



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

Troy Kelley
2521 Fremont Street
Tacoma, WA 98406

In Re Compliance with RCW 42.17

Troy Kelley

Respondent.

PDC Case No. 13-017

Findings of Fact,
Conclusions of Law, and
Order Imposing Fine
(Brief Enforcement Hearing)

A brief enforcement hearing (brief adjudicative proceeding) was held December 6, 2012, in Room 206, Evergreen Plaza Building, 711 Capitol Way, Olympia, Washington to consider whether Troy Kelley violated RCW 42.17.241 by failing to file an F-1 Supplement to his Personal Financial Affairs Statement (Form F-1) for United National, LLC (United National) for calendar year 2008, and by failing to file an accurate F-1A for calendar year 2009, disclosing: (1) his ownership interest (2008 F-1 Supplement); (2) the trade names registered and in active use (2008 F-1 Supplement); (3) a description of the business involvement (2008 F-1 Supplement); and (4) that that the business had been dissolved in 2008 and that no income had been earned (2009 F-1A).

The hearing was held in accordance with Chapters 34.05 and 42.17A RCW and Chapter 390-37 WAC. Commission Chair Amit Ranade was the Presiding Officer. The Commission staff was represented by Phil Stutzman, Director of Compliance. The Respondent participated by telephone and provided sworn testimony that was considered by the Presiding Officer.

A brief enforcement hearing notice was sent to Troy Kelley on November 26, 2012. Having considered the evidence, the Presiding Officer finds as follows:

FINDINGS OF FACT

1. The Respondent is an incumbent State Representative from the 28th Legislative District since being elected to that office in 2006.
2. On April 13, 2012, the Respondent filed a Candidate Registration (C-1 report) declaring his candidacy for Washington State Auditor in 2012.

3. On September 26, 2012, Kirby Wilbur, Chair of the Washington State Republican Party, filed a 45-day Citizen Action Letter pursuant to RCW 42.17A.765(4) alleging that the Respondent failed to file complete and accurate F-1 reports dating back to 2005.
4. On April 9, 2009, the Respondent timely filed a full F-1 report for calendar year 2008.
5. The Respondent timely filed three consecutive F-1A No Change reports as follows: (1) on April 2, 2010, he filed an F-1A report for calendar year 2009; (2) on March 31, 2011, he filed an F-1A report for calendar year 2010; and (3) on March 5, 2012, he filed an F-1A report for calendar year 2011.
6. On November 8, 2012, the Respondent filed an F-1 Supplement for United National, LLC, for calendar year 2008, disclosing: (1) The legal name for United National was United National, LLC; (2) The business trade or operating name was Post Closing Department; (3) United National, LLC was dissolved in June of 2008; (4) The Respondent held an 80 percent ownership interest in United National, LLC; (5) Seven reportable business customers paid United National, LLC more than \$7,500 during the first six months of 2008; and (6) The seven reportable business customers were paid for performing "document preparation" services.
7. On November 8, 2012, the Respondent filed an amended F-1A covering calendar year 2008, confirming that United National, LLC was closed in June in 2008, disclosing income earned by the Respondent as Code "E," disclosing the asset value of United National as Code "E," and disclosing that the Respondent earned no income from United National in 2009, 2010, or 2011.
8. The Respondent disclosed the information about United National, LLC more than three and one half years (1,301 days) after the April 15, 2009 due date.
9. When the Respondent filed his F-1 report for 2008 in April of 2009, he disclosed income earned from United National, LLC in Sections 1 and 3c of the F-1 report, but did not file an F-1 Supplement for United National, LLC. The Respondent stated that his failure to file an F-1 Supplement was an inadvertent oversight that occurred because the business had been closed nine months earlier. He stated that the filing error was not intentional.
10. The Respondent stated that the United National, LLC business customers reported on the F-1 Supplement for 2008 were listed on the F-1 Supplement filed for calendar year 2005. He said he did not think the public was deprived of any critical information because he timely disclosed the income he received from United National, LLC in 2008 on his F-1 report.

CONCLUSIONS OF LAW

Based on the above facts, as a matter of law, the Presiding Officer concluded as follows:

1. This matter was duly and properly convened and all jurisdictional, substantive and procedural requirements have been satisfied.

