

PIERCE COUNTY REPUBLICAN PARTY

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Public Disclosure Commission

August 7, 2017

Washington Public Disclosure Commission
711 Capitol Way, Room 206
Post Office Box 40908
Olympia, Washington 98504-0908

Ladies and Gentlemen:

We are writing in response to the complaint accompanying your e-mail correspondence of July 19, 2017.

We were surprised and disappointed to have received a complaint. We fully support and honor the intent of the sovereign people of Washington in passing Initiative 276 (embodied in the Revised Code of Washington, Chapter 42.17A) and the policy that confidence in government at all levels can best be sustained by assuring full disclosure of campaign finance, lobbying and the financial affairs of elected officials and candidates.

As a volunteer organization, our officers have made a practice of participating in the training offered by the Public Disclosure Commission, attending several sessions in the past few years. And, our belief was that our practices upheld the full spirit and intent of the disclosure rules.

However, that notwithstanding, upon review of the complaint, our organization's records, and the law and regulations, it appears that we may have some discrepancies, as detailed by the complaint.

Our activity has been treated as 'cash basis,' and it was only upon closer review of the law and regulations that we discerned that perhaps we should have been using 'accrual basis' for some of our "Expenditures" and on our "Promise or promise to pay" on our "oral or written orders placed" or "obligation to purchase goods or services or anything of value," specifically, in instances where the transaction was not completed within the same reporting period. We would highlight for the PDC's consideration the practical limitations faced by all-volunteer organizations, which rely on subcommittees for event planning and the conduct of routine activities. We note for the Commission's cognizance the difficulties sometimes faced in timely communicating arrangements which may give rise to what should be considered an expenditure for reporting purposes.

Another area where we have uncertainty is with regard to the periodicity of required reporting. We believe we fall within the definition of "Bona fide political party" since we are the "county central committee ... of a major political party." The reporting requirements direct "each candidate or political committee" to file reports and provide timelines. However, the statutory definition of "political committee" does not pertain to our routine operation. Thus, it is unclear whether allegations of the complaint dealing with primary and general election reports are germane. Further adding to our uncertainty is the ORCA program, which software program's reporting timeline function appears to have been edited, and to have changed recently. At the time our 2015 and 2016 reports were filed, ORCA permitted monthly reporting (and did not permit election cycle reporting for monthly filers).

Finally, with respect to the substance of Appendix A, item 10 of the complaint, our analysis revealed that the item was reported as a fundraiser sale of bumper stickers and buttons, held at the Washington State Fairground premises. It was entered into ORCA as a "Fundraiser Event" with proper disclosure of the nature of the event in the memo section, however when transferred into the contribution section ORCA automatically pulled up the event assigning the vendor name of "Washington State Fair" in error. Therefore, we do not believe that the Washington State Fair has jeopardized its status as an IRC § 501(c)(3) tax-exempt organization based on its dealings with our organization.

In summary, we feel that our reporting has fully disclosed to the public, at large, the sources and disposition of the resources we have received; and that our filings, to date, do not obfuscate or conceal our activity in any manner. The public can ascertain the identities of those who have funded our activities and our vendors and payees. That said, we desire to ensure the PDC is satisfied with the completeness and accuracy of our filings and wish to continue a dialogue with the PDC Compliance section, to file additional forms (Schedule B and, or Schedule L) and, or amend prior C3 and, or C4 filings, as needed.

We feel that a meeting or visit with the PDC Compliance section might be the most productive avenue for evaluating each item and identifying what additional form(s) or amendments are needed. We will reach out to Fox Blackhorn to schedule a convenient time.

With kind regards, I am

Very truly yours,



Marty McClendon, Chairman
Pierce County Republican Party