

**A complaint filed by the
Washington State Democratic Central
Committee against the
Washington Sate Republican Party.**

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MUR 47 37

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Before the Federal Election Commission of the United States

WASHINGTON STATE

DEMOCRATS

PAUL BERENDT, CHAIR

P.O. Box 4027

SEATTLE, WA 98104

Washington State Democratic Central Committee,
Complainant

v.

Washington State Republican Party,
Respondent

COMPLAINT

I.

Pursuant to 2 USC 437g and 11 CFR 111.4, complainant alleges:

II.

Complainant, Washington State Democratic Central Committee, is a resident of 506 Second Avenue, #1702, Seattle, WA 98104, and may be reached at the following telephone number (206) 583-0664.

III.

Respondent, Washington State Republican Party, is a resident of 16400 Southcenter Parkway, #200, Seattle, WA 98188.

IV.

Respondent's Year End Report for the period of July 1, 1997 to December 31, 1997, discloses a transfer in the amount of \$248,000 from its non-federal account to its federal account. *Attachment A (Detailed Summary Page, Line 13)*.

The respondent's Schedule C states that this is a loan of \$248,000 from the respondent's state exempt account to its federal account, violating 11 CFR 106.5(g)(2)(iii). *Attachment B (Schedule C, Loans, Section A)*.

11 CFR 106.5(g)(iii) states a loan or contribution from the non-federal account to a federal account is in violation of the Federal Election Campaign Act. The complainant asserts that the respondent knowingly, willfully and repeatedly violated the act. The respondent is currently under review for a previous complaint, referred to as MUR 4693, which also dealt with the illegal transfer of state exempt funds to the federal account. *Attachment B (Schedule C, Loans, Section B)*.

Washington State Democratic Central Committee, Complainant

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In response to the Federal Election Commission's request, dated May 1, 1997 (referencing Amended Post-General Report (10/16/95-11/25/96), the respondent agreed to repay \$365,520.11 of illegally transferred funds by June 30, 1997. *Attachment C*. As of the July 1, 1997 to December 31, 1997 Year End Report, the respondent had only returned a total of \$129,000 of the total amount. *Attachment A (Detailed Summary Page, Line 26)*.

The respondent's Year End Report, July 1 to December 31, 1997, discloses the total sum of \$484,520.11 as illegally transferred funds. *Attachment B (Schedule C, Loans, Total)*.

In lieu of the previous complaint, which is currently under review, referenced as MUR 4693, the respondent has deliberately and repeatedly committed the same violation. The respondent did not comply with the Federal Elections Commission's recommendation to immediately return the illegally transferred money and now has willfully violated the act again by illegally transferring \$248,000. Now, the total amount of illegal transfers is \$484,520.11. These actions suggest a pattern of illegal activities, which will continue to occur if not addressed by proper authorities.

V.

Complainant is not a candidate for political office and is not filing the complaint on behalf of or at the request or suggestion of any candidate.

Washington State Democratic Central Committee, Complainant

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Washington State Republican Party, Respondent

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VI.

In support of the foregoing allegations, the complainant presents and files the following documents:

Attachment A: Detailed Summary Page, Line 13. Respondent showing an illegal transfer of funds from the state exempt account to the federal account.

Detailed Summary Page, Line 26. Respondent showing partial repayment of illegal transfers from the previous complaint, MUR 4693.

Attachment B: Schedule C, Loans, Section A. Respondent Showing an illegal transfer of funds from the state exempt account to the federal account.

Schedule C, Loans, Section B. Respondent showing the balance of the illegal transfer for the previous complaint, MUR 4693.

Schedule C, Loans, Total. Respondent showing the total sum of illegal transfers.

Attachment C: Respondent's letter to the FEC dated May 23, 1997, indicating repayment by June 30, 1997.

Respectfully submitted,

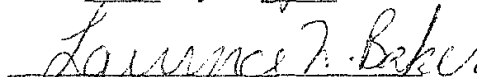


Paul Berendt, Chair

STATE OF Washington)

County of King)

SUBSCRIBED AND SWORN TO before me this 1st day of April, 1998.


Notary public

My commission expires:

10/31/98

Attachment A:

Detailed Summary Page, Line 13

**Respondent showing an illegal transfer of
funds from the state exempt account to the
federal account.**

Detailed Summary Page, Line 26

**Respondent showing partial repayment of
illegal transfers from the previous complaint,
MUR 4693**

DETAILED SUMMARY PAGE **OF RECEIPTS AND DISBURSEMENTS** **PAGE 2, FEC FORM 3X**

(revised 11/01)

