

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

) MURs 4693, 4737, 4868

) Washington State Republican
) Party, Federal Account, and
) Al Symington, Treasurer
)
_____)

JUN 15 8 18 AM '99

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF THE CLERK

BRIEF OF COMMITTEE

I. Statement of the Case

In 1996 and 1997, the Washington State Republican Party ("WSRP") was a semiannual filer with the Federal Election Commission. The WSRP's semiannual filing was adequate for the historical amount and number of contributions and expenditures to be reported.

During the period August to November 1996, the WSRP experienced an unprecedented increase in contributions. From August 28, 1996 to November 25, 1996, the WSRP received contributions totaling \$2,404,276.42. During this 90 day window, the WSRP handled contributions nearly as great as had been received in any previous *year*. The WSRP's longstanding accounting system, which had served the party well for nearly 20 years was unable to keep up with the much greater level of activity. As a result, the party incorrectly calculated the amount of the permitted transfers under 11 CFR 106.5(g). The WSRP over-transferred \$285,316.22 from a nonfederal account to the federal account to cover "allocable" expenses. During the same period, the WSRP paid \$80,203.89 in nonfederal expenses from the federal account, and reimbursed the federal account.

During the second half of 1997, in large part as a result of a picnic for the party rank and

file that was completely underwritten by a corporate donor, the WSRP had excess transfers from its nonfederal account of \$248,000.

As a result of these accounting errors, the Federal Election Commission, on December 4, 1998, found reason to believe that the WSRP and its treasurer, Al Symington violated 2 USC §441f(a), §441b(a) and 11 CFR §102.5(a)(1)(i) and §106.5(g)(1)(i).

II Factual and Legal Analysis

A. The 1996 overtransfer was the result of accounting errors, not a knowing acceptance of ineligible reimbursements for allocable expenses.

In November 1992, the citizens of Washington passed Initiative 134 (I-134"), a campaign finance reform initiative that limited the amounts that could be contributed to candidates, and strengthened the role of political parties, by permitting unlimited contributions and expenditures for internal organization, GOTV and similar activities, referred to as "exempt" activities. The 1996 Presidential election was the first under the new state campaign finance regime.

The WSRP bookkeeper, Joan Bedlington, was experienced. She had served as party bookkeeper for 18 years at the time of the 1996 election. The party also used the services of an outside, part-time comptroller, to assist in preparing financial statements, and campaign finance reports. The accounting system that had been developed over those years worked well, and was able to handle the historical volume of contributions and reporting. The system was a combination of manual and computerized systems, with heavier emphasis on manual accounting controls.

Total WSRP revenues during 1996 election year were \$7,444,061. This is more than 400% of the revenues from the 1992 Presidential election year and 383% of the total revenues to

the WSRP from the 1988 election. The contributions to the WSRP in the 90 days from the end of August to the end of November alone were \$2,404,276.42. This amount, itself, was 150% of the total revenue from the prior Presidential election year. The contributions received during this 90 day period exceeded all prior years' contributions, except for 1994, when the total annual revenue was \$2,689,077. See Exhibit A attached.

The 1996 level of activity was both unprecedented and unexpected. The corresponding jump in contributions in 1994, the first general election under I-134 was about 80% higher than the preceding nonpresidential general election in 1990. There were no indications that the 1996 contributions would increase by more almost \$5 million over the 1994 levels.

In mid-October 1996, the WSRP transferred \$425,000 from its state "exempt" account to the federal account as a reimbursement for the state account's share of allocable expenses. At the time the transfer was made, the WSRP believed its transfer capacity for allocable expense reimbursement was not less than the \$425,000 transferred. During 1996, the WSRP made 78 transfers from its state account to the federal account for reimbursement of allocable expenses. Approximately \$4,391,987 was transferred during 1996.

While the WSRP's accounting system had been adequate to handle annual volume of up to about \$2.7 million, it failed to keep accurate track of the volume in the last weeks before the 1996 election.

- B. Had the WSRP known of the federal funds imbalance, it could have borrowed from its regular bank, as it had in 1994 when federal funds ran short.**

In October 1994, the Washington State Republican Party borrowed approximately

\$100,000 from the Bank, to avoid a deficit in its federal account. The party chairman in 1994 was also the party chairman in 1996. The party's treasurer in 1996 was the same as 1994. The party's bookkeeper was also the same in 1996, as they had been in 1994. The WSRP had its regular banking relationship with the same bank in 1996 as it did in 1994.

The significant differences in 1996 from 1994 were that the WSRP had much greater revenue, and that it did not know that its federal account had come out of balance as a result of transfers for allocable expenses." As the declaration of Ronald Bosi, previously submitted indicates, the National Bank of Tukwila would have loaned the WSRP the necessary funds to avoid an excess transfer of funds to the federal account. If anything, the WSRP had become a much better credit risk in 1996, because the party's revenues had increased nearly three times from the date of the prior borrowing.

The final important distinction between 1994 and 1997, when the excess transfer was discovered, was that the WSRP's institutional memory was gone. The bookkeeper of 18 years and the chairman who had served since 1993 were gone. Neither the newly elected chairman, or the newly hired bookkeeper knew of the 1994 borrowing, or that a borrowing was possible to correct the funds imbalance.

Had the chairman, treasurer, or bookkeeper realized that the allocable expenses had come out of balance, or that there was a substantial likelihood that they would, a loan could easily have been concluded in October 1996, just as it had in October 1994.

The FECA prohibits corporations, labor unions, national banks and certain other categories of persons from making contributions "in connection" with federal elections. It is also a violation for a political party "knowingly to accept or receive" a prohibited contribution. 2

U.S.C. §441b(a). Notwithstanding this prohibition, the FECA elsewhere directs political parties to allocate certain expenses, between their federal receipts and nonfederal receipts. *11 CFR §106.5*. Reimbursements from a political party's nonfederal account, which may contain otherwise ineligible contributions are expressly permitted, up to the "nonfederal" share of those expenses. The FECA does permit transfers. Standing alone, a transfer of funds from a nonfederal account of a political party to its federal account is not a knowing acceptance of illegal funds or a violation of the prohibition in §441b(a) against corporate or labor union contributions.

It is a black letter canon of statutory construction that words, unless a specific meaning is otherwise ascribed, are to be given their common meaning. The term "knowing" is defined as

With knowledge; consciously; intelligently; willfully; intentionally. An individual acts "knowingly" when he acts with awareness of the nature of his conduct. *State v. Kroll*, Mo. App 682 S.W.2d 78, 81. Act is done "knowingly" or "purposely" if it is willed, is product of conscious design, intent or plan that it be done, and is done *with awareness of probable consequences*. *Horne v. State, Ind.*, 445 N.E.2d 976, 978. (Emphasis added).

Black's Law Dictionary, 872, 6th Ed. (1990). In October 1996, when the WSRP made its transfer that resulted in an excess reimbursement, it did not "knowingly" accept any ineligible funds into its federal account. It did so "unknowingly," and as a result of the unforeseeable breakdown in its longstanding accounting system. MUR 4709 and MUR 4751 do not address the issue whether an erroneous transfer, made in the belief that there were adequate federal funds, is a knowing acceptance of ineligible contributions under §441b.¹

¹During the period in question, October 18, 1996 through November 25, 1996, the WSRP made no contributions to federal candidates. None of the "excess" transfer was spent in connection with a federal election.

