



STATE OF WASHINGTON  
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE	)	PDC CASE NO: 13-003
WITH RCW 42.17	)	
	)	
Tami Herman	)	Report of Investigation
	)	
Respondent	)	
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**I.**  
**Background**

- 1.1 North Beach Water District (NBWD) is a special purpose district that operates a public water district in Pacific County around the unincorporated area of Ocean Park on the Long Beach Peninsula. NBWD is a public agency with elected Water Commissioners. It is audited by the Washington State Auditor's Office.
- 1.2 Tami Herman was employed by NBWD from January, 2011 until May 11, 2012, where she worked as a billing clerk, acting Office Manager, and later as the Office Manager. William Neal is the General Manager for NBWD.
- 1.3 On December 16, 2011, William "Bill" Herman, Jr., Ms. Herman's spouse, filed a Candidate Registration (C-1 report) declaring his candidacy for Pacific County Commissioner for the 2012 election and selecting the Full Reporting option. The C-1 listed Ms. Herman as Mr. Herman's campaign treasurer (**Exhibit 1**).
- 1.4 Between May 14 and June 1, 2012, Ms. Herman contacted PDC by telephone on at least three occasions and discussed her use of NBWD facilities to assist her husband's campaign (**Exhibit 2**).
- 1.5 On June 17, 2012, the PDC received a complaint from Ms. Herman alleging that Mr. Neal had violated RCW 42.17A.555 in 2012 by authorizing her to use the facilities of NBWD to assist the 2012 campaign for Pacific County Commissioner of Bill Herman, Jr., spouse of Ms. Herman (**Exhibit 3**). Staff investigated Ms. Herman's complaint against Mr. Neal in PDC Case No. 13.002.

## **II.** **Allegations**

- 2.1 In Ms. Herman's complaint, she acknowledged using NBWD facilities to assist her husband's campaign. Because of Ms. Herman's admission, PDC staff opened a separate investigative file for Ms. Herman, PDC Case No. 13-003. On September 12, 2012, PDC staff sent a letter to Ms. Herman informing her that an investigating case file had been opened naming her as a Respondent to determine whether she violated RCW 42.17.130 and RCW 42.17A.555.

## **III.** **Findings**

- 3.1 On January 27, 2011, Ms. Herman was hired by the NBWD as a Utility Billing Clerk. She stated that when she was hired, she and Office Manager Tia Cristfulli ran the office. She stated that William Neal was hired as the General Manager a few weeks after she was hired. She stated NBWD has roughly 2,500 customer accounts to maintain. Ms. Herman stated she typically worked 30 to 100 hours of overtime each month to complete her assigned duties. She said Mr. Neal authorized the overtime.
- 3.2 On February 14, 2011, Mr. Neal was hired as the General Manager for NBWD. Prior to serving as the NBWD General Manager, he was the part-time water systems operator for Surfside Homeowners Association (SHA). He stated that his work background included experience gained from his work at Arcadia Drilling, Inc., a family-owned on-going business that has owned and operated public water systems, drilled wells for water, and installed pump and water filtration systems. He said he is not currently involved with the business because its operation is being transferred to the family's next generation.

### **Ms. Herman's Response to Staff allegations**

- 3.3 Ms. Herman did not submit a formal response to staff's allegations against her, as requested by PDC staff. On October 22, 2012, PDC staff made a follow-up request for a formal response, including details about the work she performed for her spouse's campaign using NBWD facilities. After staff was unable to obtain a formal response, an interview was scheduled, and on March 13, 2013, an interview under oath was conducted with Ms. Herman (**Exhibit 4**).
- 3.4 During Ms. Herman's telephone conversations with PDC staff member Tony Perkins, and again during her interview with PDC staff, Ms. Herman confirmed that she used the NBWD office printer on five or six occasions to print campaign-related documents for her spouse's campaign. She stated that she never conducted any campaign work during "customer face time" hours which she stated were from 8:00 a.m. to 5:00 pm.
- 3.5 Ms. Herman said she only worked on campaign-related activities as needed, and that she limited her campaign work at the office to times after normal work hours, typically in the evening when she was working overtime. She described the campaign activities which were done at the NBWD office as follows:

- Entry form for William Herman campaign golf tournament: Ms. Herman said she took a break from printing NBWD billing statements, and opened up the email she had sent from home to her NBWD email address concerning the campaign golf tournament. She said she spent about 10-15 minutes printing about 25 forms using paper she provided from her home or the campaign.
- William Herman campaign car signs: Ms. Herman said she printed about 50 campaign car signs using blue and green paper from the campaign. She stated the campaign had two kinds of car signs: (1) Magnetic car signs for the outside of a car; and (2) Signs for the inside of a car, similar to "baby on board" signs.
- William Herman campaign "Meet and Greet" invitations: Ms. Herman said she printed 25 invitations to a May 2012 "meet and greet" event with the candidate.
- William Herman campaign spreadsheets and other campaign-related documents: Ms. Herman said that early in the campaign she used her office computer on three or four occasions to conduct internet searches for her spouse's campaign. She said the queries were for campaign related information such as searching the Pacific County Auditor's website concerning her spouse's candidacy, and other campaign related activities. She stated that on occasion some of the information she obtained may have been entered into a campaign spreadsheet using her NBWD computer. She said the majority of the information gathered was entered using her personal laptop computer, and not on NBWD time.
- Ms. Herman stated that she also displayed a picture of one of her spouse's campaign signs on her NBWD computer as a screen saver.

