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## MONTANA FIRST JUDICIAL DISTRICT COURT LEWIS AND CLARK COUNTY

DEPARTMENT OF FISH, WILDLIFE AND PARKS,

Petitioner,

V.

TRAP FREE MONTANA PUBLIC LANDS,

Respondent.

Cause No. BDV-2016-1058

ORDER ON PETITION FOR JUDICIAL REVIEW

Before the Court is Petitioner Department of Fish, Wildlife and Parks' (FWP) petition for judicial review of the Office of the Commissioner of Political Practices' (COPP) decision COPP-2014-ETH-5, opposed by Respondent Trap Free Montana Public Lands (Trap Free). The petition is fully briefed and no party requested oral argument.

### **BACKGROUND**

FWP acquired a trailer and displays of taxidermized furbearing animals sometime in the 1990s. The trailer is emblazoned with FWP's logo. For several

years, the Montana Trappers' Association (MTA) used the trailer and displays in outreach and education efforts.

In 2014, Trap Free was advocating for citizen initiative I-169, which would have prohibited trapping of wildlife on public land. At the time of the alleged violations, I-169 had not yet qualified for the ballot and was in the signature gathering stage.

On May 31, 2014, MTA used the FWP displays at an event organized to oppose I-169. On June 14, 2014, MTA vice president Jason Maxwell and other MTA members set up a booth at the Hamilton farmers' market. The booth included both the furbearer displays and a banner reading, "Vote No on I-169." There are no findings of fact or evidence in the administrative record that FWP employees used or authorized MTA to use the displays to advocate against I-169.

On June 16 or 17, 2014, FWP furbearer coordinator Brian Giddings received complaints about MTA's use of FWP equipment to oppose I-169. On June 17, 2014, Giddings informed FWP agency legal counsel Aimee Hawkaluk about the complaints. Hawkaluk advised Giddings that "he, or someone within the Department [FWP] should call the Montana Trappers Association to reinforce that all their activities related to the ballot initiative should be kept completely separate from the use of our trailer and other FWP materials."

That same day, FWP communications/educator division administrator Ron Aasheim informed FWP chief legal counsel Rebecca Dockter of the complaints and stated that MTA "should not be allowed to continue the use of the equipment in any way connected with their initiative advocacy." Aasheim emailed MTA president Toby Walrath, who responded on June 17, 2014, that combining the

efforts of their education and outreach organizations was a poor decision and that "[t]his will not happen again."

In July 2014, Trap Free filed a complaint with COPP against FWP alleging violations of the Ethics Code, specifically Mont. Code Ann. § 2-2-121(3), which provides that "a public officer or public employee may not use public time, facilities, equipment, supplies, personnel, or funds to solicit support for or opposition to … the passage of a ballot issue."

Both FWP and the hearing examiner's decision state that FWP filed an answer to the complaint and objection with COPP on September 2, 2014, in which FWP sought dismissal of the complaint arguing no allegation was made that any FWP employee used public resources to oppose I-169. Inexplicably, this document was not entered into COPP's docket of this case until October 24, 2016, over two years after the document was filed.

On June 9, 2016, the Commissioner entered an acceptance of the complaint and appointed a hearing officer. In the acceptance, the Commissioner determined:

[T]he complaint alleges the following facts and issues supporting potential violations of the Code of Ethics:

- A) Whether a Montana Fish Wildlife and Parks public employee or officer knew, or reasonably should have known that Jason Maxwell was a vice president of the Montana Trappers Association, a group who was actively advocating against passage of ballot initiatives I-167 and I-169 in 2013 and 2014.
- B) Whether Montana Fish Wildlife and Parks public employee or officer knew or reasonably should have known that providing temporary possession of state

equipment to a private individual or group could lead to use of state equipment for advocacy purposes, Mont. Code Ann § 2-2-121(3).