C. The WSRP took prompt steps in 1997 to make repayment of the excess reimbursements to the federal account.

During the first half of 1997, after the WSRP learned of the excess reimbursements to the federal account, the party made substantial effort to correct the error. The March 20, 1997 letter from RAD states, after recommending that the excess be repaid to the federal account, "Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration." Exhibit F. The party's June 30 report, the next due after the excess reimbursement was discovered, showed \$126,000 in payments to eliminate the federal account deficit.

The repayment of \$126,000 represented a very substantial portion of the federal receipts to the committee during 1997. Total federally eligible contributions in 1997 were \$278,133. The repayment represented over 45% of federal receipts.

In 1997, the WSRP formula for dividing "allocable" expenses under 11 CFR 106.5 changed from 78% "state" and 22% federal to 66 2/3% "state" and 33 1/3% federal, because of the change in ballot composition for the new election cycle. The change in the FEC mandated allocation formula meant that additional federal funds had to be paid for current administrative and other allocable expenses. Had the WSRP used those funds to repay the prior period deficit, the party would have created another excess transfer problem.

The WSRP's 1997 FEC filings show a significant drop in contributions. Simply put, there were not enough federally eligible dollars to repay the excess transfer in full.

Despite the fact that Washington state was likely to be a major battleground in the 1998 House of Representative races, the WSRP devoted a substantial part of its federal receipts during

the cycle to repayment of the prior cycle's error. The WSRP leadership was criticized for using the current receipts to repay the deficit, with critics asserting that cooperation would bring no benefit in reaching a resolution with the FEC.

D. The breakdown in the accounting system also resulted in other unintentional errors.

During the same time period, the WSRP erroneously paid nonfederal expenses from its federal account, and reimbursed the account for those expenses. The items were a series of fundraisers. The fundraisers were designed to and did yield only nonfederal dollars. The accounting breakdown also resulted in federally eligible contributions being deposited to nonfederal accounts. In 1996, the WSRP deposited over \$89,000 in apparently federally eligible funds to "state" accounts. The WSRP solicitation disclaimer is the federal disclaimer. See Exhibit B for samples. While this error does not "offset" the erroneous reimbursement, it does show that federal funds were available, and that the party made mistakes that did not operate to its advantage. See attached Exhibit C.

The Commission should also consider the results of the extensive investigation by the

Washington State Public Disclosure Commission (PDC), in resolving the current matter. The PDC imposed a fine of \$5,000 pursuant to the attached stipulation. Exhibit D..

E. The 1997 imbalance occurred because of a picnic for party rank and file and the WSRP's use of semiannual reporting.

The WSRP remained on the semiannual reporting schedule with the FEC during 1997. In 1997, the WSRP sponsored a picnic for rank and file GOP volunteers. The picnic had previously been hosted by one of the county GOP organizations, but the county party was not able to handle the logistics, because the event had grown. The picnic was entirely underwritten by a corporate sponsor.

The picnic was not a budgeted item for the WSRP, as shown in the attached Exhibit E. The picnic became a special line item in the party's financial statements, but not a part of the budget, because the WSRP considered it separate from its operations. The costs of the picnic were about \$151,000. The immediate effect was to trigger the allocation of \$50,000 in federal funds to the picnic. A secondary effect was that the required allocation meant that \$50,000 of federal funds was not available to offset the WSRP's other administrative expenses during the second half of 1997. The net effect of holding a fully-underwritten picnic was to worsen the party's federal fund situation by \$100,000.

The WSRP's semiannual reporting also contributed significantly to the 1997 excess transfer. Initial categorization of expenses during 1997 was done by the party bookkeeper, and reviewed by the comptroller in the course of preparing the second half report for 1997. During the review process, numerous errors in the initial categorization were discovered, with significant consequences to the federal funds imbalance. However, by the time the bookkeeping errors were

discovered, the funds had been transferred.²

F. When the chairman of the WSRP learned of the ability to borrow to cure the deficit, he did so.

In early 1998, the party chairman learned of the 1994 borrowing, and the possibility of paying off the federal account deficit. Immediate steps were undertaken to borrow \$200,000. As the WSRP's FEC reports show, the loan was concluded in February 1998. Along with \$95,000 of additional federal funds, the loan was used to eliminate the 1997 federal account deficit, and make a significant payment toward the remaining 1996 obligation.

During the period February through October 1998, the WSRP paid over \$189,000 of federal funds to eliminate the remaining deficit. The WSRP did so despite the knowledge that the Democrats had targeted several members of the Washington delegation for defeat and despite an anticipated race against a sitting Democrat senator.

G. The WSRP has taken significant steps to avoid future problems with allocable expense ratios.

As the PDC stipulation indicates, the WSRP accounting system broke down. As the stipulation also indicates, the WSRP agreed in 1998 to undertake substantial remedial action. The WSRP has in place a compliance officer, its executive director has attended an RNC-sponsored seminar on FEC compliance. The WSRP has developed a compliance manual for campaign finance, so there will be an organized, institutional memory. It has instituted other revisions to its operations (including monthly FEC reporting) to prevent future violations.

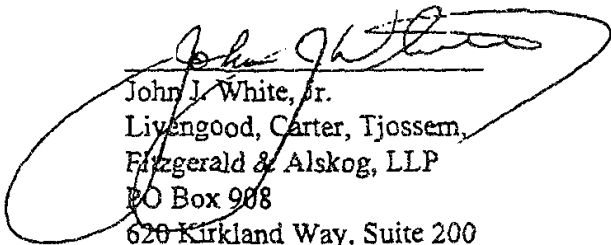
²As the General Counsel's brief summarizes, transfers to pay allocable expenses must occur within a 70 day window of the expense. For a semiannual reporting committee, almost all transfers must be made based on preliminary determinations of allocation ratios and eligibility. A committee that discovers an error in preparing its report is unable to cure any errors, except for those that occurred in a very small window preceding the filing of the next semiannual report.

The immediate past WSRP bookkeeper, Michelle Hansen traveled to Washington to receive FEC-sponsored and RNC training in FEC compliance in early summer 1998. The current bookkeeper, Bing Mayton also completed one-on-one training with the Reports Analysis Division in May, 1999 and RNC compliance training while in Washington, D.C.

III. Conclusion

The Commission should enter into a Conciliation Agreement for the other alleged violations that reflects the substantial cooperation of the WSRP, the nature of the errors, the remedial steps undertaken, and the effectiveness of those steps in avoiding further problems.

Dated this 14th day of June, 1999.



