

September 27, 2017

From: Matt Loschen, Treasurer, Friends of Roger Goodman

To: Tony Perkins, Investigator, Campaign Finance Unit, ATG

Re: Citizen Action Notice Complaint against Roger Goodman 2016 campaign

Thank you for the opportunity to respond to this complaint. I'm a volunteer, not a professional, but I take pride in my work and I have certainly attempted to follow all Washington State laws and PDC rules. I take the law very seriously. If the PDC wishes that I change how I submitted these reports, or change how I do my job in the future I will of course do so. Like any effort of this size and complexity my results were not perfect, so I spent many hours double-checking my entries to improve my accuracy and thoroughness, both during the campaign and in a post campaign audit. When I found mistakes I corrected them. Ironically it's often these amendments that Mr. Morgan is complaining about. Let's discuss the details.

1) Late Reporting of Donations (Exhibit A) I make a habit of reporting donations BEFORE I'm required to do so by law, usually within 48 hours of receiving the donation. I'll address the complaint using the lines used in his exhibit.

1-5) These were all reported by my C3 of 7/12/16. During my audit I discovered that I had accidentally reported Davidson's \$100 donation twice. Per PDC procedures I amended the C3 and resubmitted on 1/19/17. In other words, complaint lines 1-5 were all reported promptly in July. Line 3 was reported inaccurately, but was corrected and reported in good faith when I discovered it. Apparently Mr. Morgan's system is incapable of distinguishing late items from items that were on an amended report but were never in error.

6-9) While changing our donation mechanism in our accounting software we inadvertently failed to correctly set a variable. We soon realized and corrected our mistake, but these four donations were mislabeled, and consequentially "lost" in our database (they didn't appear on my list for reporting). I discovered them while auditing our books at the end of the campaign, and per PDC rules I reported them as soon as I found them. These donations totaled \$925, a tiny fraction of the money raised in the campaign.

These errors do not reflect a disregard for the law, or an attempt to circumvent the law for political gain, but simply honest mistakes that were corrected in good faith.

10-57) These are not donations made to the 2016 Friends of Roger Goodman campaign. If anyone chooses to lodge a complaint against the 2014 campaign I would be glad to explain them.

58-59) A situation similar to the above. My C3 of 11/7 reported these donations correctly and promptly (in fact the same day). But because a non-reported variable was mis-entered in Miller's donation record I was obliged to amend the C3 during the audit process so that our software would correctly do the accounting. Neither was reported late, Miller's entry wasn't substantively changed and Forrester's entry was never changed at all.

60) This was reported on the same day as I received it (8/11/16). It was amended on 8/30 (it was entered as a primary donation by mistake), but it was not reported late.

61-62) These were received 5/11 and reported using the C3 of 5/12. I amended this C3 on 6/16 (none of the donation amounts changed). This was not reported late.

63-128) Even using Mr. Morgan's data these donations are in compliance.

2) Late Reporting of Expenditures (Exhibit B)

Most of the Exhibit B complaints are in error: we were in compliance in almost all of these instances. In the 4 cases where we did in fact submit expenditures late, totaling \$350, we simply made honest mistakes, and reported corrections as soon as we discovered them, in good faith.

Complaint lines 13, 14, 18, 25, 32 and 36 are not expenditures made by 2016 Friends of Roger Goodman

1-3) In a few cases we in fact did make mistakes. For example, on May 3rd I found three expenditures that hadn't been reported (complaint lines 1-3) due to miscommunication between myself and the campaign manager (I didn't realize he had activated NGP). I amended the January–April C4s accordingly, on May 3rd. During the audit process at the end of the campaign I discovered that the "beginning amount" for the campaign was slightly off, so I was obliged to amend every C4 submitted during the campaign. When a treasurer discovers a mistake made early in a campaign, no matter how minor, s/he is required by the PDC to resubmit (amend) all of the C4s created from the date of the mistake to the present. This is so the all of the old C4s are as accurate as possible (reflecting corrected cash on hand amounts for each month, etc.). I followed the PDC rules, and amended Goodman's C4s several times, (also fixing the missed donation mentioned above, for example). This does NOT mean that the vast majority of the C4s content was submitted late, just the amended items. Claiming so by listing C4 content (seemingly at random) as "late" ignores the fact that the original C4 containing all but the amended item was submitted and available to the public on time (in fact early), and is intentionally misleading. In this case, the complaint lists the reporting date of items 1-3 as 1/19/17. This is quite incorrect...these had been corrected in May of 2016. 1/19/17 was simply the last time the C4 containing these items was amended.