C) Whether a Montana Fish Wildlife and Parks public employee or officer took appropriate steps to prevent the use of "public time, facilities, equipment, supplies, personnel or funds" for ballot issue advocacy purposes, Mont Code Ann. § 2-2-121(3).

On October 21, 2016, a full-day evidentiary hearing was held before a hearing officer. On the same day, the hearing officer issued an order for additional legal briefing on FWP's combined September 2, 2014 answer and objection, which stated:

When researching FWP's objection to the Commissioner's legal standard, the Hearing Examiner found Mont. Code Ann. § 87-1-204, which addresses FWP employee political activity. There has been at least one case interpreting the statute, *Montana Shooting Sports* [sic] *Association, Inc. v. Mont. Dept. of Fish, Wildlife and Parks*, 2008 MT 190, 344 Mont. 1, 185 P.3d 1003.

The order requested briefing on "how the Hearings Examiner should harmonize and give effect to the provisions of Mont. Code Ann. §§ 87-1-204, 2-2-121, and 13-35-226(4), all of which relate to public employee activity."

FWP's brief argued that COPP misunderstood its objection, clarifying that FWP has never challenged which statute was applied but rather that the statute was rewritten in the form of COPP's restated "issues." FWP further argued that post-hearing notice of possible violations under different statutes would violate defendants' due process rights. Trap Free argued that all of the statutes should be

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applied because the legislature intended for those statutes to limit political activity of state employees.

On November 22, 2016, the hearing examiner's decision provided that "[t]he Commissioner overruled that objection by issuing his Acceptance of Complaint and Appointment of Hearings Examiner on June 9, 2016." However, the June 9, 2016 acceptance neither considers the substantive arguments in FWP's response nor even mentions that FWP requested dismissal.

On November 22, 2016, COPP issued both the hearing officer's proposed order and the Commissioner's final agency decision adopting the hearing officer's order.

> The decision contains numerous findings of fact, and five conclusions of law:

- 1. "Public officers and employees have a duty to take reasonable steps to prevent the private use of public time, property and resources for political advocacy purposes as provided by Mont. Code Ann. § [2-2-121(3)]."1
- 2. "State agencies must provide and maintain a written current contractual agreement and policy regulating the private use of state property in order to comply with the Code of Ethics, Mont. Code Ann. § [2-2-121(3)]."<sup>2</sup>
- "FWP knew that Jason Maxwell was a vice president of Montana Trapper's Association, a group actively advocating against passage of ballot initiatives I-167 and I-169 in 2013 and 2014."

<sup>&</sup>lt;sup>1</sup> COPP presumably intended to cite Mont. Code Ann. § 2-2-121(3), and not Mont. Code Ann. § 2-2-136(3) which concerns the process of enforcement and contains no prohibitions at issue in this case.

<sup>&</sup>lt;sup>2</sup> See footnote 1.

- 4. "FWP employees or officers knew or reasonably should have known that providing temporary possession of state equipment to a private individual or group could lead to use of state equipment for advocacy purposes."
- 5. "FWP employees or officers did not take appropriate steps to prevent the private use of 'public time, facilities, equipment, supplies, personnel or funds' for ballot issue advocacy purposes, Mont. Code Ann. § 2-2-121(3)."

The adopted hearing officer's decision found "FWP as an agency" responsible for violating the "issues" outlined in the Commissioner's acceptance letter.

#### **ANALYSIS**

FWP argues COPP erred by (1) ignoring the plain language of the statute, (2) imposing a new, non-statutory duty, and (3) finding a violation without supporting evidence. Trap Free counters that COPP correctly interpreted the statute and applied it reasonably.

Montana Code Annotated § 2-4-704 governs the standard for petitions for judicial review of final agency decisions:

The court may not substitute its judgment for that of the agency as to the weight of the evidence on questions of fact. The court may affirm the decision of the agency or remand the case for further proceedings. The court may reverse or modify the decision if substantial rights of the appellant have been prejudiced because:

(a) the administrative findings, inferences, conclusions, or decisions are:

provisions;	(i) in violation of constitutional or statutory
	(ii) in excess of the statutory authority of the
agency;	

- (iii) made upon unlawful procedure;
- (iv) affected by other error of law;
- (v) clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record;
- (vi) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion; or
- (b) findings of fact, upon issues essential to the decision, were not made although requested.

