



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

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July 12, 2021

Sent Electronically to Luanne Van Werven and Sam Crawford, Treasurer

Subject: Audit Report – Luanne Van Werven 2020 State Representative Campaign

Dear Representative Van Werven and Mr. Crawford:

This letter is to inform you that the Public Disclosure Commission (PDC) staff has completed the limited-scope audit of the 2020 Luanne Van Werven for State Representative Campaign (Campaign). Staff's audit found the following:

- The Campaign substantially complied with the candidate reporting requirements found in RCW 42.17A and WAC 390, concerning the timely and accurate filing of the Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) reviewed as part of this audit.
- The documentation provided for selected expenditures as part of the Campaign books of account verified the expenditure information disclosed on the Schedule A to C-4 reports.
- Practices concerning contribution and expenditure activities and internal control procedures were sound and properly facilitated the timely and accurate disclosure of activities undertaken by the Campaign during the 2020 election cycle.

Thank you both for fully cooperating with the PDC staff during this audit. If you have questions, you may contact me at (360) 586-2869, toll-free at 1-877-601-2828, or by e-mail at erick.agina@pdc.wa.gov.

Sincerely,

Endorsed by:

s/ _____
Electronically Signed Erick Agina
PDC Compliance Officer

s/ _____
Electronically Signed Peter Lavallee
PDC Executive Director



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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH
RCW 42.17A

2020 Luanne Van Werven State
Representative Campaign

PDC Audit No. 20-10

Audit Report

I.

Audit Scope

- The Public Disclosure Commission (PDC) has the authority under RCW 42.17A.105 and .110 to conduct audits of candidates, committees and other filing entities.
- Initiative 134, a statewide initiative concerning campaign finance and contribution limits was overwhelmingly approved by voters in 1992 and included the requirement for the PDC to conduct audits of filers. The audits are meant to provide the public with the findings of reviews conducted of candidates, political committees and other filers, and to determine those filers' degree of compliance with the reporting requirements and provisions of RCW 42.17A.
- The audit findings provide PDC staff with an opportunity to identify problem areas in reporting campaign or committee contribution and expenditure activities that may suggest a need to revise the PDC's advice and guidance given to filers, to recommend or initiate changes in the law, or to adopt or revise rules for reporting, and if necessary, for enforcement. The Commission believes that the primary purposes of conducting audits are to:
 1. Verify that the information disclosed on candidate and political committee campaign finance reports is timely and accurate in accordance with RCW 42.17A.
 2. Determine whether candidates and political committees are in substantial compliance with the law, rules and reporting requirements.
 3. Evaluate record keeping and reporting procedures used by filers and suggest corrective action to ensure future compliance with the law, or law/rule changes as necessary depending on the audit findings.

- PDC staff selected four State Representative races from the 2020 election cycle, involving eight candidates, for limited-scope audits to be conducted based on the audit criteria established by staff. The audit criteria included that both 2020 State Representative candidates in each Legislative District were in a contested 2020 general election, with both candidates disclosing significant contribution and expenditure activities, and the election generated significant public interest.

II. **Audit Background**

- On June 25, 2019, Luanne Van Werven filed a Candidate Registration (C-1 report) declaring her candidacy for election to the office of State Representative in the 42nd Legislative District in 2020, selecting the Full Reporting Option and listing Sam Crawford as Ministerial Treasurer.
- On April 9, 2021, the PDC staff sent an email to Representative Van Werven and Mr. Crawford, Treasurer for the 2020 Luanne Van Werven for State Representative Campaign, and attached a letter notifying them that staff was conducting audits of four 2020 contested State Representative races. The letter stated staff was conducting a limited-scope audit of the two 2020 candidates that ran for State Representative in the 42nd Legislative District, Position 1, which included Representative Van Werven. The letter requested documentation maintained by the Campaign for selected expenditures made during the 2020 election cycle, in addition to a brief narrative concerning general contribution and expenditure campaign practices, including the record keeping of the campaign books of account in order to complete the audit work.
- As noted above, the audits provide the PDC and the public with an opportunity to determine the degree of compliance with the PDC reporting requirements, thereby enhancing and strengthening the public's confidence in the campaign finance information being disclosed by filers. The audits also assist in identifying areas in the reporting of campaign contribution and expenditure activities that may suggest a need to update or revise the advice on the PDC website in the PDC online candidate manuals, and from Filer Assistance staff, and areas of potential changes in the law or amendments to the PDC rules to further clarify a specific reporting requirement.
- The limited-scope audits consist primarily of reviewing the Monetary Contributions reports (C-3 reports), and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) filed by each Campaign, and queries conducted by PDC staff of the contribution and expenditure databases on the PDC website. The information is reviewed to determine the Campaign's timeliness and accuracy in disclosing contribution and expenditure activities undertaken on the C-3 and C-4 reports in accordance with the reporting requirements found in RCW 42.1A.235 and .240.
- The information is reviewed to determine the Campaigns' timeliness and accuracy in disclosing contribution and expenditure activities undertaken on the C-3 and C-4 reports in accordance with the reporting requirement under RCW 42.17A.235 and .240.

III. **Audit Findings**

- The 2020 Luanne Van Werven for State Representative Campaign (Campaign) disclosed \$326,066.60 in total contributions received and \$326,066.60 in total expenditures made during the 2020 election cycle, with \$0.00 as cash on hand balance through December 31, 2020 on the “Final C-4 report” timely filed on January 11, 2021.

Timeliness and Accuracy in the filing of C-3 reports disclosing contributor information:

- Candidates appearing on the 2020 primary and general election ballots who selected the Full Reporting option were required to file weekly C-3 reports every Monday beginning June 1, 2018 through the date of the general election, disclosing contributions that were received and deposited the previous seven days. Prior to June 1, 2020, candidates were required to file monthly C-3 reports for deposits of campaign contributions made during the month or period covered by the C-4 report.
- RCW 42.17A.220 requires candidates to timely deposit monetary contributions received into the campaign bank account or depository within five business days of receipt.
- For the 2020 election cycle, the Campaign filed C-3 reports disclosing contributions received covering the period May 31, 2019 through November 3, 2020, that included 1,499 separate monetary and in-kind contributions totaling \$326,066.60. The \$326,066.60 in total monetary and in-kind contributions received included anonymous and small non-itemized contributions as disclosed on C-3 reports.
- The Campaign’s four largest contributors in 2020 included the following political party and caucus political committees:
 1. Washington State Republican Party (WSRP): A total of \$27,626.54 was received from WSRP. \$7,752.30, \$6,521.94 and \$7,752.30 in in-kind contributions were received on September 22, 2020 and an additional \$5,600 in in-kind contribution received on October 23, 2020.
 2. House Republican Organizational Committee (HROC): A total of \$25,000 in cash contributions was received from HROC. \$20,000 in cash/monetary contribution was received on October 13, 2020 and an additional \$5,000 received on October 23, 2020 in the 2020 election year.
 3. 42nd Legislative District Committee: A total of \$6,575.00 in in-kind contribution was received on October 9, 2020 and October 23, 2020 for \$3,500 and \$3,075, respectively in the 2020 election year.
 4. Whatcom County Republican Party (WCRP): A total of \$6,000 in cash/monetary contribution was received from WCRP. \$2,000 in cash/monetary contribution was received on July 17, 2020 and an additional \$4,000 in cash/monetary contribution received on October 2, 2020.

