



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
(360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

Public Disclosure Commission Statement of Understanding

Whatcom County Republican Party: PDC Case 99265

LAWRENCE
McDonough, as a Committee Officer and representative of the Whatcom County Republican Party (WCRP), hereby acknowledge that the WCRP violated **RCW 42.17A.235 and .240** on multiple occasions by failing to accurately file Monetary Contributions reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities undertaken during calendar years 2020 and 2021. The facts of this violation are as follows:

- The WCRP is a Bona Fide County Political Party Committee that has been registered and reporting with the PDC dating back to at least the early 1990's.
- On November 19, 2019, the WCRP filed a Committee Registration as a Bona Fide County Political Party Committee for its Non-Exempt Account, selecting the Full Reporting Option. The Committee Registration listed Kathy Kershner as Chairman, Karl Uppiano as Vice-Chair, Russell Dzialo as Treasurer, and Patti Wieland as Secretary.
- On January 9, 2021, the Committee file a Registration as a Bona Fide County Party Committee for its Non-Exempt Account, selecting the Full Reporting Option, and listing John Ramsey as Chairman, Ashley Butenschoen as Vice-Chair, Russell Dzialo as Treasurer, and Heidi Shires as Secretary.

RCW 42.17A.235 and .240 requires Bona Fide Political Party Committees under the Full Reporting option to timely and accurately file C-3 and C-4 reports disclosing contribution and expenditure activities undertaken during calendar years 2020 and 2021.

1. The WCRP failed to accurately disclose contribution and expenditure activities for calendar year 2020 which resulted in a \$14,381.76 discrepancy that took almost two years to correct.

2. The WCRP's 2020 ending cash on hand balance was listed as \$4,039.10 on the December 2020 C-4 report, but the 2021 beginning balance on January 1, 2021, totaled \$18,420.86 as disclosed on the January 2021 C-4 report.
3. The WCRP had an issue in which they could not recover their Online Reporting of Campaign Activity (ORCA) campaign finance software dataset for calendar year 2020 and had to manually re-enter the 2020 contribution and expenditure activities for the whole year. As part of that work, the WCRP engaged the services of Bruce Ayers to re-enter the activities and reconcile the bank statements.
4. The WCRP's reconciliation work, and PDC Staff's review, confirmed that part of the \$14,381.76 discrepancy in the Dec. 31, 2020 ending balance was caused by two duplicated expenditures on the initial 2020 7-Day Pre-General Election C-4 report that was timely filed on October 26, 2020. The duplicated expenditures were:
 - A \$8,024.80 expenditure made on October 23, 2020, to Lithex NW Printing from Bellingham, WA for an "Mailers plus postage."
 - A \$2,853.38 expenditure made on October 13, 2020, to Lithex NW Printing from Bellingham, WA for "525-yard signs."
5. The WCRP's reconciliation work, and PDC Staff's review, confirmed that the \$14,381.76 discrepancy also included the following contribution and expenditure activities that were not timely disclosed on either C-3 or C-4 reports during calendar year 2020:
 - A \$500 expenditure made on October 14, 2020, to The Fourth Corner in Bellingham, WA for "Digital Ad in Fourth Corner Web Site not reported in 2020."
 - Numerous unreported small contributions and proceeds from low-cost fundraiser sales of merchandise during 2020. The WCRP filed numerous initial C-3 and amended C-3 reports as part of calendar year 2020's reconciliation work disclosing additional contributions totaling slightly more than \$3,000.

I, as an officer and representative for the WCRP, would like to avoid the time and expense resulting from a Brief Adjudicative Proceeding (Brief Enforcement Hearing).

Therefore, in lieu of a hearing, the WCRP acknowledges the violations of Washington law as described above and agrees to enter this Statement of Understanding to resolve this case with the Public Disclosure Commission (PDC).

Further, in accordance with the Penalty Schedule set forth in WAC 390-37-143, the WCRP agrees to pay a \$450 civil penalty for violating RCW 42.17A.235 and .240.

By signing this Statement of Understanding, the WCRP acknowledges that it violated RCW 42.17A.235 and .240 by failing to timely and accurately disclose contribution and expenditure activities undertaken during calendar year 2020 and is waiving its right to a hearing in this matter.

The Whatcom County Republican Party further understands that by signing this Statement of Understanding and paying the \$450 civil penalty, PDC Case no. 99265 is resolved.


WCRP Committee Officer

Jan. 25, 2023
Date Signed

Please make your check or money order payable to the **"Washington State Treasurer"** and be sure to include PDC Case no. 99265 in the memorandum field. After you sign this Statement of Understanding, please mail it, or deliver in person along with your \$450 check or money order for the civil penalty to:

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711 Capitol Way, Room 206
P.O. Box 40908
Olympia, WA 98504-0908



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