Mont. Code Ann. § 2-4-704.

"[A]n agency's findings of fact are subject to a 'clearly erroneous' standard while an agency's conclusions of law are subject to the broader 'correct interpretation' standard." *United Grain Corp. v. Dep't of Revenue*, 248 Mont. 297, 300, 811 P.2d 555, 557 (1991).

## 1. Ethics Statue — Mont. Code Ann. § 2-2-121(3)

FWP argues COPP ignored the plain language of Montana Code Annotated § 2-2-121(3), which prohibits political use by a state employee. Trap Free counters that "COPP's interpretation of Section 2-2-121(3), MCA, is correct because it further the legislative scheme in Title 2, chapter 2, MCA, and Article XIII, section 4, of the Montana Constitution."

The statute in question states "a public officer or public employee may not use public time, facilities, equipment, supplies, personnel, or funds to solicit support for or opposition to ... the passage of a ballot issue...." Mont. Code Ann. § 2-2-121(3) (2013) (emphasis added).

The standard from COPP's acceptance, applied unquestioningly by the hearing officer follows:

- A) Whether a Montana Fish Wildlife and Parks public employee or officer **knew**, or reasonably should have **known** that Jason Maxwell was a vice president of the Montana Trappers Association, a group who was actively advocating against passage of ballot initiatives I-167 and I-169 in 2013 and 2014.
- B) Whether Montana Fish Wildlife and Parks public employee or officer **knew or reasonably should have known** that providing temporary possession of state equipment to a private individual or group could lead to use of state equipment for advocacy purposes, Mont. Code Ann. § 2-2-121(3).
- C) Whether a Montana Fish Wildlife and Parks public employee or officer took appropriate steps to prevent the use of "public time, facilities, equipment, supplies, personnel or funds" for ballot issue advocacy purposes, Mont. Code Ann. § 2-2-121(3).

## (emphasis added)

"In the construction of a statute, the office of the judge is simply to ascertain and declare what is in terms or in substance contained therein, not to insert what has been omitted or to omit what has been inserted." Mont. Code Ann. § 1-2-101. "It is not [a court's] prerogative to read into a statute what is not there."

Bates v. Neva, 2014 MT 336, ¶ 13, 377 Mont. 350, 339 P.3d 1265. "[A] court may not create an ambiguity where none exists, [or] ignor[e] clear and unambiguous language to accomplish a 'good purpose.'" *Heggem v. Capitol Indem. Corp.*, 2007 MT 74, ¶ 22, 336 Mont. 429, 154 P.3d 1189.

COPP's departure from the plain language of the statute is clear, conspicuous, and brazen. The statute prohibits use by a state employee ("public employee may not use ..."). COPP's standard requires only that the public employee knew or should have known about future use by a third party. The statute is concerned with a state employees actions ("use"). COPP's standard applies liability for a mental state ("knew or reasonably should have known") and failure to prevent use by third parties ("took appropriate steps to prevent the use").

COPP ignored the plain language of the statute. COPP inserted into statute that which was omitted by the legislature: liability for failure to prevent use. COPP also omitted from statute that which inserted by the legislature: requiring actual use by a state employee and not a third party.