2. The Respondent violated RCW 42.17.241 by failing to file an F-1 Supplement to his Personal Financial Affairs Statement for United National, LLC for calendar year 2008, and by failing to file an accurate F-1A for calendar year 2009, disclosing: (1) his ownership interest (2008 F-1 Supplement); (2) the trade name registered and in active use (2008 F-1 Supplement); (3) a description of the business involvement (2008 F-1 Supplement); and (4) that the business had been dissolved in 2008, and that no income had been earned after 2008 (2009 F-1A).

ORDER

ON the basis of the foregoing Findings of Fact and Conclusions of Law,

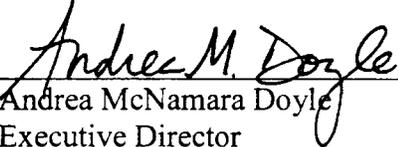
IT IS HEREBY ORDERED that the Respondent is assessed a civil penalty of \$200, of which \$100 is suspended on the condition that the Respondent is not found to have committed any further violations of RCW 42.17 or RCW 42.17A within four years of the date of this order.

If Respondent fails to comply with any of these conditions, the suspended portion of the penalty will become immediately due and payable without further action by the Commission.

This is an **Initial Order** of the Public Disclosure Commission.

Entered this 21st day of December, 2012.

Public Disclosure Commission


Andrea McNamara Doyle
Executive Director

Enclosure: Information about Appeal Rights

**INFORMATION ABOUT APPEALS OF INITIAL ORDERS,
FURTHER APPEAL RIGHTS,
AND ENFORCEMENT OF FINAL ORDERS**

APPEALS

REVIEW OF INITIAL ORDER - BY THE COMMISSION

The presiding officer will issue an initial order following a brief enforcement hearing. Any party may request the Commission **review** an initial order. Parties seeking the review must:

- Make the request orally or in writing, stating the reason for review. *WAC 390-37-144.*
- Deliver the request so it is received at the Commission office within **TWENTY-ONE (21) BUSINESS DAYS** after the postmark date of the initial order.

A Respondent does not need to pay a penalty until after the Commission rules on the request.

If the Commission is unable to schedule a meeting to consider the request within twenty (20) business days, the initial order becomes a **final order** and the request will automatically be treated as a **request for reconsideration** of a final order (unless the party advises the Commission otherwise, such as by withdrawing the request). See more information on reconsideration below. If the request for review was an oral request, it must now be confirmed in writing. The matter will be scheduled before the full Commission as soon as practicable.

If the Commission does not receive a request for review within twenty-one (21) business days, the initial order will automatically become a **final order**. At that point, the Respondent is legally obligated to pay the penalty unless reconsideration has been sought or the matter has been timely appealed to Superior Court. *RCW 42.17A.755; RCW 34.05.470; RCW 34.05.570.*

RECONSIDERATION OF FINAL ORDER – BY THE COMMISSION

Any party may ask the Commission to **reconsider** a final order. Parties seeking reconsideration must:

- Make the request in writing;
- Include the specific grounds or reasons for the request; and
- Deliver the request to the PDC office so it is received within **TWENTY-ONE (21) BUSINESS DAYS** of the date that the Commission serves this order upon the party. *WAC 390-37-150.* (Note that the date of service by the Commission on a party is considered the

date of mailing by U.S. mail if the order is mailed, or the date received if the order is personally served. RCW 34.05.010(19). The Commission orders are generally mailed via U.S. mail.)

Within twenty (20) business days after the petition for reconsideration is filed, the Commission may either act on the petition or notify the parties in writing of the date by which it will act. If neither of these events happens within twenty business days, the Commission is deemed to have denied the petition for reconsideration. *WAC 390-37-150*.

A Respondent is not required to ask the Commission to reconsider a final order before seeking judicial review by a superior court. *RCW 34.05.470(5)*.

FURTHER APPEAL RIGHTS – SUPERIOR COURT

A **final order** issued by the Public Disclosure Commission is subject to **judicial review** under the Administrative Procedure Act (APA), chapter 34.05 RCW. *RCW 42.17A.755*. The procedures are provided in the APA at RCW 34.05.510 - .574.

ENFORCEMENT OF FINAL ORDERS

If **enforcement** of a final order is required, the Commission may seek to enforce a final order in superior court under RCW 42.17A.755 - .760, and recover legal costs and attorney's fees if a penalty remains unpaid and no petition for judicial review has been filed. This action will be taken without further order by the Commission.