



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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December 29, 2021

Delivered electronically to Elaina Gonzales-Blanton at “elainaluz@yahoo.com”

Subject: Complaint regarding 23rd Legislative District Republican Committee, PDC Case 80600

Dear Ms. Gonzales-Blanton:

Public Disclosure Commission (PDC) staff has completed its investigation of your complaints received November 9 and 10, 2020, alleging 23rd Legislative District Republican Committee (Committee) violated: (1) RCW 42.17A.220 for failure to timely deposit contributions; (2) RCW 42.17A.235 & .240 for failure to timely and accurately disclose contributions and expenditures; and (3) RCW 42.17A.235 & WAC 390-16-043 for failure to provide accurate books of account during the public inspection period occurring prior to the November 3, 2020 General Election.

Your complaints also alleged April Ferguson, Chair of 23rd Legislative District Republican Committee, violated RCW 42.17A.445 by misusing the funds received by or otherwise belonging to the Committee for her own personal financial gain.

RCW 42.17A.235 and **RCW 42.17A.240** require political committees to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-3 and C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report; on the twenty-first day and the seventh day immediately preceding the date on which the election is held; and on the tenth day of the first month after the election.

In addition, political committees are required to maintain campaign books of accounts and records to verify the information disclosed on the C-3 and C-4 reports and keep the information current within one business day.

RCW 42.17A.220 states that all monetary contributions received by a candidate or political committee shall be deposited by candidates, political committee members, paid staff, or treasurers in a depository in an account established and designated for that purpose. Such deposits shall be made within five business days of receipt of the contribution.

WAC 390-16-043 includes the statutory definition of “books of account” as “a ledger or similar listing of contributions, expenditures, and debts, such as a campaign or committee is required to file regularly with the commission, current as of the most recent business day.” The rule also establishes requirements for the timing and method of both making a request to view campaign books of account and responding to such a request.

PDC staff reviewed your complaints, response from the Committee, and the relevant law and rules. As a result of the investigation, staff found the following:

Committee Reporting Overview

On February 11, 2020, the Committee filed its initial C-4 report for calendar year 2020, disclosing \$1,442 in funds carried forward from the end of calendar year 2019, \$4,039 in total deposits during the month of January 2020, and \$2,907 in monetary expenditures for the month of January 2020.

The Committee received the majority of contributions from its members and disclosed the contributions either as “un-itemized” \$25 or less, or as proceeds from low-cost fundraisers.

The Committee spent most of its funds on general overhead, party building, “get out the vote” efforts and sale of campaign items for the 2020 Trump Presidential Re-Election Campaign.

Timely Deposit of Contributions

The Committee filed 34 original C-3 reports on or before the due date. However, 31 of the C-3 reports disclosed individual contributions that were deposited between 1 and 217 days beyond the required five business days.

Timeliness of Reporting Expenditures

The Committee made three contributions totaling \$700 to three separate 2020 State House and Senate candidates that were disclosed on the 7-Day Pre-General Election C-4 report and filed November 3, 2020, seven days late.

The Committee filed 12 monthly and election related C-4 reports. Three of the 12 C-4 reports were filed disclosing zero in total receipts and \$56.99 in total expenditures, and were filed on or before the due date. The remaining nine C-4 reports disclosed \$12, 630.88 in total receipts and \$13,889.24 in total expenditures and were submitted between 1 and 185 days late.

Maintaining Accurate Books of Account

In her communication with PDC staff, Chair Ferguson affirmed that the Committee’s financial records were incomplete during the transition and training of the new Treasurer, David Lindquist.

Staff’s review of the Committee’s C-3 and C-4 reports show that the records were not complete nor accurate at the time of the inspection on November 3, 2020 due to Mr. Lindquist’s inexperience, the limited in-person interactions allowed during COVID restrictions and the physical distance between the Chair, the Treasurer and the Committee’s bank.

