



**State of Washington  
PUBLIC DISCLOSURE COMMISSION**

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**Toll Free 1-877-601-2828 • E-mail: [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov) • Website: [www.pdca.wa.gov](http://www.pdca.wa.gov)**

June 24, 2020

Delivered electronically to "treasurer@piercegop.org"

Subject: Complaint filed by Walter Smith, PDC Case 22311

Dear Pierce County Republican Party:

Below is a copy of an electronic letter sent to Walter Smith concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Mr. Smith, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

PDC staff is reminding the Pierce County Republican Party about the importance of the timely disclosure of all expenditure activities, including debts or other obligations, and the requirement to submit C-4 reports prior to and after each primary or general election in which the Committee participates. PDC staff expects in the future that you will file timely and accurate C-4 reports in accordance with PDC laws and rules.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov).

Sincerely,

Endorsed by,

*Electronically signed*

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Jennifer Hansen  
Compliance Officer

*Electronically signed*

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Barbara Sandahl  
Deputy Director  
For Peter Lavallee  
Executive Director



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June 24, 2020

Delivered electronically to Walter Smith at “[walter.martin.smith@gmail.com](mailto:walter.martin.smith@gmail.com)”

Subject: Complaint regarding Pierce County Republican Party, PDC Case 22311

Dear Mr. Smith:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on July 14, 2017, initially as a Citizens Action Notice filed under RCW 42.17A.765(4), and later converted to a PDC complaint following implementation of Engrossed Substitute House Bill 2938, which took effect June 7, 2018. The complaint alleged that the Pierce County Republican Party (Committee), a bona fide political party committee may have violated: (1) RCW 42.17A.235 and .240 by failing to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing activities undertaken by the Committee during calendar years 2015, 2016 and 2017; and (2) RCW 42.17A.235 and .240 by failing to timely and accurately file C-4 reports disclosing debts and other obligations owed by the Committee during calendar years 2015, 2016 and 2017.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response provided by the Respondent; the applicable PDC reports filed by the Respondent; and queried the Respondent’s data in the PDC contribution and expenditure database, to determine whether the record supports a finding of one or more violations.

**RCW 42.17A.235 and .240** require candidates, single election political committees, and continuing political committees to file timely, accurate reports of contributions and expenditures, including debts or other obligations. 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 in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during this same time period and must be disclosed on Monday for contributions deposited during the previous seven days.

Based on staff’s review, we found the following:

- Pierce County Republican Party was registered during calendar years 2015, 2016 and 2017 under the “Full Reporting” option and was required to submit C-4 reports monthly and then more frequently during each election in which the Committee participates in accordance with RCW 42.17A.235.
- Staff’s review of the Committee’s campaign activity showed that the Committee did not make expenditures to support of oppose candidates during 2015 or 2017 and was,

therefore, required to file C-4 reports on a monthly basis when the Committee's activity exceeded \$200.

- Staff's review of the Committee's 2016 campaign activity show that the Committee participated in the 2016 general election when it made a \$37,000 campaign contribution to the 2016 Friends of Steve O'Ban campaign and should have filed C-4 reports 21 and 7 days prior to the November 8, 2016 general election and a post-election C-4.

Allegation 1: Violation of RCW 42.17A.235 and .240 for failure to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing activities undertaken by the Committee during calendar years 2015, 2016 and 2017.

- The complaint alleged that two C-4 reports were filed late during calendar year 2015, five C-4 reports were filed late during calendar year 2016, and three C-4 reports were filed late during calendar year 2017.

Staff found that for calendar year 2015, the majority of the expenditures made by the Committee were for party building, a "get out the vote" effort or fundraiser activities for the party and general administrative costs.

- On November 9, 2015, the Committee filed the October 2015 C-4 report disclosing \$3,751.51 in total expenses including costs for telephone, postage, rent, marketing and insurance. The C-4 reporting period covered October 13, 2015 to October 26, 2015 and would have been due by October 27, 2015. However, the Committee was not participating in the 2015 election and was, therefore, required to file C-4 reports monthly when the Committee's activity exceeded \$200, or by no later than November 10, 2015.
- On November 21, 2019, the Committee filed the December 2015 C-4 report disclosing a \$110.48 expenditure to Mutual of Enumclaw for insurance, a \$178.23 expenditure to Office Depot for office supplies, a \$420.67 expenditure to Pacific Automation for printing, and \$51.36 in un-itemized expenditures. The C-4 was due by January 11, 2015 and was submitted 1,410 days late.

Staff found that for calendar year 2016, the majority of the expenditures made by the Committee were for party building, a "get out the vote" effort or fundraiser activities for the party and general administrative costs. However, staff noted that the Committee made one campaign contribution to a 2016 candidate as described below.

- On August 12, 2016, the Committee filed the July 2016 C-4 report disclosing \$11,039.01 in total expenses for office rent and costs related to the Tacoma Hilltop Street Fair and the Washington State Fair. The C-4 was due by August 10, 2016 and was submitted two days late.
- On October 20, 2016, the Committee filed the August 2016 C-4 report disclosing \$7,041.64 in total expenses for office rent, insurance, telephone, and internet service, as well as costs related to fundraising and other events, including catering and stickers. The C-4 was due by September 12, 2016 and was submitted 38 days late.
- On January 15, 2017, the Committee filed the October 2016 C-4 report disclosing \$45,129.20 in total expenses for rent, telephone, internet services, costs related to party events and a \$37,000 campaign contribution to the 2016 Friends of Steve O'Ban campaign. Due to the participation of the Committee in the 2016 general election, a C-4 covering September 1, 2016 to October 17, 2016 was due by October 18, 2016 disclosing activities during the reporting period and was submitted 89 days late. A second C-4

covering October 18, 2016 to October 31, 2016 was due by November 1, 2016 disclosing activities during the reporting period and was submitted 75 days late.