John J. White, Jr.
Livengood, Carter, Tjossem,
Fitzgerald & Alskog, LLP
PO Box 908
620 Kirkland Way, Suite 200
Kirkland, WA 98083-0908

G:\My Documents\JJW\WSRP\FEC\ec1.brf.wpd

BRIEF OF COMMITTEE - 11

Washington State Republican Party

Additional Information Nine-Year Highlights

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 |
|--------------------------------|--------------|------------|------------|-------------|-----------|-----------|-------------|-----------|------------|
| Financial Position Data | | | | | | | | | |
| Assets | \$ 103,415 | \$ 171,801 | \$ 180,582 | \$ 41,117 | \$ 72,022 | \$ 76,073 | \$ 67,979 | \$ 65,702 | \$ 114,293 |
| Liabilities | \$ 232,220 | \$ 107,193 | \$ 137,397 | \$ 95,883 | \$ 43,415 | \$ 56,206 | \$ 100,948 | \$ 47,987 | \$ 104,906 |
| Net assets | \$ (128,805) | \$ 64,608 | \$ 43,185 | \$ (54,766) | \$ 33,607 | \$ 19,867 | \$ (32,969) | \$ 17,722 | \$ 9,387 |

Statement of Activities Data

| | | | | | | | | | |
|-----------------------------------|--------------|-------------|-------------|-------------|-------------|------------|-------------|------------|-------------|
| Revenues | | | | | | | | | |
| Contributions | \$7,141,394 | \$1,662,117 | \$2,565,785 | \$1,065,970 | \$1,674,931 | \$ 815,509 | \$1,249,256 | \$ 942,913 | \$1,855,262 |
| Administration | 81,357 | 58,214 | 62,382 | 77,687 | 78,766 | 88,536 | 84,134 | 73,882 | 60,790 |
| Other | 221,310 | 62,105 | 60,910 | 57,514 | 50,542 | 63,846 | 78,479 | 85,039 | 28,863 |
| Total revenues | 7,444,061 | 1,782,436 | 2,689,077 | 1,201,171 | 1,804,239 | 967,891 | 1,411,869 | 1,101,834 | 1,944,915 |
| Expenses | | | | | | | | | |
| Program services | 6,209,028 | 590,304 | 1,240,179 | 395,331 | 1,026,050 | 257,774 | 726,403 | 433,340 | 1,254,254 |
| Support services | 1,428,444 | 1,170,711 | 1,350,947 | 894,213 | 764,454 | 657,276 | 736,157 | 660,159 | 618,470 |
| Total expenses | 7,637,472 | 1,761,015 | 2,591,126 | 1,289,544 | 1,790,504 | 915,050 | 1,462,560 | 1,093,499 | 1,872,724 |
| Increase (decrease) in net assets | \$ (193,411) | \$ 21,421 | \$ 97,951 | \$ (88,373) | \$ 13,735 | \$ 52,841 | \$ (50,691) | \$ 8,335 | \$ 72,191 |

EXHIBIT A

Dec 29 '99

16:12

014

☒ **I'LL DO MY PART TO LEAD OUR REPUBLICANS TO VICTORY!***Enclosed is my contribution to the Washington State Republican Party for:*☐ \$25 ☐ \$50 ☐ \$100 ☐ \$250 ☐ \$500 ☐ other \$ _____**SEE OTHER SIDE FOR IMPORTANT INFORMATION!**☐ I would like to contribute with
Visa/Mastercard (see reverse)

PLEASE RETURN THIS FORM
WITH YOUR CHECK IN THE
ENCLOSED POSTAGE-PAID
ENVELOPE - THANK YOU!

☒ **I'LL DO MY PART TO LEAD OUR REPUBLICANS TO VICTORY!***Enclosed is my contribution to the Washington State Republican Party for:*☐ \$25 ☐ \$50 ☐ \$100 ☐ \$250 ☐ \$500 ☐ other \$ _____**SEE OTHER SIDE FOR IMPORTANT INFORMATION!**☐ I would like to contribute with
Visa/Mastercard (see reverse)

PLEASE RETURN THIS FORM
WITH YOUR CHECK IN THE
ENCLOSED POSTAGE-PAID
ENVELOPE - THANK YOU!

☒ **I'LL DO MY PART TO LEAD OUR REPUBLICANS TO VICTORY!***Enclosed is my contribution to the Washington State Republican Party for:*☐ \$25 ☐ \$50 ☐ \$100 ☐ \$250 ☐ \$500 ☐ other \$ _____**SEE OTHER SIDE FOR IMPORTANT INFORMATION!**☐ I would like to contribute with
Visa/Mastercard (see reverse)**EXHIBIT B**

PLEASE RETURN THIS FORM
WITH YOUR CHECK IN THE
ENCLOSED POSTAGE-PAID
ENVELOPE - THANK YOU!

Card/Account No. _____ Exp. _____

Signature _____ Amount \$ _____

Federal law requires us to obtain the following information from donors whose contributions exceed \$200 per calendar year:

Occupation: _____

Employer/Business name: _____

Are you self-employed? _____

Paid for by the Washington State Republican Party federal account. Funds received in response to this solicitation will be deposited into the federal account unless otherwise prohibited. Political contributions are not tax deductible for any purpose.

Please bill my: ☐ VISA ☐ MasterCard

Card/Account No. _____ Exp. _____

Signature _____ Amount \$ _____

Federal law requires us to obtain the following information from donors whose contributions exceed \$200 per calendar year:

Occupation: _____

Employer/Business name: _____

Are you self-employed? _____

Paid for by the Washington State Republican Party federal account. Funds received in response to this solicitation will be deposited into the federal account unless otherwise prohibited. Political contributions are not tax deductible for any purpose.

Please bill my: ☐ VISA ☐ MasterCard

Card/Account No. _____ Exp. _____

Signature _____ Amount \$ _____

Federal law requires us to obtain the following information from donors whose contributions exceed \$200 per calendar year:

Occupation: _____

Employer/Business name: _____

Are you self-employed? _____

Paid for by the Washington State Republican Party federal account. Funds received in response to this solicitation will be deposited into the federal account unless otherwise prohibited. Political contributions are not tax deductible for any purpose.

**THANK YOU
FOR YOUR
PLEDGE OF
SUPPORT!**

**THANK YOU
FOR YOUR
PLEDGE OF
SUPPORT!**

**THANK YOU
FOR YOUR
PLEDGE OF
SUPPORT!**

Dec 29 1998

16:09

P.04

DEC-28-98 MCH 02:17

FAX NO.

P. 02

A personal message from
KEN EIKENBERRY

December 6, 1998

Dear Mr. & Mrs.

I write today with a grateful heart for your dedication and support of the Washington State Republican Party.

It's been a long, tough campaign...but in the end, we proved that 1994 was no aberration. We proved that the people of Washington are still ready for conservative change.

And we proved that the Republican message of lower taxes, less government and more freedom is not just a campaign slogan...it's a message that hits home with the majority of Washington voters, and a commitment that we intend to keep in the next two years.

Because of your commitment and support, we have finally taken control of both the State House and the State Senate. For the first time since 1982, Republicans will be able to create responsible, family-friendly legislation...and pass a legacy of common-sense policy on to our children.

Speaker Clyde Bullard will remain Speaker of the House...and Senator Minority Leader Dan McDonald will now become Senate Majority Leader. Together they will forge a responsible, pro-life legislative agenda that will carry us through the next two years and beyond.

Together we fought off an all-out direct attack on our Republican Members of Congress. I know that you share my disgust at the vicious, unfair attacks targeted at our courageous freshmen...

...but I am pleased to report that despite millions of dollars in union and special interest money, we are returning Jennifer Dunn, Rick White, Don Hastings, Linda Smith, Jack Mendel and George Nethercutt to Washington, DC to continue the work of a Republican-controlled U.S. House and Senate.

(over, please)

CELEBRATE GOP VICTORY

Here is my contribution to help retire the debt and celebrate Republican victory! Enclosed find my check to the WSRP for:

☐ \$15 ☐ \$25 ☐ \$50 ☐ \$100 ☐ other \$ _____

See other side for important information!