- 3.6 Ms. Herman said she created the campaign-related documents at home using her personal computer, and then emailed the documents to her NBWD email address. She then used her NBWD computer and email account to access the documents and make edits as necessary. Ms. Herman emphasized that she used her NBWD computer and the office copy machine after normal work hours to print several documents related to her spouse's campaign, using paper supplied by her personally or by her husband's campaign.
- 3.7 During her interview under oath, Ms. Herman confirmed that she used NBWD facilities to assist her spouse's campaign, and that her activities included printing campaign flyers, campaign cards, enrollment forms for a campaign golf tournament, and other campaign-related documents. She stated that her use of NBWD facilities for campaign purposes was based on receiving permission to conduct these activities from Mr. Neal.
- 3.8 Ms. Herman was asked to identify the specific date when she received permission from Mr. Neal to work on her spouse's campaign using NBWD facilities, Ms. Herman stated the following:

*“...I do not have the specific date that I asked permission to print the campaign docs.”*  
*“...It was sometime last fall.”* Ms. Herman stated that she did not have any written evidence or emails to confirm her allegations, since she *“...verbally asked permission to print the docs.”*

- 3.9 Ms. Herman stated that even though she served as her spouse’s campaign treasurer, she did not work on his PDC reports using NBWD facilities. Ms. Herman also stated that she did not solicit or accept campaign contributions while working at the NBWD offices, and she did not contact or discuss her spouse’s campaign with any NBWD customers or staff persons while at work. Ms. Herman acknowledged that there was one vendor who provided website services for both the NBWD and her husband’s campaign. She said that she spoke with this vendor about the campaign website when the vendor was at the NBWD office to provide services for the NBWD website. She also said that on two occasions she discussed the campaign website with this vendor using the NBWD telephone.

**Ms. Herman’s claim that campaign-related use of NBWD facilities was authorized**

- 3.10 Ms. Herman stated that one night when she was working overtime as the billing clerk, Mr. Neal was also working late. She said Mr. Neal was using the office copier to print brochures that she did not believe were related to NBWD business. She said Mr. Neal frequently worked on activities not related to NBWD business while in the office, using NBWD facilities. She said the work involved: (1) Arcadia Drilling, Inc., a family drilling business; (2) Surfside Homeowner’s Association, where he previously served as Systems Manager prior to being hired by NBWD; and (3) His church.
- 3.11 Ms. Herman stated that one night when she was working overtime, Mr. Neal was using the office copier to print some brochures that she said were related to the Surfside Homeowner’s Association. She said the copies had been made, but did not properly collate, staple, or finish, and she stopped the print job and offered to make the necessary corrections so the brochures would not need to be reprinted.
- 3.12 She said while correcting the print job she thought about the fact that she was working late for the NBWD and still needed to finish work for her husband’s campaign, including making copies. She said that as she dropped off the corrected brochures with Mr. Neal, she explained to him that after working long hours for NBWD she still had to make copies from home for her spouse’s campaign. She said it was during that conversation that she proposed emailing the campaign documents to her work email address so she could open the documents on her work computer after work hours and make copies for the campaign using the NBWD printer.
- 3.13 Ms. Herman said she told Mr. Neal she would provide the paper for the copier from either the campaign or her home. She stated that Mr. Neal told her she did not have to use her own paper, but she countered by informing him she was going to provide the paper since it was for her spouse’s campaign and it seemed appropriate to do so.
- 3.14 Ms. Herman said Mr. Neal agreed with her when she offered to provide the paper for the copies from her husband’s campaign.

3.15 On April 10, 2013, staff conducted an interview under oath with Mr. Neal in which he stated he had no recollection of the events that Ms. Herman described concerning his alleged authorization for her to use the NBWD office copier and other NBWD facilities.

3.16 Mr. Neal had previously submitted a three-page letter responding to Ms. Herman's complaint against him. His response included a number of attached documents (**Exhibit 5**). The attached documents included the following:

- A copy of PDC Interpretation #04-02: *Guidelines for Local Government Agencies in Election Campaigns*;
- A copy of an unsigned dismissal letter on NBWD letterhead from Mr. Neal dated May 13, 2012, addressed to Ms. Herman, with courtesy copies sent to Suzanne Michael, NBWD legal counsel, and Corrine Schmid of the Washington State Auditor's Office; and
- A May 11, 2012 letter addressed to Mr. Neal from the Bank of the Pacific, confirming that Ms. Herman was no longer an authorized signer on the NBWD bank account.