- The Campaign disclosed receiving anonymous contributions totaling \$818 in the 2020 election cycle. The statutory anonymous contribution limit is \$300 or one percent of the total contributions received in a calendar year, whichever is greater.
- Based on the number of C-3 reports filed by the Campaign, staff reviewed random C-3 reports filed for contributions received and deposited beginning June 2020, when the C-3 report accelerated reporting requirements began for 2020 candidates. Under that reporting requirement, C-3 reports are required to be filed every Monday for contributions received and deposited in the preceding seven calendar days. The 2020 C-3 reports filed by the Campaign and reviewed by staff included the following:

Date Received	Date Deposited	# of contributors and description	Total C-3 Amount	C-3 Filing Date	Days Late
6/4/20	6/5/2020	Three-page C-3 report depicting 18 itemized contributions ranging from \$10 to \$250 and \$40 in anonymous contribution.	\$4,500.00	6/8/2020	0
6/9/20 – 6/10/2020	6/12/2020	Two-page C-3 report depicting 16 itemized contributions ranging from \$10 to \$1,000.	\$4,000.00	6/15/2020	0
6/12/2020	6/13/2020	Two-page C-3 report depicting 14 contributions rec'd from individuals and entities ranging from \$50 to \$750.	\$2,550.00	6/15/2020	0
6/14/20 – 6/16/2020	6/17/2018	Two-page C-3 report depicting 13 total contributions from individuals and entities ranging from \$20 to \$1000.	\$2,400.00	6/22/2020	0
6/19/2020	6/20/2020	Two-page C-3 report depicting 13 total contributions from individuals and entities ranging from \$10 to \$1,000.	\$1,620.00	6/22/2020	0
6/26/2020	6/27/2020	Six total contributions received from individuals and entities ranging from \$12.50 to \$1,000.	\$1,155.00	6/29/2020	0
6/30/2020	7/01/2020	Five-page C-3 report depicting 49 itemized contributions ranging from \$6 to \$375 from individuals and entities.	\$2,120.00	7/6/2020	0
7/1/20 – 7/2/2020	7/3/2020	28 contributions received from individuals and entities ranging from \$25 to 600 and a cumulative anonymous contribution of \$90.	\$2,300.00	7/6/2020	0
7/10/2020	7/11/2020	24 contributions from individuals and PACs ranging from \$25 to \$1,000 and a \$25 anonymous contribution.	\$6,925.00	7/13/2018	0

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Date Received	Date Deposited	# of contributors and description	Total C-3 Amount	C-3 Filing Date	Days Late
7/11/2020	7/12/2020	Three-page C-3 report depicting contributions received from 22 individuals ranging from \$20 to \$300.	\$1,680.00	7/13/2020	0
7/13/20 – 7/14/2020	7/15/2020	Four-page C-3 report depicting contributions from 34 individuals ranging from \$10 to \$1,000.	\$4,130.00	7/20/2020	0
7/17/2020	7/18/2020	Three-page C-3 report depicting 26 contributions from individuals and PACs contributions ranging from \$15 to \$1,000.	\$7,330.00	7/20/2020	0
7/24/2020	7/25/2020	Three-page C-3 report depicting 19 contributions from individuals and PACs ranging from \$20 to \$1,000, including one anonymous contribution of \$50.	\$8,670.00	7/27/2020	0
7/31/2020	8/01/2020	Two-page C-3 report depicting 11 contributions from individuals and PACs ranging from \$25 to \$1,000, including a \$50 anonymous contribution.	\$4,275.00	8/03//2020	0
8/11/2020	8/12/2020	One-page C-3 report depicting four contributions from one individual, two entities and one PAC ranging from \$25 to \$1,000.	\$2,525.00	8/17/2020	0
8/18/20 – 8/19/20	8/20/2020	Three-page C-3 report depicting 23 total contributions from individuals ranging from \$25 to \$1,000.	\$2,565.00	8/24/2020	0
8/21/2020	8/22/2020	Two-page C-3 report depicting six contributions from four individuals, one entity and one PAC, including a \$50 anonymous contribution.	\$2,100.00	9/10/2018 Amended report. Initial report filed timely.	0
8/26/20 – 8/27/2020	8/28/2020	Two-page C-3 report depicting 16 contributions from 15 individuals and one entity ranging from \$10 to \$250.	\$1,155.00	8/31/2020	0
8/28/2020	8/30/2020	One-page C-3 report depicting three contributions from individuals ranging from \$50 to \$1,000.	\$2,050.00	8/31/2020	0
9/3/20 – 9/4/20	9/05/2020	Three total contributions from individuals ranging from \$200 to \$750.	\$1,450.00	9/08/2020	0
9/4/2020	9/05/2020	Two-page C-3 report depicting a total of 16 contributions – three from PACs, two from entities	\$3,106.00	9/08/2020	0

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Date Received	Date Deposited	# of contributors and description	Total C-3 Amount	C-3 Filing Date	Days Late
		and 11 from individuals ranging from \$6 to \$1,000.			
9/11/2020	9/11/2020	Three-page C-3 report depicting 18 contributions ranging from \$12.50 to \$1,000.	3,600.00	9/14/2020	0
9/15/20 – 9/16/20	9/17/2020	Six-page C-3 report depicting 60 contributions from individuals and entities ranging from \$20 to \$663.86.	\$6,850.86	9/21/2020	0
9/19/2020	9/19/2020	Four-page C-3 report depicting 31 total contributions from individuals and PACs ranging from \$25 to \$1,000, including a \$50 anonymous contribution.	\$5,750.00	9/21/2020	0
9/23/20 – 9/24/20	9/25/2020	Two-page C-3 report depicting ten total contributions from nine individuals and one entity ranging from \$25 to \$1,000.	\$2,433.00	9/28/2020	0
9/25/2020	9/26/2020	Four-page C-3 report depicting 33 contributions from a PAC, entities, and individuals ranging from \$37.50 to \$1,000, including \$70 in anonymous contribution.	\$10,945.00	9/28/2020	0
10/2/2020	10/3/2020	15-page C-3 report depicting 151 total contributions received from PACs, entities, and individual ranging from \$10 to \$1,000, including \$83 in anonymous contribution.	\$26,783.00	10/5/2020	0
10/5/20 – 10/6/20	10/7/2020	Two-page C-3 report depicting a total of 15 contributions received. One from an entity for \$1,000 and the remaining 14 from individuals ranging from \$12.50 to \$500.	\$2,245.00	10/12/2020	0
10/9/2020	10/09/2020	Four-page C-3 report depicting a total of 34 contributions from entities and individuals ranging from \$15 to \$1,000, including a \$100 anonymous contribution.	\$7,480.00	10/12/2020	0
10/13/2020	10/13/2020	One contribution from the House Republican.	\$20,000.00	10/13/2020	0

Date Received	Date Deposited	# of contributors and description	Total C-3 Amount	C-3 Filing Date	Days Late
10/16/20 – 10/17/20	10/19/2020	Four-page C-3 report depicting a total of 29 contributions received from entities and individuals ranging from \$12.50 to \$1,000, including a \$50 anonymous contribution.	\$9,250.00	10/19/2020	0
10/19/20 – 10/20/20	10/21/2020	Five contributions from individuals ranging from \$20 to \$750.	\$1,470.00	10/26/2020	0
10/21/20 -10/22/20	10/23/2020	Two-page C-3 report depicting 18 contributions from individuals ranging from \$25 to \$500 in contributions received.	\$1,070.67	10/26/2020	0
10/23/2020	10/23/2020	Three-page C-3 report depicting 17 total contributions from one PAC, two entities and 14 individual ranging from \$17.50 to \$1,000 in contributions received.	\$4,160.00	10/26/2020	0
10/22/2020	10/24/2020	One contribution from the House Republicans.	\$5,000.00	10/26/2020	0
10/30/2020	10/30/2018	Five total contributions from two entities and three individuals ranging from \$100 to \$500 in total contributions.	\$1,400.00	11/02/2020	0
11/3/2020	11/04/2020	Two total contributions from one entity and one individual ranging from \$20 to \$1,000 in contributions received.	\$1,020.00	11/9/2020	0
Totals			\$148,813.53		

- PDC staff reviewed the 27 C-3 reports filed by the Campaign and listed in the table above totaling \$148,813.53 which represented about 45.6 percent of the \$326,066.60 in total contributions received during the 2020 election cycle. As noted in the table above, the Campaign timely filed all 27 C-3 reports reviewed by staff as part of this audit.
- In addition, staff's review verified that the Campaign timely deposited the contributions received within five business days of receipt in accordance with RCW 42.17A.220 for the C-3 reports depicted in the above table.
- PDC staff downloaded the 2020 contribution database for the Campaign as a CSV file into an Excel spreadsheet, formatted and sorted the spreadsheet, and then conducted a review of the 2018 contributor information disclosed on C-3 reports. As part of that review, staff confirmed the Campaign complied with the 2020 election contribution limits which were

\$1,000 for the primary and general elections for any individual, political committee, business, labor union, association, other entities and persons (other than the bona fide party committees listed above).

