, 2006, Ted May made a second \$1,000 contribution to the Rose-
13 Konschu campaign. He again wrote a check in the amount of \$1,000, payable to Claudia
14 Kalles, the Campaign Manager. Ms. Kalles deposited the check in the campaign bank account.
15 Mr. May said he did not discuss with Ms. Kalles how the second contribution would be
16 reported. He said he assumed it would be reported in the same manner as the first contribution.

17 10. Ms. Kalles recorded the name of her husband, Ken Kalles, in the contributor
18 notebook and provided this information to the treasurer who reported Ken Kalles as
19 contributing \$1,000 on July 31, 2006.

20 **III. VIOLATIONS**

21 Based on the facts stipulated to above, the Respondent agrees that she committed two
22 violations of RCW 42.17.120.

1 IV. PENALTY

2 Based upon the stipulated facts and the agreement regarding violations set forth above,
3 the Respondent agrees to pay a penalty of \$7,500. Of the penalty amount, \$5,000 will be
4 suspended on the following conditions: (1) that the Respondent does not serve in the capacity
5 of treasurer or deputy treasurer, or receive, account for or deposit campaign contributions in
6 any future election campaign for public office; and (2) that the Respondent commits no further
7 violations of RCW 42.17 for four years from the date of the entry of the Commission's Final
8 Order in this matter. Payment of the non-suspended portion of the penalty (\$2,500) is due
9 within 90 days from the date of entry of the Commission's Final Order in this matter.

10
11 Stipulated to and dated this ^{27th}~~22nd~~ of November 2006.

12
13 Vicki Rippe
14 VICKI RIPPIE, Executive Director
15 Public Disclosure Commission

11/27/06
Date Signed

16 Claudia Kalles
17 CLAUDIA KALLES, Respondent

Nov. 22, 2006
Date Signed