☐ Visa/MasterCard (see reverse)

50482

**PLEASE RETURN THIS FORM
 WITH YOUR CHECK IN THE
 ENCLOSED POSTAGE-PAID
 ENVELOPE. THANK YOU!**

Dec 29 '98

16:10

P. 03 017

DEC-25-98 MON 02:07

FAX NO.

P. 03

I'm proud of our efforts...and I'm proud of you for stepping up to the challenge. We are victorious today because of your commitment to the common-sense ideals that unite us.

We fought back the toughest onslaught of Democratic and special interest money — money used to smear and lie about our Republican legislators — and held strong. But to do that, we literally had to "bet the farm."

I'm pleased to say that in 1996, we were able to provide more direct candidate support than ever before.

And now we know it was worth every penny.

But as a result, we are now in a deficit situation that must be resolved before the end of the year. We are faced with the task of raising the money to get the State Party back in the black before January 1st, 1997.

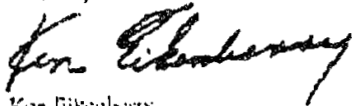
I know you have gone above and beyond the call of duty...but I need you, if you are able, to help us one more time this year.

I have enclosed a postage-paid envelope. Won't you return it today with the most generous check you possibly can to assist us in eliminating this debt?

As you consider your contribution, please remember what your dollars helped to achieve: Republican control of state government... and sound, common-sense policy as a result.

Thank you so much for your contribution, and for your dedication that has paid off with hard-earned victory. I am honored to serve you, and look forward to seeing you soon as we enter the holiday season.

Sincerely,



Ken Eikenberry
Chairman

P.S. We are working overtime to avoid beginning the new year with a debt. Please send your most generous contribution as soon as possible so that we can begin our work fresh in 1997! Thank you for your dedication and support.

Please bill me: ☐ VISA ☐ MasterCard

Card/Account No. _____ Exp. _____

Signature _____ Amount \$ _____

Federal law requires us to obtain the following information from donors whose contributions exceed \$200 per calendar year:

Occupation: _____

Employer/business name: _____

Are you self-employed? _____

Paid for by the Washington State Republican Party federal account. Funds received in response to this solicitation will be deposited into the federal account unless

**THANK YOU
FOR YOUR
CONTINUED
SUPPORT!**

I'm putting it in writing!

Reply Received From:

NAME NO
SEATTLE WA 98101-3000

NN

I'm acting today to help ensure that our Party has the resources to veto Bill Clinton and Mike Lowry for good in '96.

Enclosed is my contribution of:

☐ \$25 ☐ \$50 ☐ \$100 ☐ Other \$ _____

My check is made payable to the
Washington State Republican Party.

Contributions are not deductible for federal income tax purposes.

Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of \$200 in a calendar year.

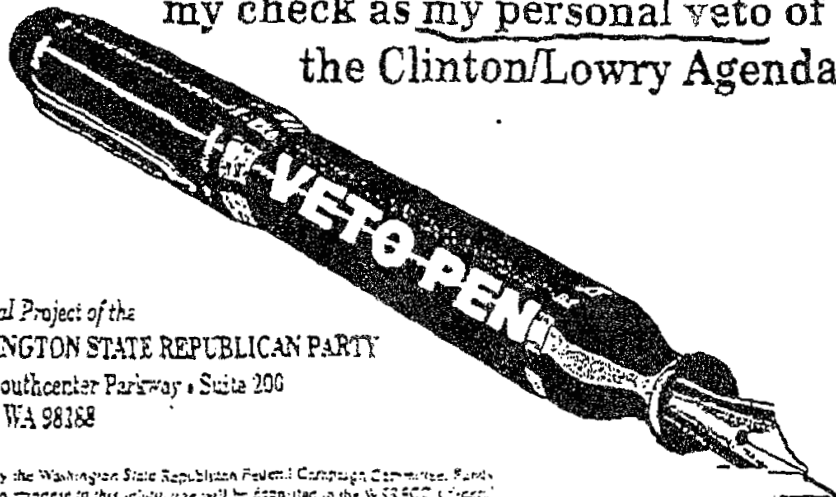
Occupation: _____

Employer/Business Name: _____

Telephone: _____

Are you self-employed? ☐ Yes ☐ No

**Please consider my signature on
my check as my personal veto of
the Clinton/Lowry Agenda.**



A Special Project of the
WASHINGTON STATE REPUBLICAN PARTY
16400 Southcenter Parkway • Suite 200
Seattle, WA 98168

Paid for by the Washington State Republican Federal Campaign Committee. Funds received in response to this solicitation will be deposited in the WSRPCC's federal account unless otherwise prohibited.

LET'S VETO CLINTON & LOWRY IN '96

1995
Sample

State Issue

- 1995
Santice
7. On the issue of transportation, where do you think the state should focus spending?
☐ Mass transit ☐ New road construction ☐ Maintenance
☐ Other _____
8. Where do you believe reductions in state spending would be the most effective?
☐ Reduction of government employees
☐ Elimination of ineffective social programs
☐ Freezing state spending
☐ Privatizing some government services
☐ Other _____
9. Do you support or oppose Affirmative Action as a policy for hiring in state government?
☐ Support ☐ Oppose ☐ No opinion
10. Do you support or oppose the promotion of traditional moral values by state government in schools?
☐ Support ☐ Oppose ☐ No opinion
11. Please rank the following state government issues in order of importance to you. Place a "1" by the most important and so on.
☐ Education ☐ Crime prevention ☐ Moral values
☐ Cutting taxes ☐ Reducing government spending
☐ Transportation ☐ Other _____
12. How do you rate the performance of the new Republican majority in the State House of Representatives?
☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Undecided

Demographics Information

(optional)

13. Number of years as a Sustaining Member of the Republican Party:
☐ 2 or less ☐ 3 - 5 ☐ 6 - 10 ☐ More than 10
14. Your age:
☐ 75 or older ☐ 74 - 63 ☐ 64 - 55 ☐ 54 - 45
☐ 44 or under
15. Number of candidates you support financially in election years:
☐ None ☐ 1 - 2 ☐ 3 - 5 ☐ More than 5
16. What type of candidates do you usually support?
 Check all that are appropriate.
☐ Focus on moral issues, like school prayer
☐ Focus on social issues, like welfare
☐ Focus on fiscal issues, like taxes and spending
☐ Focus on criminal justice issues
☐ Focus on education issues
☐ Focus on reform issues
☐ Other _____

EXHIBIT F
 PAGE 2 OF 4 PAGES

Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregated in excess of \$500 in a calendar year.

Occupation: _____

Employer/Business Name: _____

Are you self-employed? ☐ Yes ☐ No

Dec 29 '98

16:14

Y. 13

020

**Washington
State
Republican
Party**

Dear Friend:

With our new Republican majorities in Washington D.C., and Olympia restoring the public's faith in government, imagine how much greater things can be with a Republican in the White House and the Governor's office.

It can happen ... with your help today.

I know it seems early, but our Party must plan and prepare now for the extraordinary challenges of a Presidential election year. The attached survey is the first step of that process.

Only a select number of informed citizens in your area are receiving this survey, so I urge you to respond as soon as possible.

At the same time, when you return your survey, please include a contribution to help us prepare for this important Presidential election year. Your contribution for \$15, \$20, \$25, \$50, \$100, or whatever you can afford, will go a long way to help elect Bill Clinton and Mike Lowry and elect more Republicans.

Make your voice heard today!