- Staff's review also indicated the Campaign disclosed the required Employer and Occupation information for the 318 individuals who contributed more than \$100 to the Campaign, totaling \$87,654.88 in contributions received.
- Of the 318 individuals who disclosed their Employer and Occupation information, 149 listed their Occupation as being "Retired." Those 149 retirees contributed a total of \$33,123.02 to the 2020 Campaign.
- The PDC audit procedures include staff identifying contributors that made monetary contributions to the Campaign and then verifying or confirming information disclosed for those specific contributions. For this audit, staff verified or confirmed selected contributions received by the Campaign by reviewing the expenditure reports of continuing political action committees (PAC) that were registered and required to file C-3 and C-4 reports with the PDC in the 2020 election year and made contributions to the Campaign in 2020.
- Staff reviewed the contribution spreadsheet and selected 10 PAC contributors that made monetary contributions totaling at least \$1,000 to the Campaign during the 2020 election, and reviewed the corresponding C-3 reports filed by the Campaign disclosing each PAC's contribution. The review included listing the date the contributions were received, the date the contributions were deposited, and the date the C-3 reports were filed.
- Staff then reviewed the C-4 reports filed by the selected contributing PAC listed in the chart below for the corresponding contribution expenditure information disclosed on the Schedule A to C-4 report. The contribution information from the Campaign C-3 reports and the contribution expenditure information from the PAC C-4 reports were entered into the chart below and included the following:

Date Received - Campaign	Contributor name	Amount	C-3 Report Filed	Date Made by Donor	Disclosed by Donor
9/25/2020	WA Food PAC	\$1,000	9/28/2020	9/22/2020	C-4 report
7/24/2020	Washington Potato PAC	\$1,000	7/27/2020	7/14/2020	C-4 report
10/16/2020	Ass. of Washington Business	\$1,000	9/4/2019	9/29/2020	C-4 report
9/24/2020	WA Collectors Association - PAC	\$1,000	10/9/2019	8/28/2020	C-4 report
7/31/2020	Washington Indian Gaming Ass PAC	\$1,000	7/27/2020	7/22/2020	C-4 report
10/17/2020	Hospitals for a Healthy Future PAC	\$1,000	8/3/2020	9/17/2020	C-4 report
10/24/2020	WA Society of CPAs PAC	\$1,000	10/26/2020	10/14/2020	C-4 report
10/12/2018	Washington Education Association PAC	\$1,000	10/15/2018	10/8/2018	C-4 report
7/31/2020	WA Charters Action PAC	\$1,000	8/3/2020	6/10/2020	C-4 report
9/25/2020	WRA Retail Action Council	\$1,000	10/05/2020	9/21/2020	C-4 report

- The review indicated that the Campaign received and deposited all ten of the contributions selected for review within five business days of receipt as required by statute. As noted in the table above, the Campaign disclosed the contributors' names for the 10 monetary contributions from the PACs listed above within seven to 30 days after each PAC disclosed making the contributions.
- Staff based that information solely on the dates the expenditure for the contribution was disclosed as having been made by the PAC on the corresponding C-4 report, and the date the contribution was disclosed as having been received on the C-3 report filed by the Campaign.

Timeliness and Accuracy in the filing of C-4 reports, providing expenditure information:

- Candidates under the Full Reporting option in 2020 were required to file monthly C-4 reports by the 10th of each month disclosing contribution and expenditure activities incurred in the previous calendar month, and candidates appearing on the 2020 primary and general election ballots were required to file the following C-4 reports:
 1. A 21-day Pre-Primary election C-4 report was due on July 14, 2020, covering the period June 1 through July 13, 2020.
 2. A 7-day Pre-Primary election C-4 report was due on July 28, 2020, covering the period July 14 through July 27, 2020.
 3. A Post-Primary election C-4 report was due by September 10, 2020, covering the period July 28 through August 31, 2018.
 4. A 21-day Pre-General election C-4 report was due on October 13, 2020, covering the period September 1 through October 12, 2018.
 5. A 7-day Pre-General election C-4 report was due on October 27, 2020, covering the period October 13 through October 26, 2020.
 6. A Post-General election C-4 report was due by December 10, 2020, covering the period October 27 through November 30, 2020.
- During 2020 election year, the Campaign timely filed C-3 and C-4 reports throughout the year including the 21-Day and 7-Day Pre-Primary and Pre-General Election C-4 reports as detailed in the chart below:

C-4 Report	Date Due	Date Filed	Contributions Received	Expenditures Made	Expenditure details	Days Late
May 2019 C-4 report	6/10/2019	6/25/2019 Amended report. Initial report filed timely.	\$106.00	\$106.00	\$106 for PO BOX Rental – 1 year.	0

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C-4 Report	Date Due	Date Filed	Contributions Received	Expenditures Made	Expenditure details	Days Late
2020 21-Day Pre Primary C-4 report	7/14/2020	7/14/2020	\$36,284.25	\$60,451.48	\$52,787 to Minnick Group, Inc for Printing/Mailing (34,370 Pcs), Digital and Cable Advertising, TV AD Production, Campaign Consultation, Photography and Campaign Consultation; \$1,932.36 to Lithtex NW for Yard Signs and 10 Large Signs; \$243.75 to Wiley Kirk for Sign Delivery; \$2,801.80 to Austin Cooper for Campaign Management; \$50 to Facebook for Facebook AD and \$57.88 to Squarespace for Website.	0
2020 7-Day Pre Primary C-4 report	7/28/2020	12/13/2020 Initial report filed timely.	\$22,244.00	\$12,948.87	\$11,378.81 to Minnick Group, Inc for Digital Media and Mailer (10,500 pcs) and \$244.58 to Constant Contact for Voter Outreach.	0

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C-4 Report	Date Due	Date Filed	Contributions Received	Expenditures Made	Expenditure details	Days Late
2020 Post-Primary C-4 report	9/10/2020	12/13/2020 Initial/original report filed timely.	\$23,101.00	\$7,575.55	\$1,500 made to Minnick Group, Inc for Campaign Consulting; \$810 to Abigail Seftik for Field Organizing; \$812.25 to Aidan Hollister for Field Organizing; \$1,575 to Austin Cooper for Campaign Management; \$681 to Bryan Yon for Hotel Reimbursement for Campaign; \$700 to Keynote Films for Film and Video Edit; \$364.15 to Constant Contact for Voter Outreach; \$330 to Ferndale Record for Print AD – Pioneer Edition; and \$172.50 to Wiley Kirk for \$172.50.	0