Lines 4-12, 15-17, 19-24, 26-28, 30-31, 33-35) I'm not sure why Mr. Morgan picks these out as "late". All of these were reported correctly in C4s for their appropriate months. These C4s were all amended on 1/20/17, but the entries for these items were not modified then or ever.

Line 29) This was my error: there were two Callfire expenditures and when I saw the second I incorrectly assumed I had already entered it. I fixed this in a C4 amended 1/10/17 (not 1/20/17).

3) Failure to Report Debt (Exhibit C)

Had Friends of Roger Goodman received an invoice, but for any reason did not promptly (30 days, per law) pay the vendor, I would have reported this as debt (it didn't). In situations where a "Victory Bonus" was negotiated I entered this as debt (based on PDC guidance). In situations where we had not yet been billed, or where goods/services had not yet been ordered or delivered I would have no way of saying with certainty what our obligation was going to be, or if we were going to incur an expense at all. In these instances I didn't report a debt. Clearly I have a different interpretations of "debt". Perhaps Mr. Morgan doesn't take into account the fact that my initial (pre-amended) C4s, which had the content he lists, were filed during the times he mentions (see above). I have made a good faith effort to report

Goodman's debt correctly, and I am of course eager to follow the PDC's instructions on this now and in the future. In any case this is not a situation where Friends of Roger Goodman is trying to hide something for political gain or because we didn't respect the law...it's simply a disagreement over how to enter the data correctly.

4) Failure to report Subvendor (Exhibit D) The majority of this complaint is in error, and I feel the rest is reasonable given the situation. These can be broken down into four categories:

a) In several instances (lines 2, 3, 23 and 26) this accusation is simply incorrect, as there was no subvendor. One buys checks from a check vendor, not a bank...the check vendor is not a subcontractor. When we returned Wilson's donation no subvendor was involved.

b) In many instances (lines 4, 7, 8, 10, 12, 13 and 25) I actually do mention the subvendor, which is usually Capitol City Press.

c) In some instances (lines 5, 6, 9, 11, 14-22) when I'm trying to describe a large transaction (usually a mailing) I have done the best I could to describe the transaction given the limitations of the reporting tool. I'm allowed 90 characters for description. Per PDC rules I have separated postage costs from printing costs. I tried to give invoice numbers, print quantities, piece descriptors, etc. which is relatively valuable information to the public. Since I often included "Capitol City Press" as the printer, if anyone were to read my C4s they would quickly see that Capitol is NWP's printer for mailings. But I admit that when entering these items I didn't make that explicit, including other (frankly more relevant) information instead. In many instances NWP didn't list a subvendor on their invoice either, and never broke out how much I was paying NWP and how much I was paying CCP, so listing them separately would have been impossible. While I don't think anyone was misled by my entries, and probably learned more from what I did enter than what I didn't (echoing Capitol City Press over and over seems pointless), I'm willing to always say "Capitol City Press" in future entries, and amend these entries if the PDC feels this is the proper and legal thing to do.

d) In a few cases the dollar amount was so small and the item so trivial that I didn't always enter all the details (lines 1 and 24). While in most cases I did take the time, in these 2 cases I did not itemize instances when our campaign manager paid multiple bridge tolls and incurred mileage for multiple short trips, or where online our staffer got her server's license. I retained all the receipts, and if the PDC feels this information is necessary for compliance I will certainly amend these 2 entries with more information.

I will continue to do my level best to follow the law and inform the voting public. If there is any guidance or correction available so I can do a better job I will definitely use this information to improve my performance.

Addendum: Response to cover letter allegations of donations to political campaigns.

None of these claims of malfeasance are well founded:

1) Friends of Larry Springer (6/7) Rep Goodman split the cost of his campaign office with several other campaigns. One campaign would pay the entire rent check, and the other campaigns would

reimburse that campaign. This was not a campaign donation and wasn't reported as such...it was simply rent.

2) Friends of Roger Goodman (12/21) This transfer from Rep. Goodman's campaign account to his surplus account was done in the normal, PDC endorsed manner.

3) Eastside Democrats, Fuse Votes, et al. As a candidate Rep Goodman needs to gain access to events in order to meet voters, gain support, etc. Attending events provides substantial support for candidates. The campaign was asked to pay for admission and paid only the attendance fee (ticket cost) for these events, not for any donation beyond the access we needed to conduct our campaign. My understanding is that paying another campaign for goods and services is permissible, and that is what we were doing in this case.