3.17 Mr. Neal also included a number of documents that he stated were maintained on Ms. Herman's NBWD computer. The documents were related to Mr. Herman's campaign for Pacific County Commissioner, and were labeled by Mr. Neal as Exhibit C in his October 1, 2012 response (**Exhibit 6**). The documents included the following:

1. Campaign letterhead for the Committee to Elect William "Bill" Herman;
2. Several pages of what appear to be designs for either a campaign logo, campaign sticker, or campaign yard signs;
3. Campaign organizational flowchart;
4. One-page spreadsheet of contributor information for monetary contributions made to Mr. Herman's campaign;
5. One-page spreadsheet of Mr. Herman's campaign committee officers that included a total of eight lines;
6. One-page spreadsheet of Mr. Herman's campaign volunteers with information about campaign assistance provided;
7. A two-page spreadsheet of Mr. Herman's campaign volunteers with contact information;
8. A blank multi-page printout for the Committee to Elect Bill Herman concerning volunteer activities that would be undertaken;
9. A one-page spreadsheet of Mr. Herman's "shirt ordering details;"
10. Invitations for Bill Herman golfing fundraiser;
11. Campaign postcards printed four to a page;
12. Draft of a photograph use agreement that addresses licensing periods and fees, with attached Model Release forms for an adult and a child;

13. A multi-page spreadsheet listing the names and addresses of individuals who are owners, executives, and principal officers of entities within Pacific County; and
  14. A large multi-page spreadsheet (at least 300 pages) listing the names and addresses of what appears to be registered voters in Pacific County, sorted by city.
- 3.18 Mr. Neal denied giving Ms. Herman permission to use NBWD facilities to support her spouse's campaign for Pacific County Commissioner. He denied giving permission to Ms. Herman to use NBWD computers or other NBWD resources to email, print, or otherwise use NBWD facilities to support her spouse's campaign.
- 3.19 Mr. Neal stated that a NBWD employee, Kristin Galovin, discovered the documents that are the subject of Ms. Herman's complaint after she was promoted from the front desk to the billing clerk position, and was assigned to use the computer and workspace that had previously been used by Ms. Herman. Mr. Neal stated that when Ms. Galovin discovered the volume of campaign documents on Ms. Herman's computer, she informed him of what she had found.
- 3.20 Mr. Neal could not remember exactly when Ms. Galovin informed him of the campaign-related documents. He referred to the May 1, 2012 date included in his October 1, 2012 response to the complaint as the most likely date Ms. Galovin informed him of her discovery.
- 3.21 PDC staff contacted Ms. Galovin, and she confirmed that she found many documents related to the William Herman campaign on the computer she was using as a billing clerk. She said Mr. Neal came into her workstation in late April of 2012 and saw a William Herman campaign bumper sticker on the front of her computer, and asked if she placed the sticker on her computer. Ms. Galovin said she told Mr. Neal she did not place the campaign bumper sticker on the computer, and she told him there were many documents related to William Herman's campaign on the computer she was using. She said Mr. Neal asked her to show him the documents, which she did.
- 3.22 Ms. Galovin confirmed that she volunteered on Mr. Herman's campaign, but said her involvement was limited to showing up for Saturday morning campaign meetings and taking notes for the committee. She said she was only involved with the campaign until May of 2012, and never wore a campaign button in the office. Ms. Galovin said she placed a magnetic William Herman campaign sign on her vehicle, but removed it at Mr. Neal's request.
- 3.23 Mr. Neal said he asked Ms. Galovin not to tell anyone about the documents found on Ms. Herman's computer, and not to delete any of the documents. Mr. Neal said he then contacted NBWD legal counsel, and later informed NBWD Commissioners of his findings at a special board meeting. He said that after several discussions, the board decided to terminate Ms. Herman's employment with NBWD.
- 3.24 Mr. Neal stated that he also contacted Corrine Schmid, an employee with the Washington State Auditor's Office assigned to audit NBWD. Mr. Neal said Ms. Schmid thanked him for the information, but did not contact him again about the matter. He said Ms. Michael

could not find a requirement to notify the PDC, which is why the Board decided not to inform the PDC of its findings.