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C-4 Report	Date Due	Date Filed	Contributions Received	Expenditures Made	Expenditure details	Days Late
2020 21-Day Pre-General C-4 Report	10/13/2020	12/13/2020 Initial/original report filed timely.	\$107,770.78	\$165,756.04	Seven expenditures made to Minnick Group Inc, totaling \$123,525 for Broadcast and Web Media, Medial Production and Buy, Media Production, Radio and Newspaper AD and Campaign Consulting; \$2,910.21 to Lithtex NW for Campaign Signs (250 CT), Printing and Postage (2000 CT); \$5,052.11 to Austin Cooper for Text Broadcast Fees Reimbursement and Campaign Management; \$5,136.01 to AMS Print and Mail Specialists for Envelopes – 4,500 CT and Printing and Mailing – 6500 CT); \$388.57 to Bryan Yon for Hotel and Mileage Reimbursement; \$342.80 to Constant Contact for Voter Outreach; and \$184.72 to LeMaster Graphic for Campaign Decals.	0

C-4 Report	Date Due	Date Filed	Contributions Received	Expenditures Made	Expenditure details	Days Late
2020 7-Day Pre-General C-4 report	10/27/2020	12/13/2020 Initial/original report filed timely.	\$50,350.67	\$53,520.25	Four expenditures made to Minnick Group, Inc., for Broadcast Media, Web Media and Mailer; \$3,150 made to Cascade Radio Group for Radio Advertising; \$342.41 to Constant Contact for Voter Outreach; \$600 to Kendra Ackerman for Office Management; \$249.24 to Bryan Yon for Hotel and Fuel Reimbursement; and \$50 to Greg Thomas for Photography.	0

C-4 Report	Date Due	Date Filed	Contributions Received	Expenditures Made	Expenditure details	Days Late
2020 Post General election C-4 report	12/10/2020	12/13/2020 Initial/original report filed timely.	\$2,670.00	\$10,410.81	Two expenditures made to Minnick Group, Inc totaling \$4,750 for Television Media and Campaign Consulting; \$3,951.21 to Austin Cooper for Text Campaign, Email AD Campaign, Texting Subscription and Campaign Management; \$1,000 to Charlie Crabtree for Voter Data; \$443.75 to Bryan Yon for Hotel Management; \$155 to Wiley Kirk for Campaign Sign Pickup; and \$100 to Betsy Kirk for Campaign Sign Pickup.	0

- The Campaign did not disclose any orders placed, debts or obligations on the six C-4 reports filed during the accelerated period in the 2020 election cycle.
- The C-4 reports timely disclosed expenditure information for payments made to vendors using Campaign funds, largely involving political advertisements, and other miscellaneous Campaign services during the 2020 election cycle. The vendors receiving the largest Campaign expenditures during the 2020 election included the following:
 1. The Campaign made 33 expenditures to Minnick Group, Inc., totaling \$238,587.42 for expenditures that included services for cable, online and digital advertising, broadcast and web media, radio and newspaper advertising, and printing mail pieces and door belling, graphic design work and campaign consulting as detailed below:
 - Three expenditures totaling \$78,305 for Broadcast and Web Media advertising.
 - Three expenditures totaling \$38,170 for Media Production and Buy.
 - One expenditure totaling \$26,300.40 for Radio and Newspaper Ad(s).
 - One expenditure totaling \$20,000 for Cable Advertising.
 - One expenditure totaling \$15,049.50 for Printing/Mailing 34,370 PCS.
 - Two expenditures totaling \$18,139.39 for Mailer Production (10,500 PCS).
 - Four expenditures totaling \$14,605.63 for Printing/Mailing, Photography and Meeting Mileage Reimbursement(s).
 - Two expenditures totaling \$10,517.50 for Web Media.
 - 12 expenditures totaling \$9,000 for Campaign Consulting.
 - Two expenditures totaling \$8,500 for Television Media and TV Ad Production.
 2. The Campaign made seven expenditures to AMS Print and Mail Specialists totaling \$5,820.27 for Printing and Mailing Services for periods 9/20/2019 to 10/6/2020.

3. The Campaign made 27 expenditures totaling \$23,427.75 during the 2020 election to seven different Campaign staff members for Campaign work.
- As part of the audit, PDC staff requested the Campaign to provide copies of the books of account maintained for five expenditures listed below that were made by the 2020 Campaign including supporting documentation such as invoices, receipts, cancelled checks, notes, emails and any other pertinent materials.
 - On April 20, 2021, the Campaign sent an email to the PDC with several attachments providing the requested books of account documentation for the expenditures listed in the Audit letter.

Audit Exhibit #1.

PDC staff has included the Campaign expenditures selected for review below, along with a summary of each expenditure including the date, amount and a description of the services disclosed on the C-4 reports, and the documentation provided by the Campaign. A summary of the information provided by the Campaign was reviewed by staff for the expenditures listed below and included the following:

1. 33 expenditures were made by the Campaign to Minnick Group, Inc., totaling \$238,587.42 during the 2020 election. Staff is requesting campaign records and documentation for the following expenditures:
 - A \$32,770 expenditure made on September 29, 2020 for “Media Production & Buy.”
 - The documentation provided by the Campaign included a copy of check # 2787, dated 9/29/2020 for Invoices 1306, for \$31,970 and invoice 1339 for a \$800, written payable to *Minnick Group* for “Broadcast Media (Cable Wk 3-4), Web Media – Display Ads Wk 3-4 and Video & Apps Wk 3-4), Media (Streaming TV Wk 3-4) and Commission Income (15% Placement Fee); and Invoice 1306 (dated 9/21/2020) for “Media Production – Production of Investing in Whatcom Radio 60 Ad.”
 - A \$31,970 expenditure made on October 12, 2020 for “Broadcast & Web Media.”
 - The documentation provided by the Campaign included a copy of a \$31,970 check (#2673) made payable to *Minnick Group* for invoice number 1370 (dated 10/12/2020) for “Broadcast Media (Cable - Oct 20-Nov 3) and Web Media - Streaming (Oct 20 – Nov 3), Video & Apps (Oct 20-Nov 3) and Digital Ads (Oct 20 – Nov 3).”
 - A \$26,300.40 expenditure made on October 5, 2020 for “Radio Ads, Newspaper Ads.”
 - The documentation provided by the Campaign included a copy of a \$26,300.40 check (#2670) made payable to *Minnick Group* for invoice number 1352 (dated 10/3/2020) for “Broadcast Media (Radio KGMI and Radio Praise); Print Media (Newspaper- Ferndale Record, Lynden Tribune

and Blaine Northern Lights); and Graphic Design – Design of 9 Newspaper Ads.”

