

Nancy R. Goodloe  
 Candidate for Re-Election 2021  
 110 W. 6th Ave., #365  
 Ellensburg, WA 98926

**MEMORANDUM**

Date: September 27, 2021

TO: Washington Public Disclosure Commission  
 Attn: Phil Stutzman

FROM: Nancy R. Goodloe  
 110 W. 6th Ave., #365  
 Ellensburg, WA 98926

RE: **Response to Complaint #95984**

**Alleged Violation 1: Violation of RCW 42.17A.445 for personal use of campaign funds (EY21; July 21)**

As I began to address the complaint and review/audit the 2017 reporting, PDC staff asked me to see if there was a backup for the 2017 campaign. When asked this question, my 2017 treasurer indicated that he had no records from the campaign and did not make a backup copy of the 2017 campaign. The resultant lack of information posed some issues in resolving one of the reporting errors. Resultantly, my 2021 treasurer (Julie Petersen) and I, after instruction from PDC support, re-created the 2017 campaign.

Page 1 of Complaint: Complainant noted that the closing balance for the original 2017 campaign was \$1820.03. Actually, this number is the Cash on Hand reported on line 18 of that C4 #100819802, 03/06/2018. The balance was reported on Line 20 of that C4 and was \$624.59. Theoretically, that balance should have carried over to the first C4 report #110025645, 06/10/2021 for 2018. This was the balance reported after the Liabilities, Line 19, of \$1195.44 were subtracted from the Cash on Hand. The loan mentioned by complainant was actually reported on Line 19 of the report.

C4 #100819802, filed 03/06/2018, line 18	Cash on Hand	\$1820.03
		(—)
C4 #100819802, filed 03/06/2018, line 19	Liabilities	1195.44
C4 #100819802, filed 03/06/2018, line 2	Balance	\$624.59

- Complainant suggests possible misappropriation of funds. he noted that the loan amount showing on C4 #100819802, filed 03/06/2018, had not been resolved. He questioned had it been reimbursed, or had it been misappropriated?

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\*Note: Candidate found three reporting errors pertaining to the loan mentioned in this part of the complaint. One of these errors (3) was not directly related to the complaint but had bearing on the resolution of the reported 2017 loan on the re-created 2017 Campaign. This section contains the information needed to correct these errors and respond to the complaint.

**Candidate Response:** — Error 1— The Treasurer did not complete the final filing related to the loan reported on C4 #100819802, 03/06/2018. Otherwise the paperwork to show the liabilities in the C4 as either being reimbursed to the candidate or carried over to the 2021 campaign would have been filed.

**Candidate Response:** — Error 2 — Treasurer reported the amount filed, C4 #100819802, 03/06/2018, on line 19 as a loan. This amount should have been reported as a candidate in-kind contribution.

**Candidate Comment:** My treasurer and I had agreed at the beginning of my 2017 campaign that the expenditures I paid for with my personal account would be filed as loans. Then at the end of the campaign, they could be changed to in-kind contributions if I wanted to do that. As that was my original intention, I agreed. Unfortunately, we did not revisit this discussion at the end of the campaign. Had we done that, I believe I would have asked the treasurer to make the change to in-kind candidate contributions.

\*Note: The candidate was never reimbursed for any loan amount from 2017. The money just sat in the report until this complaint was filed.

**Candidate Response:** — Error 3 — The \$1195.44 loan amount reported on C4 #100819802, 03/06/2018, could not be replicated from the personal expenditure receipts the candidate had in her files from the original 2017 campaign. As noted earlier, the treasurer had no records from the 2017 campaign to help.

**Candidate Comment:** In an email to my Treasurer dated June 27, 2017, I reported the following expenses paid with my personal account to my treasurer as loans, per our discussion at the beginning of the campaign. The expenses below were reported as part of the whole total liabilities for 2017 on the C4 #100819802, 03/06/2018. When I found the error in the amount on the original report, I asked my treasurer if he could remember where that number, \$1195.44, came from. He was not able to remember and had no records to support it.

During the construction of the re-created 2017 Report, my 2021 treasurer and I not only corrected the amount, \$1195.44, but also reported the amounts as in-kind candidate contributions. Details of the process to file these corrections are below.