Sincerely,
Ken Eikenberry
Ken Eikenberry
Chairman

Detach Here ▼

Contributions are not deductible for federal income tax purposes.

Detach Here ▼

Yes! I'll assist the Party with a contribution of:
☐ \$15 ☐ \$20 ☐ \$25 ☐ \$50 ☐ \$100 ☐ Other \$ _____

1. Please indicate your choice for President in 1996.
☐ Clinton, Alexander ☐ Bob Dornan ☐ Richard Lugar
☐ Pat Buchanan ☐ Phil Gramm ☐ Alton Spector
☐ Jeb Bush ☐ Alan Keyes ☐ Pete Wilson
☐ Other _____

2. Please rank the following issues on their importance to you. Place a "1" for most important and so on.

| | |
|-----------------|--------------------|
| Lowering Taxes | Defense |
| Welfare Reform | Deficit Reduction |
| Budget/Spending | Health Care Reform |
| Foreign Policy | Education |

3. How do you rate the performance of the new Republican leadership in Congress?
☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Unfamiliar

4. Which of the following proposals do you find most appealing?
☐ Give a tax break to middle class Americans?
☐ Cut the current income tax rate
☐ Offer a \$500 per child tax credit
☐ Institute a "bully" which would require all Americans to pay the same percent of tax.

Detach Here ▼

INSTRUCTIONS: Do not do any processing with check in this envelope. Do not do any processing with check in this envelope.

Send no money to the Washington State Republican Party. Do not send any money to the Washington State Republican Party. Do not send any money to the Washington State Republican Party. Do not send any money to the Washington State Republican Party.

Fold for by the Washington State Republican Federal Campaign Committee and the Washington State Republican Party. Funds received in response to this solicitation will be deposited in the WSRRCC's federal account unless otherwise prohibited.

Please bill my: ☐ VISA ☒ MasterCard

Card/Acct. No. _____

Exp. Date _____

Signature _____

Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of \$100 in a calendar year.

Occupation: _____

Employer/Business Name: _____

Employer Address: _____

Are you self-employed? ☐ Yes ☒ No

Telephone: (_____) _____

Pay for by the Washington State Republican Political Committee. Donations received in response to this card will be reported in the WSASCC's federal report. State of Washington.

1995 Membership Pledge Form

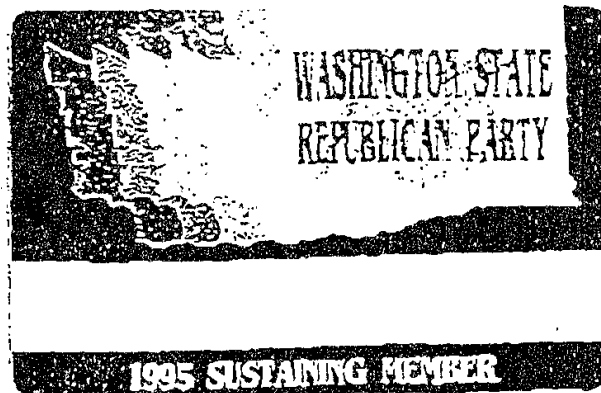
16400 Southcenter Parkway, Suite 200 • Seattle, WA 98135

I agree! Washington Republicans are fighting for my interests every day. That's why I'm proud to support the Party as a 1995 Sustaining Member and enclose my check, payable to the Washington State Republican Party in the following amount:

☐ \$25 ☐ \$50 ☐ \$100 ☐ Other \$ _____

SEATTLE, WA 98135

2295 C15



◀ Detach and return form ▲ Remove and keep card

Please see reverse side for additional information.

Political contributions are not deductible as charitable contributions for federal income tax purposes.

Washington State Republican Party
Summary of Individual Deposits to State Exempt Account
From partial review of C-3 forms in WSRP archives
Year ended December 31, 1986

Individuals

| | | |
|--|---------------------|--|
| 1/5/88 George Swindells | \$ 250.00 | |
| 1/5/86 Susan Hawes-Swindells | 250.00 | |
| 1/12/88 William Conner | 2,500.00 | |
| 2/1/88 Mr. (sic) Gail Foreman | 250.00 | |
| 2/27/86 E.M. Riley | 5,000.00 | |
| 2/28/88 Dr. Randi Leggett, MD | 150.00 | |
| 2/28/86 Dr. Jim Leggett | 150.00 | |
| 5/10/86 Mr. & Mrs. Langdon Simons | 1,200.00 | |
| 6/4/86 Mr. Kenton Thurman | 250.00 | |
| 8/12/86 Darlene Brozovich | 250.00 | |
| 8/12/88 Al Symington | 1,000.00 | |
| 6/13/86 Sandra Boyd | 250.00 | |
| 6/13/86 James G. McCurdy | 1,000.00 | |
| 8/13/86 Daryl Hill | 1,200.00 | |
| 8/28/86 Mr. Donald R. Fordyce | 2,500.00 | |
| 8/4/86 Jack McCann | 1,000.00 | |
| 9/6/86 Mr. & Mrs. George Weyerhaeuser | 7,500.00 | (Could have sought appropriate attribution.) |
| 9/12/86 Mr. & Mrs. Everett Paup | 2,000.00 | |
| 9/20/86 Mr. Doug Roger | 2,000.00 | |
| 10/7/86 Mr. & Mrs. Frank Ives | 5,000.00 | |
| 10/8/86 Carney Badley Smith & Spellman | 200.00 | |
| 10/14/86 Mr. Donald R. Fordyce | 2,500.00 | |
| | <u>\$ 36,400.00</u> | |

EXHIBIT C

Partnerships, LLPs, LLCs, Associations

| | |
|-----------------------------------|-----------|
| 1/12/96 Washbankpac | \$ 250.00 |
| 2/27/96 Clay Enterprises | 1,200.00 |
| 6/10/96 Columbia Paint & Coatings | 250.00 |
| 6/10/96 Kodlak Salmon Packers | 250.00 |

Check was for \$59,250, could have
gotten separate check for federal.

| | |
|--|----------|
| 8/27/96 Plum Creek Timber | 5,000.00 |
| 9/11/96 Port Blakely Tree Farms | 5,000.00 |
| 10/8/96 Carney Badley Smith & Spellman | 200.00 |

Check was for \$7,250, could have
gotten separate check for federal.

| | |
|---|---------------------|
| 10/11/96 Football Northwest Partnership | 5,000.00 |
| 10/12/96 Bldg. Industry Assn. | 1,000.00 |
| 10/12/96 The Overton Company | 5,000.00 |
| 10/14/96 SDS Lumber Company | 5,000.00 |
| 10/14/96 Energy Associates | 4,800.00 |
| 10/17/96 Washington Chiropractic Trust | 5,000.00 |
| 11/1/96 Law and Regulation | 2,250.00 |
| 12/23/96 First Associates | 2,000.00 |
| 10/21/96 Cellular Telecom Industry | 5,000.00 |
| | <u>\$ 47,200.00</u> |

PACs and Other

| | |
|--|--------------------|
| 2/27/96 GTE Political Action Club | \$ 1,000.00 |
| 9/5/96 Sabey PAC | 1,000.00 |
| 10/8/96 HIAPAC | 400.00 |
| 10/8/96 WEPAC | 400.00 |
| 10/8/96 ABC of Western WA PAC | 1,000.00 |
| 10/18/96 The Committee for Natural Gas | 2,250.00 |
| | <u>\$ 6,050.00</u> |

Total Apparently Federally Eligible Items \$ 89,650.00

BEFORE THE PUBLIC DISCLOSURE COMMISSION
STATE OF WASHINGTON

NO. 97-269

IN THE MATTER OF ENFORCEMENT
ACTION AGAINST

STIPULATION OF
VIOLATIONS AND PENALTIES

WASHINGTON STATE
REPUBLICAN PARTY,

Respondent.