A review of the statute confirms this conclusion, because "[t]he expression of one thing in a statute implies the exclusion of another." *Bresnan Communs.*, *LLC v. State Dep't of Revenue*, 2013 MT 357, ¶ 41, 373 Mont. 29, 315 P.3d 921. Subsection 4 of the statute states that the more specific group of candidates and state officers "may not use or permit the use" of state resources. Subsection 6, which applies to the broader group of public officers and employees, states that they "may not engage in any activity" related to extra-governmental organizations while performing job duties. Within the same statute the legislature applied different scopes of prohibition on different individuals and

activities. In subsection 3 at issue here, the legislature did not apply a prohibition on permitting use, failing to prevent use, or failing to foresee improper use by a third party. Trap Free's own quote from the Ethics Code's statement of purpose alludes to these purposeful distinctions:

This code recognizes distinctions between legislators, other officers and employees of state government, and officers and employees of local government and prescribes some standards of conduct common to all categories and some standards of conduct adapted to each category. The provisions of this part recognize that some actions are conflicts per se between public duty and private interest while other actions may or may not pose such conflicts depending upon the surrounding circumstances.

Mont. Code Ann. § 2-2-101 (2013).

The plain language of the statute, not legislative intent or harmonization, is the paramount consideration in statutory interpretation. That language, from which COPP had no reason to deviate, does not prohibit allowing use, causing use, or failing to prevent use. It prohibits use by state employees.

An adjudicative body's interpretive charge is not to refashion statutes in service of a divined legislative intent. The legislature's intent is "crystallized in the statute's plain language." *Bates v. Neva*, 2014 MT 336, ¶ 13, 377 Mont. 350, 339 P.3d 1265. COPP ignored that plain language.

"'Law' is a solemn expression of the will of the supreme power of the state." Mont. Code Ann. § 1-1-101 (2013). "The will of the supreme power is expressed by: (1) the constitution; (2) statutes." Mont. Code Ann. § 1-1-102 (2013).

"The power of the government of this state is divided into three distinct branches—legislative, executive, and judicial. No person or persons charged with the exercise of power properly belonging to one branch shall exercise any power properly belonging to either of the others, except as in this constitution expressly directed or permitted." Mont. Const. Art. III, § 1. "The legislative power is vested in a legislature..." Mont. Code Ann. Art V, § 1.

COPP ignored the most important part of the statute, the words, in favor of its own extra-legislative "issues." In doing so, COPP has broached the most fundamental of American and Montana constitutional principles: the separation of powers. By substituting its words for those of the legislature, COPP has improperly exercised legislative power constitutionally reserved to the Montana Legislature. It is the role of neither COPP nor this Court to promulgate new laws through interpretative legerdemain.

COPP's substitution of its own legal standard for that of the statute prejudiced the substantial rights of FWP because the final decision is in violation of constitutional provisions, in excess of the statutory authority of COPP, arbitrary, and capricious.

# 2. Contract Requirement

Conclusion of law 2 of reads: "State agencies must provide and maintain a written current contractual agreement and policy regulating the private use of state property in order to comply with the Code of Ethics, Mont. Code Ann. § 2-2-136."

FWP argues that COPP improperly exceeded its authority and abused its discretion by imposing "a new, non-statutory standard of conduct for public employees requiring a contract for all third-party use of state equipment or face a

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per se violation of the state ethics code." Trap Free makes no effort to defend COPP's contract requirement, but simply recites COPP's conclusion that a contract is required.

The Court finds no support in statute or administrative rules for COPP's contract requirement. Instead, the hearing officer synthesized such a requirement by analogy from an Attorney General opinion: 46 Op. Atty. Gen. Mont. No. 10. There, a county attorney inquired about the legality of informal arrangements allowing part-time county attorneys to use county-provided office space for both official duties and the private practice of law. Under the statute, part-time county attorneys are allowed to engage in private practice in addition to their official duties, but use of an official office for private practice would violate the ethics code. However, if the parties enter a lease for some fraction of the space, the attorney can engage in private practice without using public property. The decision's conclusion that a written agreement is required relies on Mont. Code Ann. § 7-8-2112, which mandates that counties must "execute a written agreement" for the loan or lease of county property. 46 Op. Atty. Gen. Mont. No. 10., § 2. Indeed, the legislature's decision to apply this contract requirement to county but not state agencies and employees runs against the conclusion reached by COPP. Bresnan Communs., LLC v. State Dep't of Revenue, 2013 MT 357, ¶ 41, 373 Mont. 29, 315 P.3d 921 ("The expression of one thing in a statute implies the exclusion of another.").