Smaller expenditures paid initially by candidate and reported as loans in the email referenced above:

i. Campaign mailbox	<b>\$183.00</b>
ii. Deposit to open campaign bank	<b>\$100.00</b>
iii. Ellensburg voter lists from the Auditor's office	<b>\$15.00</b>
iv. Copy Shop copies for a campaign committee meeting	<b>\$12.98</b>
v. Jerrol's — White binder and filing labels for my campaign materials	<b>\$7.56</b>

Total of reported loans— **\$318.54**

**Error 4:** Large candidate personal purchase reported incorrectly on original 2017 report:

On July 1, 2017, I purchased the yard signs for my campaign with my personal bank account debit card and reported these to the campaign as an in-kind contribution. Treasurer reported these as an expense on 07/02/2017 campaign expense report. This expense did not appear in the campaign bank account statements. The purchase was:

Vendor: Dirt Cheap Yard Signs	18 qty. 24" X 36"/\$22.05 per sign	<b>\$441.00</b>
	100 qty. 18" X 24 /\$2.75 per sign	<b>275.00</b>
Heavy Duty stakes	50 qty./\$1.99 per stake	<b>99.50</b>
	Shipping	<b>82.73</b>

Total Order Signs—**\$898.23**

The above two totals, \$318.54 and \$898.23, were the only possible numbers in the 2017 campaign reporting that could have been combined to total \$1195.44. However, these two numbers summed to **\$1267.77**. I have no explanation for what was included in the loan amount on the C4 #100819802, 03/10/2018. and how that total, \$1195.44 was reached. My assumption is that the treasurer inadvertently filed the \$898.23 as both an expense and as part of the loan amount. Without the needed information and the backup of the 2017 campaign, it is difficult to have an unquestionable resolution here. When the 2017 campaign was re-created, these six numbers, totaling \$1267.77, were reported as in-kind candidate contributions. The \$898.23 was removed from the original 2017 expense report.

- Complainant noted that no 2017 balance carried over to C4 #110025645, 06/10/2021, and there should have been carry-over.

**Candidate Response: Error 5:** Yes, there should have been carryover, but the candidate erred in filing C4 #110025645, 06/10/2021 and did not know to carryover the balance from the final 2017 Campaign report C4 #100819802, 03/06/2018. I did not realize there should have been a carryover, and I did not report it. Instead I reported the first 2021 campaign donation (\$500) on line 1 of that report #110025645, 06/10/2021. For what it's worth, my treasurer and I had realized this error on the 2021 report and had noted it would be corrected. We had not filed the 2021 amendments when the complaint was filed in July 2021.

**Reconciliation between the re-created 2017 campaign with the 2017 campaign bank account ending balance:**

Since there was no backup copy for the 2017 campaign report, PDC staff instructed me to re-create the 2017 Campaign by reentering the 2017 contributions, expenditures, and to correct the original loan amounts as in-kind candidate contributions. My 2021 treasurer and I did this work on September 6, 2021. Upon re-creation of the original 2017 campaign, new C3 reports for 2017 were created and filed on September 6, 2021. Working with PDC support on September 23, 2021, I filed the new 2017 C4 reports as amendments to the re-created 2017 campaign finance report.

Recreated 2017 Campaign C4 Amendments filed September 23, 2021:

Original Report Period Date:	New Amendment #	Date Filed
a. 2017-06-01	110049261	2021-09-23
b. 2017-07-01	110049262	2021-09-23
c. 2017-08-01	110049263	2021-09-23
d. 2017-09-01 - 2017-10-16	110049264	2021-09-23
e. 2017-10-17 - 2017-10-30	110049265	2021-09-23
f. 2017-10-31 - 2017-11-30	110049266	2021-09-23
g. 2017-12-01 - 2017-12-31	110049267	2021-09-23
h. 2018-01-01 - 2018-01-31	110049268	2021-09-23
i. 2018-02-01 - 2018-02-28	110049269	2021-09-23
j. 2018-03-01 - 2018-03-31	110049270	2021-09-23

When these C4 amendments were filed, the re-created 2017 campaign balance was **\$1123.38**, not \$634 as mentioned earlier. This re-created balance of \$1123.38, amendment C4 #110049267, 2017/12/01-2017/12/31 reconciled with the 2017 Campaign final bank account of March 2018 campaign statement, **\$1123.38**. This reconciliation indicates there was no misappropriation or concealing of expenditures/funds by anyone associated with the 2017 Nancy Goodloe for City Council Campaign. This ending balance was carried over to the re-created 2017 account when the above C4s were filed.

**Alleged violation 2: RCW 42.17A.235 & 240 for failure to timely and accurately report expenditures (EY21; July 21)**

**Candidate Response: Error 6:** To my understanding of the reporting deadlines, the final C4 #100819802, 03/06/2018 was filed appropriately on the first quarterly filing deadline for 2018. The final expense of \$54.05 from GMAC Photo was billed to the campaign on December 18, 2017, received and paid by the candidate on December 28, 2017, and reported to the treasurer in January 2018. The failure to report in a timely manner to the treasurer was a candidate error. On the re-created 2017 campaign, this expense is reflected on C4 #110049267, 2017-12-01 — 2017-12-31.

- Complainant cited C4 #100781563, 08/09/2017 and C4 #100795453, 10/23/2017 reporting expenditures lacking the proper reporting details as required by RCW.17A.240(6). Complainant further suggested the record should be corrected for the entire 2017 expenditures. Complainant further indicated candidate did not report her 2017 campaign filing fee.