- Two expenditures made totaling \$24,536.03 that included a \$15,049.50 expenditure made on July 8, 2020 for “Printing/Mailing 34,370 PCS;” and a \$9,486.53 expenditure made on October 24, 2020 for a Mailer.”
 - The documentation provided by the Campaign included a copy of: (a) \$15,049.50 check (#2632) dated 7/8/2020 written payable to *Minnick Group* for invoice number 1210 (dated 7/8/2020) for “Print Media (Whatcom Conservation Voice Mailer), Postage & Mail Prep (Whatcom Conservative Voice Mailer), Print Media (Investing in Whatcom Mailer and Postage & Mail Prep (Investing in Whatcom Mailer;” and (b) \$9,486.53 check (#2682) dated 10/23/2020 written payable to *Minnick Group* for invoice number 1414 (dated 10/23/2020) for “Print Media – Thick Skin Mailer.”
 - A \$20,000 expenditure made on July 8, 2020 for “Cable Advertising.”
 - The documentation provided by the Campaign included a copy of a \$20,000 check (#2633) made payable to *Minnick Group* for invoice number 1241 (dated 7/8/2020) for “Broadcast Media – Primary Cable Buy and Commission Income – 15% Commission.”
 - A \$6,000 expenditure made on July 8, 2020 for “Digital Advertising.”
 - The documentation provided by the Campaign included a copy of a \$6,000 check (#2634) made payable to *Minnick Group* for invoice number 1242 (dated 7/8/2020) for “Web Media – Primary Digital Buy and Commission Income – 15% Commission.”
2. A \$4,578.92 expenditure made to AMS Print and Mail Specialists on October 6, 2020, for “Printing/Mailing – 6,500 ct.”
- The documentation provided by the Campaign included a copy of a \$4,578.92 check (#2671) dated 10/6/2020 and written payable to *AMS Print and Mail Specialists* for invoice number 218773 (dated 10/5/20) for “Printing/Mailing.”
3. A \$3,150 expenditure made to Cascade Radio Group on October 21, 2020 for “Radio Advertising.”
- The documentation provided by the Campaign included a copy of a \$3,150 check (#2680) written on 10/21/2020 payable to *Cascade Radio Group* for “Advertising.”
4. Two expenditures totaling \$2,910.21 made to Preferred Lithtex NW that included a \$1,551.46 expenditure made on September 18, 2020 for “Printing/Postage 2,000 ct;” and a \$1,358.75 expenditure made on September 4, 2020 for “Campaign signs – 250 ct.”

- The documentation provided by the Campaign included a copy of: (a) \$1,551.46 check (#2660) that was paid to *Lithtex NW Printing Solutions* on 9/18/2020 for invoice number 91513 – dated 9/17/2020 for “Fundraising Letter, plus Mailing ~ Qty 2,100 and Postage;” and (b) \$1,358.75 check (#2694) that was paid to *Lithtex NW Printing Solutions* (check #2694) for invoice number 91262 for “Vote for Luanne Signs ~ Qty 250.”
5. A \$2,340 expenditure made to Cooper Austin on November 4, 2020, for a “Text Campaign.”
- The documentation provided by the Campaign included a copy of an invoice (Invoice # 202061), dated November 3, 2020 for “Texts (23,400) and Unit Price of \$2,340.00,” paid to Cooper Austin on 11/4/2020 – check #2685.

Books of Account, Maintaining Campaign Records, and Internal Control Process:

As part of the audit, PDC staff requested each campaign to provide information concerning general campaign practices such as internal compliance controls, procedures for processing, depositing, recording and disclosure of contribution, procedures for making and reporting expenditures, including for debts, obligations, and orders placed, in-kind contributions, and candidate loans. On March 24, 2021, the Campaign provided a response to staff’s questions about the internal control processes.

Audit Exhibit #2

Campaign Contributions:

The Campaign stated that during the 2020 election, for all contribution at events, “the candidate (Luanne Van Werven) appointed volunteers who received contribution checks and cash, and ensured names, addresses and employment information was recorded. At the end of the event(s), all checks, cash and information collected were forwarded to the treasurer to be deposited in the bank. Once a week (and more frequently during the “last minute contribution” period, the treasurer verified the information received and reconciled the bank deposits. The information was then recorded into ORCA and uploaded to the PDC. All contributions received via mail were personally retrieved by the candidate from the mailbox approximately twice per week. The candidate herself would then check to verify that the names, addresses, and employment information were provided. The Candidate and the treasurer would then record all the information in email to the treasurer, who would then deposit the contributions. Once a week, the treasurer would verify information and reconcile it with the bank deposits.

The Campaign further stated that “Credit Card contributions were reviewed weekly, and contributors’ names, addresses and employment information verified by the treasurer. The credit card processor auto-deposited contributions within “3 days, or sooner if more than a certain amount was collected and deposited in the campaign’s bank account.”

Campaign Expenditures:

The Campaign stated: “The candidate developed and implemented campaign advertising strategy directly with the advertising service providers. All provider invoices were sent via email to the candidate who in turn forwarded the expenditures to the treasurer. The candidate would then

issue payment checks to the service providers. The Campaign also stated that once a month and frequently during the accelerated reporting periods, the treasurer would review the expenditure information, verify against the bank statement and “record into ORCA.” All expenses were approved by the candidate prior to payment. Invoices and requests for payment were either submitted to the treasurer’s office from the candidate or were paid on the candidate’s campaign check book once a month. The general strategy consultant, Minnick Group, Inc, worked with the candidate to create any political advertisements. Once approved, the consultant facilitated the publication of literature, direct mail, and online advertisements.

Contribution and Expenditure Reports:

The Campaign’s ORCA bookkeeping was done by the treasurer. This included uploading all the reports onto ORCA. According to the Campaign, the “contribution and expenditure information (other than online contributions for which information was provided by credit card processor) was communicated via email from the candidate to the treasurer.” The candidate did not review the C-3 or C-4 reports before uploading.

The treasurer, Mr. Crawford, was responsible for curating the campaign records. The campaign books “consisted of printing the C3 and C4 reports, and putting them in a small binder. The books of account were made available during the public inspection period, however no-one from the campaign including Mr. Crawford received any requests for public inspection.

The Campaign stated that the candidate and several volunteers and Campaign staff were reimbursed for out-of-pocket expenses. The candidate or any other person was required to complete the form, provide corresponding receipts and receive approval from the candidate prior to being reimbursed.

IV.

Audit Documents Reviewed, Provided and Respondent Correspondence

- C-1 reports, C-3 reports, and C-4 reports filed by the 2020 Luanne Van Werven State Representative Campaign covering the period February 1, through December 31, 2020.
- Email exchanges between PDC staff and Sam Crawford, on behalf of the Luanne Van Werven 2020 State Representative Campaign.
- PDC staff queried the PDC Contribution and Expenditure database for the 2020 Luanne Van Werven for State Representative Campaign contribution and expenditure information covering the period of February 1 through December 31, 2020.

V.

Statutes and Rules

- **RCW 42.17A.235 and 240** require continuing political committees under the Full Reporting Option to file timely, accurate C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the committee. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. Beginning June 1st for every political

committees participating in an election, C-4 reports are required 21 and 7 days before each election in which the committee receives contributions or makes expenditures, and in the month following the election. Monetary contributions are reported weekly during this same time and are required to be disclosed on a C-3 report filed every Monday for monetary contributions deposited into the committee bank account the previous five business days.

- **RCW 42.17A.220** requires political committee to deposit monetary contributions received shall be deposited by 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.

Respectfully submitted this ____ day of July 2021.

Erick O. Agina
PDC Compliance Officer

Audit Exhibits

Audit Exhibit #1 Documents provided by the 2020 Luanne Van Werven for State Representative Campaign to the PDC on April 20, 2021, concerning the expenditures selected for audit.

Audit Exhibit #2 Letter from the 2020 Luanne Van Werven for State Representative Treasurer provided by the Campaign to the PDC on April 20, 2021, concerning the campaign practices and procedures.



