



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In the Matter of Enforcement Action
Against:

Washington State Republican Party

Respondent.

PDC Case No. 11-020

Notice of Administrative Charges

IT IS ALLEGED as follows:

I. Jurisdiction

1. The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17 RCW, the Public Disclosure Act; Chapter 34.05 RCW, the Administrative Procedure Act; and Title 390 WAC. These charges incorporate the Report of Investigation and all related exhibits by reference.

II. Allegations

2. Staff alleges that the Washington State Republican Party (WSRP) violated provisions of the state campaign finance disclosure laws during the 2010 election as follows:

Non Exempt Funds Account

- a. RCW 42.17.080 and .090 by failing to timely provide sufficient detail on Schedule A to PDC form C-4 for an expenditure totaling \$9,544, that was an in-kind contribution to the 2010 Marty McClendon campaign for State Senator in the 26th Legislative District;
- b. RCW 42.17.080 and .090 by failing to timely report an expenditure on Schedule A to form C-4 totaling \$60,000, that was an in-kind contribution to the 2010 Steve Litzow campaign for State Senator in the 41st Legislative District.

- c. RCW 42.17.080 and .090 by failing to timely report the receipt of three contributions totaling \$378,500 on PDC form C-3;

Exempt Funds Account

- d. RCW 42.17.080 and .090 by failing to timely report the receipt of six contributions totaling \$107,500 on PDC form C-3; and
- e. RCW 42.17.080 and .090 by failing to timely report the receipt of two contributions totaling \$20,000 on PDC form C-3.

III. Background and Facts

3. The Washington State Republican Party is a bona-fide major political party. The WSRP has filed committee reports with the Public Disclosure Commission since the 1970s. Its current officers include Kirby Wilbur, Chairman, Peter Graves, Executive Director, and Colleen Morse, Treasurer.
4. The WSRP has two state accounts registered and reporting with the PDC, a "*Non Exempt Funds Account*" used for candidate support and other expenses, and an "*Exempt Funds Account*" that may not be used for candidate support, but may be used for specific types of expenditures described in statute. The WSRP is required to file frequent and detailed reports disclosing all contribution and expenditure activities for both accounts.

Non Exempt Funds Account

Alleged Failure to Timely and Properly Report Receipts and Expenditures (RCW 42.17.080 and .090)

5. On August 10, 2010, the WSRP timely filed its 7-day pre-primary election C-4 report and disclosed an expenditure of \$30,898. However, the report did not contain sufficient detail on Schedule A to form C-4 to explain that \$9,544 of the expenditure was an in-kind contribution to the 2010 Marty McClendon campaign for State Senator in the 26th Legislative District. On September 1, 2010, the WSRP amended Schedule A to form C-4 to properly describe the in-

kind contribution. The amended report was filed 22 days late and 15 days after the Primary election.

6. On October 11, 2010, the WSRP filed its 21-day pre-general election C-4 report. The report covered the period September 1 to September 30, 2010, although it was required to cover the period September 1 to October 11, 2010. The report was amended four times between October 11 and October 27, 2010 to cover the correct reporting period and add additional contributions or expenditures. The final amendment disclosed a previously unreported \$60,000 expenditure that was a monetary contribution made to the 2010 Steve Litzow campaign for State Senator in the 41st Legislative District on October 8, 2010. The monetary contribution was required to be reported on October 12, 2010, but was reported 15 days late on October 27, 2010, six days before the November 2, 2010 general election.
7. On October 25, 2010, the WSRP filed a C-3 report that included three contributions totaling \$378,500. The contributions were erroneously reported as being received on October 22, 2010. On October 27, 2010, the WSRP filed amended C-3 reports disclosing the following contributions:
 - a. Senate Republican Campaign Committee (SRCC) - \$175,000 received on October 8, 2010;
 - b. SRCC - \$83,500 received on October 11, 2010; and
 - c. House Republican Organizational Committee (HROC) - \$120,000 received on October 11, 2010.
8. The three contributions were required to be reported on October 11, 2010 (\$175,000), and October 18, 2010 (\$83,500 and \$120,000). The contributions were initially filed from 7 to 14 days late on October 25, 2010.

Exempt Funds Account

Alleged Failure to Timely and Properly Report Receipts (RCW 42.17.080 and .090)

9. On October 27, 2010, the WSRP filed a C-3 report disclosing the receipt of six contributions totaling \$107,500, from the following contributors: Premera Blue Cross, \$10,000; The Leadership Council, \$42,500; Microsoft Corporation, \$25,000; Murray Pacific Management, Inc., \$10,000; Rufus W. Lumry, III, \$10,000; and Patricia Lumry, \$10,000. The contributions were received between October 4 and October 10, 2010, and were required to be reported on October 11, 2010. The contributions were reported on October 27, 2010, 16 days late and six days before the November 2, 2010 general election.

10. On October 27, 2010, the WSRP filed a C-3 report disclosing the receipt of two contributions totaling \$20,000, from the following contributors: Kemper Holdings, LLC, \$10,000; and Charles P. Burnett, III, \$10,000. The contributions were received on October 11, 2010, and were required to be reported on October 18, 2010. The contributions were reported on October 27, 2010, nine days late and six days before the November 2, 2010 general election.

V. LAW

RCW 42.17.080 and 090 require candidates and political committees to file timely, accurate reports of contributions and expenditures, including in-kind contributions. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit. Reports must include the name and address of each person to whom an expenditure was made in the aggregate of more than \$50, and must include the amount, date, and purpose of each such expenditure, including the name of the candidate benefitted when such expenditure is an in-kind contribution to a candidate.

RESPECTFULLY SUBMITTED this 12th day of August, 2011.


Philip E. Stutzman
Director of Compliance