NAME OF COMMITTEE

Washington State Republican Party Fed

REPORT COVERING PERIOD

FROM 7/1/97 TO 12/31/97

		COLUMN A Total This Period	COLUMN B Calendar Year	
I. Receipts				
11. Contributions (other than loans) From:				
a. Individual/Persons Other Than Political Committees				
1. Itemized (use Schedule A)		12256 ⁰⁰	47025 ⁰⁰	11(a)(1)
2. Unitemized		291629.86	534993.90	11(a)(2)
3. Total	(add 1 and 2) >	303885.86	582018.90	11(a)(3)
b. Political Party Committees				11(b)
c. Other Political Committees (such as PACs)				11(c)
d. Total Contributions	(add a 1, b and c) >	303885.86	582018.90	11(d)
12. Transfers From Affiliated/Other Party Committees				12
13. All Loans Received		248000 ⁰⁰	248000 ⁰⁰	13
14. Loan Repayments Received				14
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.)		4188.55	24398.06	15
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees				16
17. Other Federal Receipts (Dividends, Interest, etc.)				17
18. Transfers from Nonfederal Accounts for Joint Activity		503500 ⁰⁰	431272 ⁰⁰	18
19. Total Receipts	(add 11d, 12, 13, 14, 15, 16, 17, and 18) >	1059574.41	1785688.96	19
20. Total Federal Receipts	(subtract line 13 from line 19) >	550000.41	854416.96	20
II. Disbursements				
21. Operating Expenditures:				
a. Shared Federal/Non-Federal Activity (from Schedule H4)				
1. Federal Share		427648.52	670137.08	21(a)(1)
2. Non-Federal Share		592141.19	946894.14	21(a)(2)
b. Other Federal Operating Expenditures			6533.79	21(b)
c. Total Operating Expenditures	(add a 1, a 2, and b) >	1019789.71	1623565.01	21(c)
22. Transfers to Affiliated/Other Party Committees			7030.73	22
23. Contributions to Federal Candidates/Committees and Other Political Committees				23
24. Independent Expenditures (use Schedule E)				24
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F)				25
26. Loan Repayments Made		3600 ⁰⁰	129000 ⁰⁰	26
27. Loans Made				27
28. Refunds of Contributions To:				
a. Individual/Persons Other Than Political Committees		25 ⁰⁰	50 ⁰⁰	28(a)
b. Political Party Committees				28(b)
c. Other Political Committees (such as PACs)				28(c)
d. Total Contribution Refunds	(add a, b and c) >	25 ⁰⁰	50 ⁰⁰	28(d)
29. Other Disbursements		6451.06	6451.06	29
30. Total Disbursements	(add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >	1029245.77	1766096.90	30
31. Total Federal Disbursements	(subtract line 21 a 2 from line 30) >	437124.58	819202.66	31
III. Net Contributions/Operating Expenditures				
32. Total Contributions (other than loans) (from line 11d)		303885.86	582018.90	32
33. Total Contribution Refunds (from line 28d)		25 ⁰⁰	50 ⁰⁰	33
34. Net Contributions (other than loans) (subtract line 33 from line 32)		303860.86	581968.90	34
35. Total Federal Operating Expenditures	(add 21 a 1 and 21 b) >	427648.52	676670.87	35
36. Offsets to Operating Expenditures (from line 15)		4188.55	24398.06	36
37. Net Operating Expenditures	(subtract line 36 from line 35) >	423459.97	652272.81	37

FEC-00000000

Attachment B:

Schedule C, Loans, Section A

Respondent showing an illegal transfer of funds from the state exempt account to the federal account.

Schedule C, Loans, Section B

Respondent showing the balance of the illegal transfer for the previous complaint, MUR 4693.

Schedule C, Loans, Total

Respondent showing the total sum of illegal transfers.

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SCHEDULE C

(Required 2/89)

LOANS

Page ____ of ____ for
LINE NUMBER ____
(Use separate schedule
for each numbered line)

Name of Committee (in Full) Washington State Republican Party			
Federal Committee		REC ID No 000031088	
A. Full Name, Mailing Address and ZIP Code of Loan Source Washington State Republican Party State Exempt Account 16403 Southcenter Pkwy #200 Seattle, WA		Original Amount of Loan	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		249000.00	249000.00
Term: Date Incurred 12/31/97 Date Due Interest Rate % (apri) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
B. Full Name, Mailing Address and ZIP Code of Loan Source Washington State Republican Party State Exempt 16403 Southcenter Pkwy #200 Seattle, WA		Original Amount of Loan	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		365520.11	365520.11
Term: Date Incurred 12/31/98 Date Due Interest Rate % (apri) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
SUBTOTALS This Period This Page (continued)			464520.11
TOTALS This Period (all data in this line only)			
Carry over/ending balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

Attachment C:

**Respondent's letter to the FEC dated
May 23, 1997, indicating repayment by
June 30, 1997.**

WASHINGTON STATE REPUBLICAN PARTY

1001 E. SEVEN • CHENAY

May 23, 1997

Andrea Wilkens, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington D.C. 20463

Identification Number: C00031088

RE: Amended 30 Day Post-General Report (10/16/96-11/25/96)

Dear Ms. Wilkins:

In response to your request dated May 1, 1997 regarding the above referenced report we submit the following:

We were not over-transferred in any reporting period prior to the 10/16/96-11/25/96 reporting period. During this reporting period we were over-transferred in the amount of \$285,316.22, as previously reported in our amendment dated 4/04/97.