Response from the Committee Regarding Late Deposits & Late Reporting

In the response, Chair Ferguson stated that during calendar year 2020 the Committee was hampered by the March 2020 resignation of the Committee Treasurer followed by a prolonged period of time before a replacement could be found due to COVID restrictions on in-person meetings of the Committee members. In addition, Chair Ferguson stated that after a new Treasurer was elected, it was impracticable to turn over the Committee's bank account information and other treasury responsibilities until September 11, 2020. These circumstances lead to the late deposits and late reporting.

Treasurer Lindquist stated that he had no accounting or treasury experience, that he was already employed full-time and could not conduct banking activities during business hours. He further stated that he had no computer or printer at his home, which meant that he had to travel to the county party offices to file PDC reports.

Response from the Committee Regarding Inspection of Records

In her response, Chair Ferguson stated that Elaina Gonzales-Blanton requested to inspect the Committee records and would be accompanied by Pam Madden-Boyer, both of whom were personally known by her and David Lindquist. Chair Ferguson asserted that the inspection was brief due to Ms. Gonzales-Blanton's and Ms. Madden-Boyer's repeated attempts to record and photograph during the inspection without consent. Both parties made calls to 9-1-1, resulting in termination of the in-person meeting.

Other Findings

Chair Ferguson provided details regarding additional accounting errors, missed expenditures or other minor corrections, and worked with PDC Filer Assistance staff to submit new or amended reports.

Staff found that although Chair Ferguson's increased involvement in the Committee's finances after March 2020 may have been detrimental to the Committee's compliance in the short term, it is staff's belief that Chair Ferguson was attempting to bring the Committee back into compliance during the transition of the new Treasurer.

As of October 19, 2021, the Committee has employed the services of Dave Simpson as Bookkeeper and PDC Filer. Mr. Simpson has previous experience with PDC laws, rules and reports. In addition, Mr. Simpson has access to the Committee bank account and has the technical ability to submit PDC reports timely and accurately.

After a careful review of the alleged violations and relevant facts, PDC staff has concluded its investigation, and has resolved the complaints against the Committee. The complaints have been resolved through a Statement of Understanding and dismissal, as described below.

23rd Legislative District Republican Committee (Committee) completed a Statement of Understanding (SOU) in accordance with WAC 390-37-142. In the SOU, the Committee: (1) acknowledged a violation of RCW 42.17A.235 and .240 by failing to file timely and accurate

campaign reports (C-3 and C-4 reports); (2) acknowledged a violation of RCW 42.17A.220 by failing to deposit monetary contributions within five business days of receipt; (3) acknowledged a violation of RCW 42.17A.235 & WAC 390-16-043 by failing to maintain current “books of account” for the purpose of providing them during the public inspection period prior to the November 3, 2020 general election; (4) expressed an understanding that the Commission will not hold an adjudicative hearing in connection with the violations; and (3) paid a \$750 civil penalty.

The \$750 penalty resolves these allegations. Staff believes this is the appropriate resolution considering all the facts and circumstances, including that the Committee has implemented several measures to ensure future compliance with PDC laws and rules, including training for Committee officers, independent audits, general accounting oversight procedures and the employment of an individual knowledgeable with PDC laws, rules and filing requirements, to fill the treasury position full-time.

Staff’s investigation found no evidence that April Ferguson, Chair of 23rd Legislative District Republican Committee, violated RCW 42.17A.445 by misusing the funds received by or otherwise belonging to the Committee for her own personal financial gain. Therefore, I am dismissing that portion of the complaints in accordance with RCW 42.17A.755(1) and WAC 390-37-070.

If you have questions, you may contact Jennifer Hansen, Compliance Officer, at 360-753-1111; toll-free at 877-601-2828; or by e-mail at pdcc@pdc.wa.gov.

Sincerely,

Electronically Signed Kim Bradford

Kim Bradford
Deputy Director
For Peter Frey Lavallee
Executive Director

cc: 23rd Legislative District Republican Committee