COPP's conclusion that a contract was required "in order to comply with the Code of Ethics" is supported neither in Montana's legislatively enacted Code of Ethics, nor in 46 Op. Atty Gen. Mont. No. 10, which is in any event is entirely inapplicable to this case.

Moreover, COPP conjured up this contract requirement not only for this case, but also purports to require it for all state agencies. However, COPP is not authorized to promulgate new duties under the Ethics Code. "The power of the government of this state is divided into three distinct branches—legislative, executive, and judicial. No person or persons charged with the exercise of power properly belonging to one branch shall exercise any power properly belonging to either of the others, except as in this constitution expressly directed or permitted." Mont. Const. Art. III, § 1. "The legislative power is vested in a legislature...." Mont. Const. Art. V, § 1.

"The Office of the Commissioner of Political Practices is an administrative agency." *Molnar v. Fox*, 2013 MT 132, ¶ 1, 370 Mont. 238, 301 P.3d 824. "Administrative agencies may only exercise the powers conferred upon them by the Legislature." *Core-Mark Int'l, Inc. v. Mont. Bd. of Livestock*, 2014 MT 197, ¶ 45, 376 Mont. 25, 329 P.3d 1278. Although "the commissioner may adopt rules to carry out the responsibilities and duties assigned by this part," Mont. Code Ann. § 2-2-136(6), no such rulemaking has occurred here, and promulgation of such rules is subject to the strict requirements of the Montana Administrative Procedures Act, including notice and comment, Mont. Code Ann. §§ 2-4-301 to -412 (2013).

Trap Free notes that "COPP is the state's gatekeeper when it comes to administering the State Ethics laws..." (emphasis added). COPP is not tasked with writing those laws, which it did here.

COPP's substitution of its own legal standard for that of the statute is in violation of constitutional or statutory provisions, in excess of the statutory

authority of the agency, arbitrary, capricious, an abuse of discretion, and prejudices the substantial rights of FWP.

#### 3. Evidence

FWP argues the decision was clearly erroneous because the no evidence showed that FWP used the materials to advocate against I-169. Trap Free counters that FWP's failure "caused public resources to be used for political advocacy." The passive construction of this contention is telling, and serves but one purpose, to obscure who actually did the using: MTA.

As noted above in section 1, the correct legal standard is in statute: "a public officer or public employee may not use public time, facilities, equipment, supplies, personnel, or funds to solicit support for or opposition to ... the passage of a ballot issue." Mont. Code Ann. § 2-2-121(3) (2013). The statute does not prohibit causing use, allowing use, or failing to prevent use. It prohibits use.

COPP's decision contains no finding of fact that any FWP employee or officer ever used public time, facilities, equipment, supplies, personnel, or funds to support or oppose I-169. On the other hand, COPP's decision makes abundantly clear who actually used public resources, sometimes to oppose I-169: MTA. (Findings of Fact 3, 5, 7, 9, 10, 12, 17, 39, 42, 43, 44, 45, 46, 48, 50, 51, 52, 54, 59, 61, 66, 71).

There can be no violation of Mont. Code Ann. § 2-2-121(3) where there is no finding that a public officer or public employee used public resources to oppose I-169.

COPP's conclusion that FWP violated Mont. Code Ann. § 2-2-121(3) was clearly erroneous in view of the reliable, probative, and substantial evidence

on the whole record and FWP's substantial rights have been prejudiced by this error.

#### 4. Due Process

Finally, the Court is troubled by due process irregularities in this case. FWP alleges and the Court agrees that COPP erred by ignoring the plain language of the statute in favor of the Commissioner's three "issues" in the acceptance. According to both the hearing officer's decision and FWP's briefing, FWP filed an objection to the complaint on September 2, 2014, seeking dismissal of the case because no allegation was made that improper political use of the material was done by any FWP public employee, but rather by members of MTA.

