

**Michael Lilliquist**

replied

*3 months ago*

To: "PDC Support" <pdcc@pdcc.wa.gov>

External Email

**Initial reply to allegations in PDC Case Number 102574**

PDC officials,

I acknowledge receipt of the complaint.

Putting aside the offensive and insulting language that Mr. Morgan uses, I find it troublesome that he leaps to the worst possible conclusions. He asserts that I have a "history of breaking the law." That is offensive. The embarrassing truth is that my treasurers have not always complied with all the reporting rules, and my campaign has been appropriately reprimanded. My fear is that mistakes may have been made again. I will accept responsibility for those mistakes, but I reject and refute his assertion that I am "choosing to violate the law." I deny taking any campaign funds for personal use, but at this point I need to conduct investigation to reconstruct what happened several years ago. That campaign account has been closed since 2018.

At this point, I cannot explain how the ending balance from the ORCA system from the previous election. As I said, I did not handle the reporting. The beginning balance for my present account is simple: The starting balance of zero is based on the new bank account starting at zero. I will point out that those two numbers are derived from separate accounting systems, and separate bank accounts. I agree that they should line up, if there was carry over. I cannot say for sure why this is the case. I believe this is due to failures in accounting and reporting, since I know it is not due to theft.

I will admit that I am not skilled at accounting, and I did not understand very much about reporting via ORCA back in 2017. I relied on a volunteer treasurer, a local college student named Daniel Huang. I did not use ORCA myself, I did not verify all the reports, and Daniel filed the reports in my name. I say this not as an excuse for any mistakes, but only to explain why my grasp of the details is not specific or clear. I had assumed that my treasurer had filed all reports in a timely fashion, with a few cases of late filing and some amendments and corrections. I had assumed all was done and finalized, and the ORCA file for that year (2017) was closed.

At this point in time, I am also not able to give full accounting of all campaign funds from 2017, due to a variety of factors: It was several years ago, that campaign account was closed years ago, I was not the person who filed the reports, I do not appear to have access to the original ORCA files, and I do not understand the "general ledger" spreadsheet that I retained. It may not be a complete record; I cannot tell at this point. I have requested old records from the bank, and I will need to look over the "general ledger" in more detail.

I cannot deny that PDC records show that my previous campaign closed with a positive balance. Frankly, that surprises me, but it appears to be the case. I do not know one way or the other whether or not my treasurer mistakenly reported a balance.

As I said above, the previous bank account was close in early 2018. For my most recent campaign, I opened a new bank account, which started at zero dollars.

As Mr. Morgan points out, there are discrepancies between the beginning balance for 2021 — which is based on the actual zero-dollar balance of the new bank account — and the closing balance of 2017 — which is based on reports filed with the ORCA system. I contend that the discrepancy is due to poor reporting to the ORCA system. *That being the case, it appears that some part of Mr. Morgan's allegations may be valid. The reports are likely not accurate, or are incomplete.*

It is with deep regret that I accept responsibility for these errors. Frankly, campaign finance reporting is confusing and scary, and it gets scarier each year, as I try to do everything right and in accordance with the campaign finance rules.

Sincerely,

Michael Lilliquist  
[michaellilliquist@gmail.com](mailto:michaellilliquist@gmail.com)