Bill To
Luanne

Invoice

Date	Invoice #
9/28/2020	1339

Item Code	Description	Amount
Broadcast Media	Cable Wk 3-4	6,800.00
Web Media	Display Ads WK 3-4	3,000.00
Web Media	Video & Apps WK 3-4	8,000.00
Media	Streaming TV WK 3-4	10,000.00
Commission Income	15% Placement Fee	4,170.00

Thank you for your business!	Total	\$31,970.00
	Balance Due	\$31,970.00

total \$32,770

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



Invoice

Bill To
Luanne Van Werven

Date	Invoice #
9/21/2020	1306

Item Code	Description	Amount
Media Production	Production of Investing in Whatcom Radio60 Ad	800.00

Thank you for your business!	Total	\$800.00
	Balance Due	\$800.00

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



Bill To
Luanne Van Werven

Invoice

Date	Invoice #
10/12/2020	1370

Item Code	Description	Amount
Broadcast Media	Cable [Oct 20-Nov3]	7,820.00
Web Media	Streaming [Oct 20-Nov3]	11,500.00
Web Media	Video & Apps [Oct 20-Nov3]	9,200.00
Web Media	Display Ads [Oct 20-Nov3]	3,450.00
<i>#26TB 10/12</i>		

Thank you for your business!	Total	\$31,970.00
	Balance Due	\$31,970.00

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



Bill To
Luanne Van Werven

Invoice

Date	Invoice #
10/3/2020	1352

Item Code	Description	Amount
Broadcast Media	Radio KGMI	14,840.00
Broadcast Media	Radio Praise	6,037.50
Print Media	Newspaper - Ferndale Record	2,190.75
Print Media	Newspaper - Lynden Tribune	1,207.50
Print Media	Newspaper - Blaine Northern Lights	1,024.65
Graphic Design	Design of 9 Newspaper Ads	1,000.00

*9/5/20
pd
2670*

Thank you for your business!	Total	\$26,300.40
	Balance Due	\$26,300.40

Please remit payment to: Minnick Group
21225 42nd Ave SE
Bothell, WA 98021



Bill To
Luanne Van Werven

Invoice

Date	Invoice #
7/8/2020	1240

Item Code	Description	Amount
Print Media	Whatcom Conservative Voice Mailer	4,100.00
Postage & Mail Prep	Whatcom Conservative Voice Mailer	2,242.78
Print Media	Investing in Whatcom Mailer	4,900.00
Postage & Mail Prep	Investing in Whatcom Mailer	3,806.72
<p># 2632 7/8/20</p>		

Thank you for your business!	Total	\$15,049.50
	Balance Due	\$15,049.50

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



Bill To
Luanne Van Werven

Invoice

Date	Invoice #
10/23/2020	1414

Item Code	Description	Amount
Print Media	Thick Skin Mailer	9,486.53
<p>10/23 #2682</p>		

Thank you for your business!	Total	\$9,486.53
	Balance Due	\$9,486.53

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



Bill To
Luanne Van Werven

Invoice

Date	Invoice #
7/8/2020	1241

Item Code	Description	Amount
Broadcast Media	Primary Cable Buy	17,400.00
Commission Income	15% Commission	2,600.00
	# 2633 7/8	

Thank you for your business!	Total	\$20,000.00
	Balance Due	\$20,000.00

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



Bill To
Luanne Van Werven

Invoice

Date	Invoice #
7/8/2020	1242

Item Code	Description	Amount
Web Media	Primary Digital Buy	5,200.00
Commission Income	15% Commission	800.00
	#2634 7/8	

Thank you for your business!	Total	\$6,000.00
	Balance Due	\$6,000.00

Please remit payment to: Minnick Group
 21225 42nd Ave SE
 Bothell, WA 98021



P.O. Box 2425
Blaine, WA 98231-2425
Phone: 360-332-2500

Invoice Number
218773

Date: 10/5/20

Luanne Van Werven for State Rep
P.O. Box 29964
Bellingham, WA 98228

#2671
10/6/20

TERMS:
Net Due

Customer ID#: VAN W
P.O. Number/ Desc: 4 MAILERS

ITEM	DESCRIPTION	QUANTITY	PRICE EACH	EXTENDED PRICE
	WO#307420: CAR TABS (1184)			
	WO#307451: SEX ED (2939)			
	WO#307452: CHERRY POINT (592)			
	WO#307453: TRUMP COMM. (1751)			
POSTAGE	POSTAGE: 6,466pc	1.00	1,985.13000	1,985.13
MAIL PROCESSING	PROCESSING: 6,466pc	1.00	2,386.19000	2,386.19

GET STUCK ON YOUR CUSTOMER'S MIND

STAND OUT with labels for food packaging, bottles and other retail products.

www.ams-labels.com

SUBTOTAL: 4,371.32
SALES TAX: 207.60
BALANCE DUE: \$4,578.92

Invoices are based on cash sales. Credit Card payment will incur: 3.5% U.S., 5.5% International Card

Due Upon Receipt

Audit Exhibit #1

Friends of Luanne
Luanne VanWaren Campaign Account
PO Box 29964
Bellingham, WA 98228

10-21-20 20

2680
98-442/1251

Peoples Bank
3100 Woburn Street
Bellingham WA 98226
(360) 584-8859

PAY TO THE ORDER OF Cascade Radio Group \$ 3150.00
three thousand one hundred fifty \$

FOR _____

Blawie

2680

MEMORANDUM

RECEIPT

DATE 10/21/20

No. 945679

RECEIVED FROM

Friends of Luane

\$ 3,150.00

Three thousand one hundred fifty dollars & 00/100 DOLLARS

FOR RENT

Adhering

ACCOUNT	
PAYMENT	
BAL. DUE	

CASH
 CHECK
 MONEY ORDER
 CREDIT CARD

FROM 10/23 TO 11/3
BY Spina Mefer

LITHTEX NW

Printing Solutions

2000 Kentucky Street
 Bellingham, WA 98229
 Phone: (360) 676-1977
 Fax: (360) 676-1895

Sold To:

Friends of Luanne
 Attn: Melodie Kirk
 PO Box 29964
 Bellingham, WA 98228

Invoice

Invoice Number:

91513

Invoice Date:

Sep 17, 2020

Sales Rep	Customer PO	Shipping Method	Payment Terms	Due Date
Shawn VanDyken		USPS	Prepaid	9/17/20

Description	Amount
Fundraising Letter, Plus Mailing ~ Qty 2,100	930.00
Postage	540.55
<p># 2660 9/18</p>	

Customer Resale Number

Subtotal	1,470.55
Sales Tax	80.91
Total Invoice Amount	1,551.46
Payment/Credit Applied	
BALANCE DUE	1,551.46

We gladly accept VISA, Mastercard, Discover and American Express payments for a 2.75% convenience fee.

Sold To:

Friends of Luanne
 PO Box 29964
 Bellingham, WA 98228

Invoice

Invoice Number:

91262

Invoice Date:

Sep 4, 2020

Sales Rep	Customer PO	Shipping Method	Payment Terms	Due Date
Shawn VanDyken		Will Call	Prepaid	9/4/20

Description	Amount
Vote for Luanne Signs ~ Qty 250	1,250.00
<i>check 2694</i>	

Customer Resale Number

Subtotal 1,250.00
Sales Tax 108.75
Total Invoice Amount 1,358.75

We gladly accept VISA, Mastercard, Discover and American Express payments for a 2.75% convenience fee.

Payment/Credit Applied
BALANCE DUE

Audit Exhibit #1, 1,358.75
 Page 12 of 27

Austin Cooper
827 Violet Ln
Bellingham, WA 98226
Phone: (360) 770-8668

INVOICE

INVOICE # 202061
DATE: NOVEMBER 3, 2020

TO:
Friends of Luanne

pd 11/4 # 2685

COMMENTS:

Payment 1 = \$1,250 (paid in April)
Payment 2 = \$1,250 (paid in May)
Payment 3 = \$1,250 (paid in June)
Payment 4 = \$1,250 (paid in July)
Payment 5 = \$1,250 (paid in August)
Payment 6 = \$1,250 (paid in September)
Payment 7 = \$1,250 (paid in October)
Payment 8 = \$1,250
Total = \$10,000

Agreement = Roughly 200 hours of work from April 1 to November 30, includes 8 payments of \$1,250 starting in April.

Actual hours worked through November 3 = 200.