That objection was absent from COPP's administrative record for two years. This is troubling; even informal proceedings under the Montana Administrative Procedures Act require that the record include "any objections and rulings on the objections." Mont. Code Ann. § 2-4-604(2)(c).

The hearing officer's decision begins its "Discussion of Statutes" section addressing FWP's argument:

FWP argues that harmonizing the statutes is not necessary because it was not provided with notice of the need to harmonize statutes. FWP first raised an objection to the Complaint filed in this matter, stating that under the statute it was not a FWP employee who used the equipment, and therefore the complaint should be dismissed on September 2, 2014. The Commissioner overruled that objection by issuing his Acceptance of Complaint and Appointment of Hearing Examiner on June 9, 2016.

The Hearing Examiner does not have the ability to change the Commissioner's standard, but does have the

ability to recommend a statutory interpretation and legal determination to the Commissioner.

However, the Commissioner's acceptance letter does not address FWP's objection or even mention that an objection was filed. Moreover, the hearing officer does not cite a single statute or administrative regulation which would justify ignoring the brazen substitution of the Commissioner's fabricated "issues" for the plain language of the statute. The hearing officer is effectively stating that she has a duty not to interpret the statute itself, but rather to interpret three new duties the Commissioner invented in violation of Montana's constitutional separation of powers.

But the Commissioner's acceptance letter which the hearing officer's decision purports "overruled [FWP's] objection" contains no analysis of the objection or even an acknowledgement that this objection occurred.

Odder still, the final recommendation in the hearing officer's order states that "FWP's objections to harmonizing statutes regarding the same subject matter are DENIED."

In summation, FWP timely filed an answer to the complaint seeking dismissal, arguing the same points on which they prevail in the petition before this Court. COPP failed to enter this filing in the record, and two years later accepted the complaint, ignored FWP's objection, and improperly rewrote Mont. Code Ann. § 2-2-121(3). The hearing officer then ignored the statute as well, claiming that the Commissioner's acceptance had overruled FWP's objection, even though that acceptance not only does not address the substance of the objection but does not even mention that an objection was made. The hearing officer then affirmatively denied the objection that the hearing officer said (in the

same document) had already been denied by the Commissioner who had not even acknowledged the existence of the objection. FWP's answer and objection finally appears in the record on October 24, 2016, more than two years after it was filed.

This is not due process.

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COPP's decision contains five conclusions of law, none of which withstand even modest scrutiny. Conclusions 3 and 4 are patently findings of fact, not conclusions of law, in that they concern the question of whether individuals knew or should have known various facts, which is irrelevant anyway. Conclusions 1, 2, and 5 replace the language of the statute with COPP's improper rewriting of the statutory standard.

FWP's substantial rights were prejudiced by COPP's decision which was in violation of constitutional provisions; in excess of the statutory authority of COPP; clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record; arbitrary; capricious; and an abuse of discretion.

COPP's numerous errors and significant overstepping of its constitutionally circumscribed power is all the more troubling given that COPP never addressed and appears to have lost from the administrative record for two years the answer and objection FWP filed arguing precisely the rationale under which this Court reverses COPP's decision.

Parties deserve government agencies cognizant of their constitutional limits, adherence to the law as written, substantive rulings on their objections, and a reliable record. COPP failed on all counts.

#### **ORDER**

- 1. The Department of Fish, Wildlife, and Park's petition for judicial review is **GRANTED**.
  - 2. The Commissioner of Political Practices' final order is **REVERSED**. DATED this  $26^{-12}$  day of August, 2017.

MICHAEL F. McMAHON District Court Judge

C: Zach Zipfel, Agency Legal Counsel, PO Box 200701, Helena, MT 59620 Brian Miller, Esq., 401 North Last Chance Gulch, Helena, MT 59601

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