

# A R I S T O T L E

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205 Pennsylvania Avenue, S.E.  
Washington, D.C. 20003

Thomas Hintermister  
Assistant Staff Director  
Audit Division  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: Washington State Republican Committee Response to Interim Audit Report

Dear Mr. Hintermister:

In response to the recommendations in the interim audit report (IAR) for the Washington State Republican Party, WSRP has filed amended reports for 2009 and 2010 to correct misstatements of financial activity, Levin funds, and debts and obligations. WSRP previously filed amended 2011 reports to adjust its cash on hand balance to correspond to the audit findings.

WSRP wishes to raise one additional issue for consideration in preparation of the draft final audit report. The IAR concluded WSRP failed to report a \$43,920.85 disbursement from its Federal account on August 5, 2010 and that WSRP failed to report a transfer of an identical amount from its non-Federal to its Federal account on August 12, 2010. This payment was for state legislative campaign activity (100% non-Federal). The payment was mistakenly made from the Federal account and the error was discovered and rectified in one week. While WSRP amended its reports to disclose these transactions, WSRP does not believe these transactions should be included in the finding regarding misstatement of financial activity.

A combination of Federal and Washington law effectively require WSRP to maintain four separate accounts (Federal, Levin, State Exempt, and State Non-Exempt). Occasionally, especially in the midst of a busy election season, a payment is made or a receipt deposited into an incorrect account. On the receipt side, WSRP performs a daily reconciliation that normally resolves receipt characterizations at the end of each business day. Disbursements are reviewed weekly at a minimum.

In light of this regulatory complexity, WSRP believes there should be room to correct clerical errors in deposit or payment processing. The Audit Division's finding currently counts this error against WSRP twice: first as an unreported disbursement, and second as an unreported receipt (transfer) from the state account. While this accounting presents a technically correct picture of WSRP's bank account activity, it presents a substantively misleading picture of WSRP's Federal and non-Federal activity. WSRP believes these transactions should be excluded from the finding regarding misstatement of financial activity.

Sincerely,

*David M. Mason*

David M. Mason

Senior Vice President, Compliance Services