Public Disclosure Commission Enforcement Staff (Staff) and the Respondent, Washington State Republican Party (Party) have already stipulated to facts as they prepare for the hearings set for June 23 and 24, 1998. Those stipulated facts are incorporated by reference into this Stipulation and provide the factual bases for the stipulated violations and proposed penalties below. Based upon the factual record, and in response to the Commission's directives to narrow the issues to be presented at the June 23, 24, 1998 hearing, the Staff and the Party recommend that the Commission adopt the violation stipulation and accept the proposed penalties for those violations.

STIPULATED VIOLATIONS:

Staff and Party stipulate to the following violations of chapter 42.17 RCW should the Commission choose to adopt them by way of a Final Order. By stipulating to the violations, neither Staff nor the Party intend to prevent the Commission from rejecting all or any part of the stipulated violations or proposed penalties. By stipulating to the violations, neither Staff nor the

EXHIBIT D

1 Party intend to prevent the Commission from referring all or any part of the charged violations to
2 the Attorney General's Office for civil remedies and potentially-higher penalties under chapter
3 42.17 RCW. Any stipulated violation rejected by the Commission and referred to the Attorney
4 General's Office shall no longer be subject to the stipulations or proposed penalties listed below.
5 All stipulated violations and proposed penalties are, for the purposes of the violation stipulation,
6 non intentional but are the result of Party staff's misunderstandings of public disclosure laws,
7 failure of the Party's pre-existing internal accounting systems to adequately track the volume of
8 1996 activity, or miscommunication between Party staff and vendors.

- 9 1. The Party's payment of \$24,000 to Dave Mortenson and Associates on October 30,
10 1996 from its exempt contributions account (See, Stipulation of Facts, page 6, lines 4-
11 18) violated RCW 42.17.640.
- 12 2. The Party's payment of \$2500 to Polis Political Services, Inc. on January 10, 1996 for
13 consulting services and \$500 for a survey in the 18th Legislative District from its
14 exempt contributions account (See, Stipulation of Facts, page 11-14) violated RCW
15 42.17.640.
- 16 3. The Party's payment of \$1800 to Polis Political Services, Inc. for a survey of the 22nd
17 Legislative District from its exempt contributions account (See, Stipulation of Facts,
18 pages 13-14, lines 25-18) violated RCW 42.17.640.
- 19 4. The Party's acceptance of \$12,500 from The Speakers Roundtable; \$10,000 from the
20 Senate Leadership Fund; and \$10,000 from the Leadership Council (See, Stipulation
21 of Facts, pages 19-20, lines 24-11) exceeded contribution limits and violated RCW
22 42.17.640.
- 23 5. The Party's payment of \$34,000 from its exempt contributions account to The
24 Speakers Roundtable for its direct-mail program, while based on Kim Martin's
25 representations and in reliance on Staff Quick Reference Sheets (See, Stipulation of
26 Facts, pages 22-23, lines 7-4) violated RCW 42.17.640.

- 1 6. The Party's payment of \$2,000 on May 23, 1997 from its exempt contributions
2 account to the Capitol Fund (See, Stipulation of Facts, page 23, lines 6-9) violated
3 RCW 42.17.640.
- 4 7. The Party's payment to Don Benton (See, Stipulation of Facts, page 17, line 22)
5 exceeded the 17th Legislative District contribution limit by \$7,065.35 and violated
6 RCW 42.17.640.
- 7 8. The Party's payment to Steve Hargrove (See, Stipulation of Facts, page 17, line 23)
8 exceeded the 23rd Legislative District contribution limit by \$3,677.43 and violated
9 RCW 42.17.640.
- 10 9. The Party's in-kind contribution to Grant Pelesky (See, Stipulation of Facts, page 17,
11 line 24) exceeded the 25th Legislative District contribution limit by \$10,626.34 and
12 violated RCW 42.17.640.
- 13 10. The Party's amended post-election C-4 report untimely reported orders placed (See,
14 Stipulation of Facts, page 23, lines 12-18) violating RCW 42.17.080 and RCW
15 42.17.090.
- 16 11. The Party's non-reporting to 10 candidates of expenditures made on their behalf
17 during the 21-days preceding the 1996 general election (See, Stipulation of Facts,
18 pages 23-24, lines 22-15) violated RCW 42.17.105.
- 19 12. The Party's reporting of transfers to its federal account should have included greater
20 detail (See, Stipulation of Facts, page 17, lines 9-17) and violated RCW 42.17.080
21 and RCW 42.17.090.

22 PROPOSED PENALTIES:

- 23 1. The Party will pay a \$5000 penalty to the Commission within 5 working days of the
24 Commission's Order accepting this proposed penalty.
- 25 2. The Party will pay \$1,000 in Staff attorney's fees within 5 working days of the
26 Commission's Order accepting this proposed penalty.


- 1 3. The Party will reimburse \$147,300 from its non-exempt contributions account into its
2 exempt contributions account. The Party will reimburse the funds according to the
3 following payment structure. The Party will reimburse \$94,000 within 5 working
4 days of the Commission's Order accepting this proposed penalty. The Party will
5 provide staff with written documentation of the account transfer. At the end of each
6 following month, until March 31, 1999, the Party will reimburse 5% of the prior
7 month's total deposits into its non-exempt contributions account (or \$2500 whichever
8 is greater) into its exempt contributions account and provide written documentation to
9 Staff. Any amount remaining to be reimbursed from the non-exempt contributions
10 account to the exempt contributions account, under the terms of this proposed
11 penalty, on March 31, 1999 shall be transferred in full by April 1, 1999. Staff agrees
12 to provide Staff interpretation to the Party, within thirty working days of the of the
13 Commission's Order accepting this penalty proposal, regarding the applicability of
14 the session-freeze to this time-period and whether legislators may assist in Party
15 fundraising during this period.
- 16 4. The Party will provide a half-day training course before the 1998 elections to County
17 and Legislative District Party staff. The training course will include presentations by
18 Staff and will focus on complying with chapter 42.17 RCW. Further details of the
19 training course will be agreed upon by the Party and the Staff.
- 20 5. The Party and Staff will consult to reach a coordinated and agreed upon format for
21 reporting transfers to its federal account.
- 22 6. The Party agrees to design and complete an internal compliance manual to assist
23 Party staff in complying with campaign-finance laws..
- 24 7. The Party agrees to computerize its internal accounting controls to ensure timely and
25 accurate reporting and monitoring of contributions accepted and expenditures made.
26

1 8. The Party agrees to establish internal protocol to improve communication between
2 political and accounting staff relating to compliance with chapter 42.17 RCW.

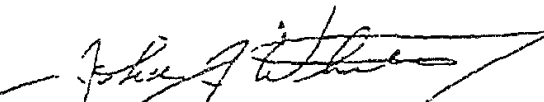
3 9. The Party agrees to immediately begin an interview process aimed at retaining a part-
4 time campaign-finance law compliance specialist.