Since you informed us in the second paragraph of your letter dated May 1, 1997 that we cannot reimburse our state account for fundraising expenses inadvertently paid out of the federal account, as explained in our response dated 4/04/97, we are now adding them to the over-transferred total as of 11/25/96. We have added an additional line to Schedule D reflecting \$80,203.89 in fundraising expenses, removed the disbursements from Schedule H4, and reported them on a revised Schedule B. Accordingly, the revised over-transferred amount as of 11/25/96 totals \$365,520.11.

Starting in January 1997 we have begun repaying the loan, and we expect that by the end of June 1997 it will be fully retired.

Thank you for your assistance,

Roma L. Zubrod
Roma L. Zubrod
Deputy Treasurer

End.

**Previous complaint, MUR 4693, submitted as
support information.**



FEDERAL ELECTION COMMISSION

Washington, DC 20463

November 14, 1997

Paul Berendt, Chair
Washington State Democratic Party
506 Second Avenue, #1702
Seattle, WA 98104

RE: MUR 4693

Dear Mr. Berendt:

This letter acknowledges receipt on November 6, 1997, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The respondent(s) will be notified of this complaint within five business days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be notarized and sworn to in the same manner as the original complaint. We have numbered this matter MUR 4693. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

F. Andrew Turley (JHB)
F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosure
Procedures

DESCRIPTION OF PRELIMINARY PROCEDURES
FOR PROCESSING COMPLAINTS FILED WITH THE
FEDERAL ELECTION COMMISSION

999 E Street, NW
Washington, D.C. 20463
FAX (202) 219-3923

034 563 4730
20 04 395 4730

Complaints filed with the Federal Election Commission shall be referred to the Enforcement Division of the Office of the General Counsel, where they are assigned a MUR (Matter Under Review) number and forwarded to the Central Enforcement Docket ("CED") for processing. Within five days of receipt of the complaint, the Commission shall notify all respondents referenced in the complaint, in writing, that the complaint has been filed, and shall include with such notification a copy of the complaint. Simultaneously, the complainant shall be notified that the complaint has been received. The respondents shall then have 15 days to demonstrate, in writing, that no action should be taken against them in response to the complaint. If additional time is needed in which to respond to the complaint, the respondents may request an extension of time. The request must be in writing and demonstrate good cause as to why an extension should be granted. Please be advised that not all requests are granted.

After the response period has elapsed, cases are prioritized and maintained in CED. Cases warranting the use of Commission resources are assigned as staff become available. Cases not warranting the use of Commission resources are dismissed.

If a case is assigned to a staff person, the Office of the General Counsel shall report to the Commission, making recommendations based upon a preliminary legal and factual analysis of the complaint and any submission made by the respondent. The report may recommend that the Commission: (a) find reason to believe that the complaint sets forth a possible violation of the Federal Election Campaign Act of 1971, as amended, (hereinafter "the Act"); or (b) find no reason to believe that the complaint sets forth a possible violation of the Act and, accordingly, close the file.

If, by an affirmative vote of four Commissioners, the Commission determines that there is reason to believe that a respondent has committed or is about to commit a violation of the Act, the Office of the General Counsel shall open an investigation into the matter. During the investigation, the Commission has the power to subpoena documents, to subpoena individuals to appear for deposition, and to order written answers to interrogatories. A respondent may be contacted more than once by the Commission during this phase.

If during this period of investigation, a respondent indicates a desire to enter into conciliation, the Office of the General Counsel may recommend that the Commission enter into conciliation prior to a finding of probable cause to believe that a violation has been committed. Conciliation is an attempt to correct or prevent a violation of the Act by informal methods of

conference and persuasion. Most often, the result of conciliation is an agreement signed by the Commission and the respondent. The Conciliation Agreement must be adopted by four votes of the Commission in order to become final. After signature by the Commission and the respondent, the Conciliation Agreement is made public within 30 days of the closing of the entire file.

If the investigation warrants, and no conciliation agreement has been entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent of his/her intent to recommend that the Commission proceed to a vote on probable cause to believe that a violation of the Act has been committed or is about to be committed. The General Counsel shall send the respondent a brief setting forth his/her position on the legal and factual issues of the case. A response brief stating respondent's position on the issues may be submitted within 15 days of receipt of the General Counsel's Brief. Both briefs are then filed with the Commission Secretary and considered by the Commission. Thereafter, if the Commission determines, by an affirmative vote of four Commissioners, that there is probable cause to believe that a violation of the Act has been committed or is about to be committed, the Commission must conciliate with the respondent for a period of at least 30 days, but not more than 90 days. If the Commission is unable to correct or prevent any violation through conciliation, the Office of the General Counsel may recommend that the Commission file a civil suit to enforce the Act against the respondent. Therefore, the Commission may, upon the affirmative vote of four Commissioners, institute civil action for relief in the United States District Court.

See 2 U.S.C. § 437g and 11 C.F.R. Part III.

May 1996