**Candidate Response: Error 7:** This allegation is correct. Yes, we could have provided more detail, and yes, we should have done that. For that I am sincerely sorry. This was not an intentional act. The treasurer and I both erred on this complaint.

Note: The record has been corrected on the re-created 2017 Campaign expenditure reports. The candidate did not file the 2017 filing fee because candidate had lost the receipt for that expenditure.

**ADDITIONAL REPORTING ERRORS FOUND**

**Candidate Error 8:** Candidate failed to report five 2017 campaign expenditures that were purchased with the campaign debit card and reported on the campaign bank statements, but did not show on the final PDC list of campaign expenditures. My treasurer knew nothing about these expenditures and cannot be held accountable. Four of these expenditures occurred in August 2017 in preparation for the Ellensburg Rodeo Parade entry.. All of these expenditures with detailed descriptions and information are reported below:

a. Knudson's Lumber	\$36.51	18 pieces of rebar 3/8" X 4' sign stakes, purchased: 8/11/17
b. VistaPrint	\$356.18	21 Campaign T-shirts for rodeo parade participants and 1000 business cards, purchased: 8/27/2017
c. VistaPrint	\$71.39	4 Campaign T-shirts for rodeo parade participants purchased: 8/27/2017
d. SHOPKO	\$132.87	13 Bags of candy to distribute to rodeo parade goers, purchased: 8/27/2017
e. GMAC Photo	\$54.05	Campaign photo, Billing date: 12/18/27. Paid by campaign check #101, 12/28/2017. Reported January 2018.
<b>Total</b>	<b>\$651.00</b>	

All of these expenditures were reported on the re-created 2017 final campaign expense report.

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**Summary of errors revealed in the response to complaint 98954:**

1. Treasurer error: Did not follow PDC rules when he did not file the paperwork to describe what was done with a loan amount on C4 #100819802, 03/06/2018. Leaving this loan on the report implied it was a loan and a balance of \$654.29 showed on line 20. This C4 was the final report for the 2017 campaign, and it was incomplete.
2. Treasurer error: Reporting C4 #100819802, 03/06/2018, line 19 as a loan. This loan should have been reported as an in-kind contribution on the above C4.
3. Unresolved error: Lack of backup copy and supporting documentation to replicate the \$1195 loan amount reported C4 #100819802, 03/06/2018, Line 19.
4. Treasure error: Failure to report candidate in-kind contribution of cost for campaign signs.
5. Candidate error: Failure to report accurate 2017 carryover for 2021 campaign when filing C4 #100819802, 03/06/2018.
6. Candidate error: Candidate did not report the final December 2017 expense in a timely manner to the treasurer.
7. Candidate and treasurer error: Failed to provide the appropriate level of detail on the 2017 campaign expenditure entries, C4 #100781563, 08/09/2017 and C4 #100795453, 10/23/2017.
8. Candidate error: Failed to report five 2017 campaign expenses to the treasurer.

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**Comments:**

An inspection of the 2017 campaign revealed eight reporting errors by the candidate and/or the campaign treasurer or both as well as a clear lack of communication between the two during the campaign. None of these errors was intentional

As a rookie candidate, I could have spent more time learning the reporting rules, but I did not do this. My treasurer could only report what I sent him and had to rely on his memory for what we discussed. I could have checked more often on the reports and talked with him more frequently as the campaign wound down. I offer my sincere apology for these failures to the PDC staff and to the public for not being more vigilant with campaign reporting in 2017.

The PDC staff spent hours of time with me in producing this response, hours that you really didn't have to give. For that I am extremely grateful and very thankful that we have this level of professionalism working for us as citizens of the state to support the business of the cities, counties, and state and keep elected officials honest and transparent.

I am thankful to have had the opportunity to correct the errors revealed on the 2017 campaign, and to do the work that enabled me to respond clearly to the complaint, the complainant, and to the PDC. Not having a backup of the 2017 campaign posed issues for them and for the candidate in responding to this complaint. I have developed a much better understanding of the finance reporting requirements for Washington State elected officials and will be able to support my 2021 treasure much more effectively than I did my

2017 treasurer. The re-created 2017 Campaign was reconciled with the 2017 final balance in the Campaign bank account, and all errors reported in the early 2021 campaign reports were corrected.

I believe this reponse demonstrates there were no illegal violations, planned or committed, against the State of Washington with the 2017 Nancy R. Goodloe campaign. The clear evidence that the campaign balance on the re-created and correct 2017 campaign report reconciled with the ending balance in the campaign bank account for March 2018. This is the number that has now been carried over to the 2021 campaign reporting.

I am happy to respond to errors, questions, or needed clarification from the PDC staff on this reponse.

Thank you,

Nancy R. Goodloe, Ellensburg City Council 2

A handwritten signature in cursive script that reads "Nancy R. Goodloe". The signature is written in black ink and is positioned below the typed name.