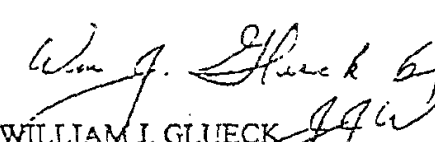
5 Agreed and Jointly-Presented to the Commission this 12th day of June,

6 CHRISTINE O. GREGOIRE
7 Attorney General

8 
9 STEPHEN T. REINMUTH
10 Assistant Attorney General
11 Attorneys for Public Disclosure Commission
12 Enforcement Staff

13 LIVENGOOD, CARTER, TIOSSEM,
14 FITZGERALD & ALSKOG, LLP

15 
16 JOHN J. WHITE, JR.
17 Attorney for Respondent
18 Washington State Republican Party
19 APPEL & GLUECK, P.C.

20 
21 WILLIAM J. GLUECK
22 Co-Counsel for Respondent
23 Washington State Republican Party
24
25
26

WASHINGTON STATE REPUBLICAN PARTY
STATEMENT OF REVENUES, EXPENSES AND BUDGET COMPARISONS
for the Twelve Months Ending December 31, 1997

| | Prepared: November 10, 1998 | | Year to Date Actual | Year to Date Budget | Y-T-D Variance |
|-----------------------------|-----------------------------|-------------------------|------------------------|------------------------|----------------|
| | Current Month Actual | Current Month Budget | | | |
| POLITICAL DIVISION EXPENSES | | | | | |
| PICNIC | 0.00 | | | | |
| Picnic Expense | | 0.00 | 154,110.68 | 151,000.00 | 3,110.68 |

POLITICAL DIVISION EXPENSES

PICNIC

Picnic Expense

CAMPAIGN SERVICES

Survey Research
Opinion Research
Candidate Recruitment
Polling and Tracking
Voter Modeling/Targeting
Local Election

CANDIDATE FUND EXPENDITURES

Legislative Campaign Fund
Federal Candidate Fund
Candidate Fund - Fundraising

VOTER PROGRAMS FUND EXPENDITURE

List Development/Maint
Voter Identification
Absentee Ballot Program
Get-Out-The-Vote Program

YOUTH DEVELOPMENT
(Republican Youth Groups
College Intern Program)

EXHIBIT E

CONFIDENTIAL - FOR INTERNAL USE ONLY.

Washington State Republican Party
Summary of Individual Deposits to State Exempt Account
From partial review of C-3 forms in WSRP archives
Year ended December 31, 1986

Individuals

| | | |
|--|---------------------|--|
| 1/5/86 George Swindells | \$ 250.00 | |
| 1/5/86 Susan Hawes-Swindells | 250.00 | |
| 1/12/86 William Conner | 2,500.00 | |
| 2/1/86 Mr. (sic) Gail Foreman | 250.00 | |
| 2/27/86 E.M. Riley | 5,000.00 | |
| 2/28/86 Dr. Randi Leggett, MD | 150.00 | |
| 2/28/86 Dr. Jim Leggett | 150.00 | |
| 5/10/86 Mr. & Mrs. Langdon Simons | 1,200.00 | |
| 6/4/86 Mr. Kenton Thurmun | 250.00 | |
| 6/12/86 Darlene Brozovich | 250.00 | |
| 6/12/86 Al Symington | 1,000.00 | |
| 6/13/86 Sandra Boyd | 250.00 | |
| 6/13/86 James G. McCurdy | 1,000.00 | |
| 6/13/86 Daryl Hill | 1,200.00 | |
| 8/28/86 Mr. Donald R. Fordyce | 2,500.00 | |
| 8/4/86 Jack McCann | 1,000.00 | |
| 8/6/86 Mr. & Mrs. George Weyerhaeuser | 7,500.00 | (Could have sought appropriate attribution.) |
| 9/12/86 Mr. & Mrs. Everett Paup, | 2,000.00 | |
| 9/20/86 Mr. Doug Roger | 2,000.00 | |
| 10/7/86 Mr. & Mrs. Frank Ives | 5,000.00 | |
| 10/8/86 Carney Badley Smith & Spellman | 200.00 | |
| 10/14/86 Mr. Donald R. Fordyce | 2,500.00 | |
| | <u>\$ 36,400.00</u> | |

Partnerships, LLPs, LLCs, Associations

| | |
|---|---------------------|
| 1/12/96 Washbankpac | \$ 250.00 |
| 2/27/96 Clay Enterprises | 1,200.00 |
| 8/10/96 Columbia Paint & Coatings | 250.00 |
| 8/10/96 Kodlak Salmon Packers | 250.00 |
| 8/27/96 Plum Creek Timber | 5,000.00 |
| 9/11/96 Port Blakely Tree Farms | 5,000.00 |
| 10/8/96 Carney Badley Smith & Spellman | 200.00 |
| 10/11/96 Football Northwest Partnership | 5,000.00 |
| 10/12/96 Bldg. Industry Assn. | 1,000.00 |
| 10/12/96 The Overton Company | 5,000.00 |
| 10/14/96 SDS Lumber Company | 5,000.00 |
| 10/14/96 Energy Associates | 4,800.00 |
| 10/17/96 Washington Chiropractic Trust | 5,000.00 |
| 11/1/96 Law and Regulation | 2,250.00 |
| 12/23/96 First Associates | 2,000.00 |
| 10/21/96 Cellular Telecom Industry | 5,000.00 |
| | <u>\$ 47,200.00</u> |

Check was for \$59,250, could have
gotten separate check for federal.Check was for \$7,250, could have
gotten separate check for federal.**PACs and Other**

| | |
|--|--------------------|
| 2/27/96 GTE Political Action Club | \$ 1,000.00 |
| 9/5/96 Sabey PAC | 1,000.00 |
| 10/8/96 HIAPAC | 400.00 |
| 10/8/96 WEPAC | 400.00 |
| 10/8/96 ABC of Western WA PAC | 1,000.00 |
| 10/18/96 The Committee for Natural Gas | 2,250.00 |
| | <u>\$ 6,050.00</u> |

Total Apparently Federally Eligible Items \$ 53,250.00

LAW OFFICES

LIVENGOOD, CARTER, TJOSSSEM, FITZGERALD & ALSKOG, LLP

A LIMITED LIABILITY PARTNERSHIP

PHILIP L. CARTER, P.S.
ROBERT P. TJOSSSEM, P.S.
JAMES S. FITZGERALD
DAVID A. ALSKOG
TIMOTHY S. MCCREDIE
DAVID B. JOHNSTON
JOHN J. WHITE, JR.
DAVID E. LADOW

620 KIRKLAND WAY, SUITE 200
POST OFFICE BOX 908
KIRKLAND, WA 98083-0908
PHONE: (425) 822-9281
FAX: (425) 828-0908

GORDON A. LIVENGOOD
OF COUNSEL

FAX COVER SHEET

Date: January 3, 1999 (4:00pm)
Original to be mailed: ☒ Yes ☐ No

TO: Ruth Heilizer, Esq.
Federal Election Commission
Fax No. 202-219-3923

Confirmation No. 202-694-1598

FROM: John J. White, Jr.
REGARDING: MURs 4693, 4737, 4868
COMMENTS: Response to conciliation proposal.

=====

This transmittal consists of 28 page(s), including this cover sheet. If any page is not legible or you do not receive all of the pages, please call us back as soon as possible at (425) 822-9281 or return a note to Fax Number (425) 828-0908.