- 3.25 Mr. Neal stated that he never witnessed Ms. Herman using the NBWD office printer or her computer for campaign purposes, including working on campaign-related spreadsheets or other documents, or conducting campaign treasurer activities such as working on PDC reports or soliciting or receiving campaign contributions. He stated that his awareness of Ms. Herman's activities was based on the materials found on Ms. Herman's computer by Ms. Galovin.
- 3.26 Mr. Neal stated he was not aware that Ms. Herman was displaying a picture of one of her spouse's campaign signs on her office computer as a screen saver, due to the configuration of the NBWD office. He stated he works in a part of the building that is separated from the front office area, and he could not see her screen saver unless he walked into her workstation.

#### **Other Campaign-related activity**

- 3.27 Ms. Herman stated that in January and February of 2012, while working as billing clerk she started wearing her spouse's campaign button in the office and displaying her spouse's campaign sign in her private vehicle. She stated that she did not receive permission or have discussions with Mr. Neal or anyone else from NBWD prior to, or even after she began wearing the campaign button or displaying the campaign sign in her car.
- 3.28 Mr. Neal stated that he noticed Ms. Herman was wearing her spouse's campaign button and displaying his campaign car sign in her private vehicle while at work. He stated that he reviewed a PDC publication, but could not recall which one, and he confirmed during his interview it was PDC Interpretation #04-02 "*Guidelines for Local Agencies in Election Campaign.*" He said after he reviewed the information, "*...it looked kind of like a gray area*" to him, particularly when it involved an individual's personal expression, and the district did not have a specific policy concerning either of those issues. He stated since the district did not have a policy addressing those issues, it was his understanding that NBWD should take no action and *just let it go.*"
- 3.29 Ms. Herman said as NBWD Office Manager she continued to wear her spouse's campaign button at work, and display his campaign car sign in her personal vehicle parked on agency property. Mr. Neal stated that at the April 16, 2012, regular meeting of the NBWD Commissioners, Commissioner R.D. Williams provided copies of PDC Interpretation #04-02, "*Guidelines for Local Government Agencies in Election Campaigns*" to Mr. Neal and to the other two NBWD Commissioners. Mr. Neal went on to state the following:
- "... that Commissioner Williams presented the document because he had noticed campaign signs on personal vehicles parked near the District's business office and campaign buttons being worn by some District employees..."***
- 3.30 Staff reviewed the minutes for the NBWD May 21, 2012 Regular Meeting of the Board of Commissioners. The minutes included a public comments portion during which several

citizens made comments, including Ms. Herman, who stated that she was concerned about the way she was terminated by Mr. Neal, and about the way she was treated by North Beach Water Commissioner R.D. Williams. She also expressed concern that staff of NBWD was not properly trained.

#### **IV.** **Scope**

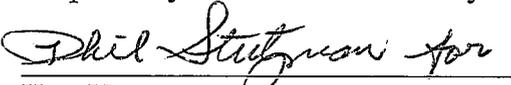
4.1 PDC staff reviewed the following documents and information:

- Complaint filed by Ms. Herman;
- May 14, 2012, PDC staff telephone record of Tony Perkins and conversation he had with Ms. Herman;
- October 1, 2012, three-page cover letter submitted by Mr. Neal in response to the complaint filed by Ms. Herman;
- Several documents that Mr. Neal stated were copied from Ms. Herman's NBWD computer and labeled as "Exhibit C in Mr. Neal's response;
- Copies of the telephone records detailing conversations between PDC staff member Tony Perkins and Ms. Herman, prior to when she filed her complaint;
- March 13, 2013, telephone interview conducted under oath with Ms. Herman;
- April 10, 2013, telephone interview conducted under oath with Mr. Neal; and
- Information contained on the NBWD website, including NBWD meeting minutes.

#### **V.** **Laws and Rules**

5.1 **RCW 42.17A.555** states, in part: "No elective official nor any employee of his or her office nor any person appointed to or employed by any public office or agency may use or authorize the use of any of the facilities of a public office or agency, directly or indirectly, for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition. Facilities of a public office or agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of employees of the office or agency during working hours, vehicles, office space, publications of the office or agency, and clientele lists of persons served by the office or agency..."

Respectfully submitted this 10<sup>th</sup> day of May, 2013.

  
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Kurt Young  
PDC Compliance Officer

**List of Exhibits**

- Exhibit 1** Candidate Registration filed by William "Bill" Herman Jr. on December 16, 2011, declaring his candidacy for Pacific County Commissioner in 2012.
- Exhibit 2** May 14, 2012, PDC staff telephone record of Tony Perkins.
- Exhibit 3** June 17, 2012, complaint filed by Tami Herman, Office Manager of the North Beach Water District, against William Neal.
- Exhibit 4** October 1, 2012, three-page response letter along with several attached documents from William Neal concerning the complaint filed by Ms. Herman.
- Exhibit 5** Documents provided with October 1, 2012 response from William Neal, discovered on the NBWD computer used by Ms. Herman. (Excerpts only of certain voluminous documents)
- Exhibit 6** Memorandum of March 13, 2012 telephone interview under oath conducted with Ms. Herman.