- On January 15, 2017, the Committee filed the November 2016 C-4 report disclosing \$35,665.73 in total expenses for rent, maintenance, food for volunteers, and compensation for campaign workers. The C-4 was due by December 12, 2016 and was submitted 34 days late.
- On February 5, 2017, the Committee filed the December 2016 C-4 report disclosing \$16,600.78 in total expenses for rent, telephone, internet services, catering and two payments to Professional Staff Norwest for campaign worker compensation. The C-4 was due by January 10, 2017 and was submitted 26 days late.

Staff found that for calendar year 2017, the majority of the expenditures made by the Committee were for party building, a “get out the vote” effort or fundraiser activities for the party and administrative costs.

- On March 15, 2017, the Committee filed the January 2017 C-4 report disclosing \$2,747.72 in total expenses for name badges, business cards, rent and internet service. The C-4 was due by February 10, 2017 and was submitted 33 days late.
- On May 9, 2017, the Committee filed an amended March 2017 C-4 report disclosing \$5,613.42 in total expenses for rent, telephone, copier service, PCO photos, meeting costs, and office supplies. The amended C-4 included a \$76.15 expenditure to Office Depot and a \$180 expenditure to Robert Blehert for artwork. The two expenditures were previously undisclosed and were due by April 10, 2017 and was submitted 29 days late.
- On July 9, 2017, the Committee filed the May 2017 C-4 report disclosing \$16,617.71 in total expenses for telephone, rent, internet services, as well as costs related to fundraising and other events, including catering and stickers. The C-4 was due by June 12, 2017 and was submitted 27 days late.
- In the response, the Committee stated that, as a volunteer organization, their officers have made a practice of attending PDC training opportunities, and that they believed their practices upheld the full spirit and intent of the disclosure rules. The response stated that, upon further review of the allegations, the Committee’s records, and the laws and rules, they found reporting discrepancies as described in the complaint.
- The response stated that the Committee had been treating their campaign activity on a “cash basis” but now realize that they should be using an “accrual basis” instead.
- The Committee also noted uncertainty regarding the reporting schedule a bona fide political committee should use and stated that they had no intention to conceal their campaign activity from the public.

Allegation 2: Violation of RCW 42.17A.235 and .240 for failure to timely and accurately file C-4 reports disclosing debts and other obligations owed by the Committee during calendar years 2015, 2016 and 2017.

- The complaint alleged that during calendar years 2015, 2016 and 2017, that the Committee failed to disclose or timely disclose, debts or other obligations owed and included details of specific expenditures that appear to have been arranged or obligated during a reporting period earlier than when the expenditure for the good or service was paid and included the following examples:

- Location rental, catering costs and advertisements for the 2016 and 2017 Lincoln Day Dinner events.
  - Location rental and food costs for the 2015 and 2016 Christmas party events.
  - Booth rental, printing, and advertising costs for the 2015 and 2016 Washington State Fair events.
  - Location rental, food costs, entertainment, and advertisements for the 2016 Dancing with Elephants event.
  - Location rental, catering costs, and audio services for the April 2016 county party convention.
  - Compensation for 2016 campaign workers.
  - Printing costs for bumper stickers during December 2015.
- In the response, the Committee noted the difficulties with timely communicating arrangements which may need to be reported in a specific manner.
  - On June 7, 2018, Engrossed Substitute House Bill (ESHB) 2938 became effective, clarifying that for the purposes of reporting expenditures under RCW 42.17A.240, debt does not include “regularly recurring expenditures of the same amount that have already been reported at least once and that are not late or outstanding.”

It appears that the majority of the late reported activity, including debts or other obligations, undertaken by the Committee was for expenses connected to party building, a “get out the vote” effort and party fundraising activities. The Committee is staffed primarily by volunteers and the reporting deficiencies found do not appear intentional or otherwise meant to avoid disclosure.

Staff found that, although timely disclosed by the recipient, the C-4 report disclosing the \$37,000 campaign contribution to the 2016 Friends of Steve O’Ban campaign should have been disclosed by October 18, 2016 on a C-4 covering September 1, 2016 to October 17, 2016 but was submitted 89 days late. In addition, a second C-4 covering October 18, 2016 to October 31, 2016 was due by November 1, 2016 and was submitted 75 days late.

Based on our findings staff has determined that, in this instance, failure to timely file C-4 reports for calendar years 2015, 2016 and 2017, that disclosed activities not related to the primary or general elections and failure to timely disclose one campaign contribution using the reporting schedule described in RCW 42.17A.235, does not amount to a finding of a violation that warrants further investigation.

PDC staff is reminding the Pierce County Republican Party about the importance of the timely disclosure of all expenditure activities, including debts or other obligations, and the requirement to submit C-4 reports prior to and after each primary or general election in which they participate, for all future PDC reports in accordance with the statutes and rules.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov).

Sincerely,

Electronically signed  
Jennifer Hansen

Endorsed by,

Electronically signed  
Barbara Sandahl

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Compliance Officer

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Deputy Director  
For Peter Lavallee  
Executive Director

cc: Pierce County Republican Party