=====

CONFIDENTIALITY NOTICE: THE INFORMATION CONTAINED IN THIS TRANSMITTAL MAY BE PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED FOR THE NAMED RECIPIENT(S) ONLY. IF YOU ARE NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE TO DELIVER IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS TRANSMITTAL IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND MAIL THE ORIGINAL TRANSMITTAL TO US AT THE ADDRESS AT THE TOP OF THIS PAGE. WE WILL REIMBURSE YOU FOR THE TELEPHONE AND/OR MAILING COSTS. THANK YOU.

CLIENT/MATTER NUMBER: 9509.004
E:\WPDOCS\JTW\WSRP\FEC\HEILIZER.FAX

FAX OPERATOR: JJW

*** ACTIVITY REPORT ***

TRANSMISSION OK

| | |
|----------------|-------------|
| TX/RX NO. | 0974 |
| CONNECTION TEL | 12022193923 |
| CONNECTION ID | |
| START TIME | 01/03 16:03 |
| USAGE TIME | 18'14 |
| PAGES | 28 |
| RESULT | OK |

9/7/1
6



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

March 20, 1997

Al Symington, Treasurer
Washington State Republican Party-
Federal Account
16400 Southcenter Parkway, Suite 200
Seattle, WA 98188

Identification Number: C00031088

Reference: 30 Day Post-General Report (10/16/96-11/25/96)

Dear Mr. Symington:

On February 26, 1997 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your March 5, 1997 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.


-Your calculations for Line 31, Columns A and B appear to be incorrect. FEC calculations disclose this amount(s) to be \$400, 936.94 and \$1,863, 768.68 respectively. Please provide the corrected total(s) on the Detailed Summary Page.

-Schedule H2 indicates the allocation ratio for Telemarketing P-609 and Direct Mail V-96-GOR were revised during the reporting period. Please provide the date on which this revision became effective. In the event that an excessive non-federal transfer was received, the excessive amount should be transferred back to your non-federal account.


-On Schedule H2, you disclose the ratio for Telemarketing P-610 to be the same as previously reported; however, it appears that this activity/event was not previously reported. Please amend your report to clarify this discrepancy. 11 CFR §104.10(a)(1)


EXHIBIT F

WASHINGTON STATE REPUBLICAN PARTY-FEDERAL ACCOUNT
PAGE 2


 -Schedule H3 discloses receipt of \$91,473.41 from your non-federal account for fundraising events which are listed as 100% non-federal on Schedules H2 and H4. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(i). However, 100% non-federal fundraising events do not fall within the definitions of allocable expenses, and constitute an impermissible transfer of funds received by your federal account from your non-federal account.

The Commission recommends you immediately transfer the total amount received by your federal account back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

 Please clarify all expenditures made for GOTV (such as TV and radio ads, phone banks & printing), the Kasich event and polling & surveys on Schedules B and H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedule B or F supporting Line 23 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §104.3(b)

 -Schedule H3 of your report discloses transfers received from your non-federal account which occur outside the permissible transfer period. Please be advised that transfers for shared activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.5(g)(2) and 106.6(e)(2) Please clarify the nature of these transfers-in from the non-federal account.

The Commission recommends that you immediately transfer the total excessive amount received by your federal account outside the 70-day time period back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

 On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the total EVENT YEAR-TO-DATE amount for a

WASHINGTON STATE REPUBLICAN PARTY-FEDERAL ACCOUNT
PAGE 3

payment(s) to several vendors. Please amend your report to include the missing EVENT YEAR-TO-DATE total(s).

-Schedule H4 of your report discloses a payment to Targeted Creative Communications as an in-kind transfer from the Republican National Committee. There is no indication of receipt of the federal portion (totaling \$764.00) listed on Schedule A of your report. Please amend your report to disclose this payment.

-Schedule H3 of your report (pertinent portion attached) discloses a transfer-in from the Republican National Committee to pay for Administrative/Voter Drive expenses of your committee. Please note that 11 CFR 106.5 (g)(1)(i) permits a committee to "pay the entire amount of an allocable expense from its federal account and shall transfer from its non-federal account to its federal account solely to cover the non-federal share of that allocable expense" (emphasis added). As the Republican National Committee is not a non-federal account of your committee, such a transfer is prohibited.

If the transfer in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have received a prohibited transfer, you must transfer-out the impermissible funds to an account not used to influence federal elections or refund the full amount to the Republican National Committee.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

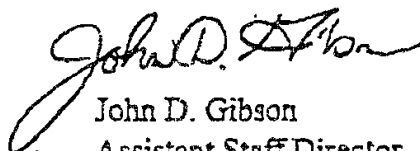
Although the Commission may take further legal action concerning the acceptance of prohibited transfers, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

WASHINGTON STATE REPUBLICAN PARTY-FEDERAL ACCOUNT
PAGE 4

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Andrea Wilkens on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,



John D. Gibson
Assistant Staff Director
Reports Analysis Division

RECEIPT SCHEDULE H3
 (Effective 1/1/91)

**TRANSFERS FROM
NON-FEDERAL ACCOUNTS**

 PAGE 8 OF 8
 FOR LINE 18

NAME OF COMMITTEE

Washington State Republican Party - Feder

TOTAL AMOUNT
TRANSFERRED

NAME OF ACCOUNT

Washington State Republican Party - Exempt

DATE OF RECEIPT

11-17-96

\$75,000.00

BREAKDOWN OF TRANSFER RECEIVED

| | ADMIN/VOTER DRIVE AMOUNT | DIRECT FUND- RAISING AMOUNT | EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT |
|--|-----------------------------|--------------------------------|---|
| 1) Total Administrative/Voter Drive | 75000.00 | | |
| 2) Direct Fundraising (List Events-Amount for Each) | | | |
| a) | | | |
| b) | | | |
| c) | | | |
| d) | | | |
| e) Total Amount Transferred For Direct Fundraising | | | |
| 3) Exempt Activity/Direct Candidate Support (List Events-Amount For Each) | | | |
| a) | | | |
| b) | | | |
| c) | | | |
| d) | | | |
| e) Total Amount Transferred For Exempt Activity/Direct Candidate Support | | | |

NAME OF ACCOUNT

Republican National Committee

DATE OF RECEIPT

10-23-96

\$ 2710.50

BREAKDOWN OF TRANSFER RECEIVED

| | ADMIN/VOTER DRIVE AMOUNT | DIRECT FUND- RAISING AMOUNT | EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT |
|--|-----------------------------|--------------------------------|---|
| 1) Total Administrative/Voter Drive | 2710.50 | | |
| 2) Direct Fundraising (List Events-Amount for Each) | | | |
| a) | | | |
| b) | | | |
| c) | | | |
| d) | | | |
| e) Total Amount Transferred For Direct Fundraising | | | |
| 3) Exempt Activity/Direct Candidate Support (List Events-Amount For Each) | | | |
| a) | | | |
| b) | | | |
| c) | | | |
| d) | | | |
| e) Total Amount Transferred For Exempt Activity/Direct Candidate Support | | | |

TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED

SUBTOTAL THIS PAGE

| ADMIN/VOTER DRIVE AMOUNT | DIRECT FUND- RAISING AMOUNT | EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT |
|-----------------------------|--------------------------------|---|
| 77710.50 | | 77710.50 |
| 1331760.50 | | 1331760.50 |