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Monthly payment	\$1,250.00	\$1,250.00
1	Texts (23,400)	\$2,340.00	\$2,340.00
1	Reimbursement Request: Constant Contact	\$342.41	\$342.41
1	Reimbursement Request: Rumble Up Monthly Subscription	\$19.00	\$19.00
TOTAL DUE			\$3,951.41

Make all checks payable to Austin Cooper.

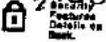
If you have any questions, please contact Austin Cooper at austin@luannevanwerven.com.

THANK YOU FOR YOUR BUSINESS!

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2670
98-442/1251

10-6 2020

PAY TO THE ORDER OF Minnick Group \$ 26,300 ⁴⁰/₁₀₀
Twenty six thousand three hundred ⁴⁰/₁₀₀
DOLLARS 

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 584-8859

FOR invoice 1352 Luanne

 2670

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29984
Bellingham, WA 98228

2671
98-442/1251

10-6 2020

PAY TO THE
ORDER OF

AMS

\$ 4578

92

492

four thousand five hundred seventy eight

DOLLARS

MP

Peoples Bank
3100 Woburn Street
Bellingham WA 98226
(800) 584-8859

FOR

218773

Luanne

MP

2671

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2673
98-442/1261

10-13-2020

PAY TO THE
ORDER OF

Minnick Group

\$ 31,970.00

thirty one thousand, nine hundred seventy 00
DOLLARS

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 584-8889

FOR # 1370

Luanne W

2673

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2634
98-442/1251

7-8 2020

PAY TO THE
ORDER OF

Minnick Group

\$ 6000⁰⁰

Six thousand 00/100

DOLLARS



Security
Features
Depend on
Bank.

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 584-8888

FOR

1242-digital

Luanne



2634

MONARCH II

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29864
Bellingham, WA 98228

2682
98-442/1251

10-23 2020

PAY TO THE
ORDER OF

Minnick Group

\$ 9486⁵³

nine thousand four hundred eighty six

DOLLARS ⁵³/₁₀₀

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 584-8838

FOR # 1414

Luanne

2682

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2632
98-442/1251

7-8 2020

PAY TO THE ORDER OF Minnick Group Inc \$ 15,049.50
fifteen thousand, forty nine & 50/100 DOLLARS Security Features Details on Rev.

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 564-8859

FOR #1240 mailers Luanne MP

2632

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2685

98-442/1291

11-4-2020

PAY TO THE
ORDER OF

Austin Cooper

\$ 3951 41/100

three thousand nine hundred fifty one
DOLLARS 94

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 544-8858

FOR

#202061

Luanne VanWerven

2685

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29984
Bellingham, WA 98228

2654
98-442/1251

9-4 2020

PAY TO THE
ORDER OF

Litkex NW

\$ 1358 ⁷⁵/₁₀₀

thirteen hundred fifty eight ⁷⁵/₁₀₀

DOLLARS

Peoples Bank
3100 Woburn Street
Bellingham WA 98226
(800) 584-8859

FOR invoice # 91262

LanWes



2654

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2787
98-442/1251

Sept 29 2020

PAY TO THE
ORDER OF

MINNICK GROUP

\$ 32,770⁰⁰

THIRTY TWO THOUSAND SEVEN HUNDRED SEVENTY and NO/100's
DOLLARS

Security
Features
Details on
Back

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 564-8888

FOR INVOICES 1306 & 1309

Laura Crawford

2787

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2660
98-442/1251

9-18 2020

PAY TO THE
ORDER OF

Lithtex NW

\$ 1551 46

fifteen hundred fifty one & 46/100

DOLLARS

Security Features Details on Back.

Peoples Bank
3100 Woburn Street
Bellingham WA 98226
(800) 584-8859

FOR _____

Luanne VanWerven

MP



2660

MONARCH

Friends of Luanne
Luanne VanWerven Campaign Account
PO Box 29964
Bellingham, WA 98228

2633
98-442/1251

7-8 2020

PAY TO THE ORDER OF Minnick Group Inc \$20,000⁰⁰
twenty thousand & 00/100 DOLLARS

Peoples Bank
3100 Woburn Street
Bellingham WA 98228
(800) 584-8858

FOR Cable Buy #1241 Luanne

2633



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: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

April 9, 2021

Sent Electronically to Luanne Van Werven and Sam Crawford, 2020 Campaign Treasurer

Subject: PDC Audit Letter, 2020 Luanne Van Werven for State Representative Campaign; PDC Audit No. 20-10

Dear Representative Van Werven and Mr. Crawford:

This letter is a follow-up to the email exchanges we had notifying you that the 2020 Luanne Van Werven for State Representative Campaign had been selected for audit and that you would be receiving an email with this attached letter from staff concerning the audit. Pursuant to RCW 42.17A.105 and .110, the Public Disclosure Commission (PDC) has a mandate to conduct audits of candidates, committees, and other filing entities. Based on that authority, PDC staff has in the past conducted audits of candidates and political committees, lobbyists and lobbyist employers, and state agency lobbying activities in accordance with chapter 42.17 RCW. The PDC began conducting several limited-scope audits the first of December 2020.

Audits provide the PDC with an opportunity to: (1) determine the degree of compliance with the candidate campaign finance reporting requirements; (2) enhance and strengthen the public's confidence in the campaign contribution and expenditure information being disclosed by filers; (3) identify problem areas in reporting campaign activities that suggest a need to revise PDC advice being given or the information that is listed in candidate instructions on the PDC website and included in our online manuals; and (4) identify needed changes in the law or rules for reporting.

PDC staff previously identified four 2018 Legislative Districts elections for State Senate that comprised the initial audit pool of eight candidates selected for limited-scope audits that have substantially been completed. Staff is using the same criteria used in selecting the 2020 House of Representative candidates for audit that was used for the 2018 Senate candidates that included both candidates appearing on the November 3, 2020 general election ballot, in a contested election, with significant contribution and expenditure activities.

Based on the criteria listed above, the 2020 State Representative race in the 42nd Legislative District, Position #1 was selected for a limited-scope audit. For your information, most of the audit work for the audits will involve PDC staff reviewing information disclosed on C-3 reports and C-4 reports that were filed electronically by each campaign. Staff will confirm and verify select contributor and vendor expenditure information, and be requesting documentation from both Campaigns, including copies of campaign books of account maintained by the Campaign for the expenditures listed below.

The requested documentation includes copies of invoices, receipts, cancelled checks, emails and other memoranda for the following expenditures:

1. 33 expenditures were made by the Campaign to Minnick Group, Inc. totaling \$238,587.42 during the 2020 election. Staff is requesting campaign records and documentation for the following expenditures:
 - A \$32,770 expenditure was made on September 29, 2020 for “Media Production & Buy.”
 - A \$31,970 expenditure was made on October 12, 2020 for “Broadcast & Web Media.”
 - A \$26,300.40 expenditure was made on October 5, 2020 for “Radio Ads, Newspaper Ads.”
 - Two expenditures were made totaling \$24,536.03 that included a \$15,049.50 expenditure made on July 8, 2020 for “Printing/Mailing 34,370 PCS.”; and a \$9,486.53 expenditure made on October 24, 2020 for a Mailer.”
 - A \$20,000 expenditure was made on July 8, 2020, for “Cable Advertising.”
 - A \$6,000 expenditure was made on July 8, 2020, for “Digital Advertising.”
2. A \$4,578.92 expenditure was made to AMS Print and Mail Specialists on October 6, 2020, for “Printing/Mailing – 6,500 ct.”
3. A \$3,150 expenditure was made to Cascade Radio Group on October 21, 2020 for “Radio Advertising.”
4. Two expenditures totaling \$2,910.21 were made to Lithtex NW that included a \$1,551.46 expenditure made on September 18, 2020 for “Printing/Postage 2,000 ct.”; and a \$1,358.75 expenditure was made on September 4, 2020 for “Campaign signs – 250 ct.”
5. A \$2,340 expenditure was made to Cooper Austin on November 4, 2020, for a “Text Campaign.”

Staff is also requesting that each Campaign provide a response concerning 2020 general campaign practices, internal campaign compliance controls, and procedures for processing and recording contribution and expenditure activities, including orders placed and in-kind contributions. The questions and Campaign practices for which a response is being requested, includes the following:

1. Explain the 2020 Campaign contribution process from receipt of a contribution, to entering the contributor information into ORCA, the name of the person depositing the contributions, how often contributions were deposited, and the filing of the C-3 report. In addition, if online contributions were received by the Campaign, please explain how those contributions were processed as well.
2. Explain the 2020 Campaign expenditure process including the placing of the orders for political advertisements, identifying who placed the orders, to making the expenditure, picking up the goods and/or services provided, and the disclosing of the expenditure on the C-4 report. In addition, explain the process for disclosing orders placed.

3. Describe the process for reviewing and filing the C-3 and C-4 reports, as well as the communication that occurs between the candidate and the Treasurer concerning the contribution and expenditure information being disclosed. In addition, does the candidate review the reports either before or after they have been filed?
4. Describe how the Campaign records are maintained for all contribution and expenditure activities, and what those records include.
5. Who was responsible for the Campaign records, did the Campaign make the books of account available during the public inspection period, was an inspection requested, and what documents were made available during the inspection?
6. Did the candidate or any Campaign officers or volunteers received reimbursements during the 2020? If yes, please describe how the Campaign handled the reimbursements, the documentation that was required for reimbursement, and how those records were maintained.

Please provide copies of the requested expenditure documentation, and a response to the PDC questions and issues regarding the various campaign practices, no later than **April 23, 2021**. If you need additional time, please do not hesitate to contact Kurt Young, PDC Compliance Officer.

PDC staff understand the numerous constraints placed upon individuals who run for public office as candidates and elected officials. Staff also appreciates the hard work, time, effort, and diligence on the part of all those individuals involved, including campaign workers, volunteers, and in particular the campaign treasurers. The PDC appreciates your cooperation in conducting this audit.

If you or your Treasurer has any questions, please contact Mr. Young at (360) 664-8854, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Endorsed by,

/s/
Electronically Signed Kurt Young
Compliance Officer

/s/
Electronically Signed Peter Lavalley,
PDC Executive Director



April 20, 2021

Sent Electronically to Kurt Young, Compliance Officer

Subject: Response to PDC Audit Letter, 2020 Luanne Van Werven for State Representative Campaign; PDC Audit No. 20-10

Dear Officer Young:

Attached to this response letter is a PDF file; it contains copies of all invoices for Campaign expenditures listed in the Audit Letter. There were no other emails regarding these transactions beyond the candidate providing the check amounts and payee information in emails to the treasurer within required campaign reporting time periods. If further requested, we can provide copies of cancelled checks, if needed for verification purposes for those expenditures, but would require additional time to retrieve those images via electronic means from our bank account website.

In addition, we have responded below to the PDC questions and issues regarding the various campaign practices, as requested in your Audit Letter dated April 9, 2021:

- *Explain the 2020 Campaign contribution process from receipt of a contribution, to entering the contributor information into ORCA, the name of the person depositing the contributions, how often contributions were deposited, and the filing of the C-3 report. In addition, if online contributions were received by the Campaign, please explain how those contributions were processed as well.*

At events:

Candidate (Luanne Van Werven) appoints volunteer to receive contribution checks and cash, ensure names, addresses and employment information is recorded. At end of event, all checks, cash and info collected is given to Candidate. Next day (usually) Candidate records all information in email to Treasurer (Sam Crawford), and Candidate makes bank deposit. Once a week (more frequently during "last minute contribution" period) Treasurer verifies information and reconciles to bank deposit. Information is recorded into ORCA, and uploaded to the PDC.

Contributions via mail:

Candidate personally retrieves all mail from PO box approximately twice per week. Candidate ensures names, addresses and employment information is provided. Next day (usually) Candidate records all information in email to Treasurer, and makes bank deposit. Once a week (more frequently during "last minute contribution" period) Treasurer verifies information and reconciles to bank deposit. Information is recorded into ORCA, and uploaded to the PDC.

Contributions via online credit card processing:

Treasurer weekly reviews and verifies contributors' names, addresses and employment information. Credit card processor auto-deposits contributions within 3 days, or sooner if more than a certain amount is collected (\$1000?). Once a week (more frequently during "last minute contribution" period) Treasurer verifies all information and reconciles to bank deposit. Information is recorded into ORCA, and uploaded to the PDC.

• Explain the 2020 Campaign expenditure process including the placing of the orders for political advertisements, identifying who placed the orders, to making the expenditure, picking up the goods and/or services provided, and the disclosing of the expenditure on the C-4 report. In addition, explain the process for disclosing orders placed.

Candidate developed and implemented campaign advertising strategy directly with advertising service providers. Service provider sends invoice via email to Candidate, in turn Candidate reports expenditure to Treasurer. Candidate issues check to service provider. Once a month (more frequently during pre-election date C-4 reporting periods) Treasurer reviews expenditure information, verifies against bank statement, records into ORCA and uploads to PDC.

• Describe the process for reviewing and filing the C-3 and C-4 reports, as well as the communication that occurs between the candidate and the treasurer concerning the contribution and expenditure information being disclosed. In addition, does the candidate review the reports either before or after they have been filed?

Treasurer did all ORCA bookkeeping, and uploaded all reports. Most contribution and expenditure information (other than online contributions for which information was provided by credit card processor) is communicated via email from the Candidate to the Treasurer. Candidate did not review C-3 and C-4 reports before uploading.

• Describe how the Campaign records are maintained for all contribution and expenditure activities, and what those records include.

All records are kept by the Treasurer entering contribution and expenditure data into ORCA. The data in ORCA comprises the campaign books. No other accounting software or spreadsheet software was used.

• Who was responsible for the Campaign records, did the Campaign make the books of account available during the public inspection period, was an inspection requested, and what documents were made available during the inspection?

The Treasurer was responsible for campaign records. The campaign 'books' consisted of printing the C3 and C4 reports, and putting them in a small binder. The books were made available at a designated location, no inspection was requested.

• Did the Candidate or any Campaign officers or volunteers received reimbursements during the 2020? If yes, please describe how the Campaign handled

the reimbursements, the documentation that was required for reimbursement, and how those records were maintained.

The Candidate received reimbursements for non-income personal expenditures for the campaign. These were reported as “in kind” contributions from the Candidate, and receipt records have been kept. Several volunteers were financially compensated for their efforts, these Campaign expenditures totaled from \$100 to \$800 to each of them, and were duly reported in ORCA. One volunteer (Bryan Yon) lives out of the area, several times he provided receipts for transportation and lodging which were reimbursed and duly reported in ORCA. Campaign volunteer Charlie Crabtree was given a one-time post-campaign ‘bonus’ (financial compensation) of \$1,000.00 at the close of the campaign. The paid Campaign Manager (non-officer) Austin Cooper was reimbursed (in addition to ongoing payment for services) for receipts he provided for online advertising and email campaigns. Campaign Treasurer Sam Crawford was given a one-time post-campaign ‘bonus’ (financial compensation) of \$2,477.74 at the close of the campaign.

Please let us know if we can be of any further assistance in your audit.

Sincerely,

Sam Crawford

Campaign Treasurer, Luanne Van Werven for State Representative Campaign

Attachment: Copies of all invoices for Campaign expenditures listed in the Audit Letter (PDF)