



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 A.M.

January 24, 2013

MINUTES-REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Barry Sehlin, Vice Chair
Grant Degginger, Member
Kathy Turner, Member

COMMISSION MEMBER ABSENT

Amit Ranade, Chair

STAFF PRESENT

Andrea McNamara Doyle, Executive Director
Nancy Krier, General Counsel
Lori Anderson, Communications & Training Officer
Suemary Trobaugh, Administrative Officer
Michael Smith, Chief Information Technology Officer
Linda Dalton, Sr. Assistant Attorney General
(Joined regular meeting at 12:12 p.m.)
Jana Greer, Confidential Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Vice Chair Barry Sehlin at 9:35 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Commissioner Sehlin called the meeting to order.

Citizens Comments and Concerns

No comments or concerns were expressed.

Commissioner Comments/Concerns

No comments or concerns were expressed.

Minutes

Motion 13-00

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt the minutes of the December 6, 2012.

The motion passed.

Advisory Matters

- Review of lists of professional staff required to file a personal financial affairs statement (F-1) from the Office of the Governor, State House of Representatives, and State Senate (WAC 390-24-160).

Andrea McNamara Doyle, Executive Director, presented the annual professional staff lists submitted by the Governor's Office, the State House of Representatives, and the State Senate, identifying staff that has reporting obligations regarding their personal financial affairs (F-1 reports).

She stated that by law the Commission is

responsible for overseeing the F-1 requirements for these professional members of the Office of the Governor and the offices of the Legislature.

WAC 390-24-160(2) requires interchange between the PDC and these entities each year, to obtain the list of professional staff.

Staff has reviewed and found the lists submitted to be consistent with submissions in the past years and recommended the Commission accept the lists.

Ms. Doyle noted that with the recent changes in the Governor's office resulting from the transition from Governor Gregoire to Governor Inslee, the PDC anticipates receiving an updated list in the near future. Once received, staff will review and present to the Commission.

The Commission asked for a staff recommendation on the best method for making this list and any other updated lists available to the public.

Staff will provide this information to the Commission at a future meeting.

Motion 13-01

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission approve the lists of professional staff provided by the Governor, the State House of Representatives, and the State Senate as presented.

The motion passed.

- Electronic signatures for employee contribution withholding authorizations (WAC 390-17-100)

Nancy Krier, General Counsel, provided a background of WAC 390-17-100. She discussed a recent question presented to staff: can employees use electronic forms with electronic signatures to authorize payroll deductions for political contribution?

Dmitri Iglitzin, Counsel for the Washington State Labor Council and Service Employees International Union (SEIU), and Lynn Dodson, Secretary Treasurer of Washington State Labor Council were present and addressed the Commission.

Mr. Iglitzin stated that union members often do not have personal access to the technology needed to submit a facsimile of their authorization or to send a digital signature.

He described that union members do have the ability to access a union website with reliable authentication, where they follow a procedure to

add the personal/unique identification needed.

He stated that because “signature” is not defined within the regulation, it now seems necessary to clarify and define the term to encompass the ongoing changes in technology that allow for secure and verifiable authorizations without the need for a traditional handwritten signature.

Ms. Dodson described why this change is important to the labor unions. Affiliates encourage their members when contributing to political action to do so through voluntary contributions.

She described that most communication with affiliates and members are sent via email and available on union websites. Ms. Dodson stated that the unions would like to make sure that when a member chooses to contribute they have an easy method do so, such as via email and website sign-ups.

Ms. Dodson stated that the labor unions suggest that the Commission clarify the requirements needed for a contribution made via payroll deduction.

Mr. Iglitzin noted that there are examples of businesses that currently use electronic signatures of some form to authorize payroll deductions for other purposes.

Ms. Krier recommended the Commission proceed by filing a CR-101 with the Code Reviser to consider amending WAC 390-17-100.

Staff will send a notice to stakeholders.

Interpretations

Evolving technology and campaigns
(continued)

- 07-04 Campaign activities on the internet

Ms. Krier continued a discussion that has looked at the changing nature of activities in the campaign finance arena as they move too electronic and web based. The Commission will need to determine how the existing statutes, going forward, should be interpreted, and provide guidance to the public.

Ms. Krier presented new draft amendments to Interpretation 07-04 campaign activities on the internet. She highlighted two issues that staff identified for the Commission to consider: disclaimers and mass emails. The Commission discussed both

Ms. Krier will incorporate the Commissioners’

ideas/comments along with the concepts from the Commission's political advertising rule into new materials to bring the Commission for consideration at a future meeting.

Rule Making

Public hearing and possible adoption of:

- New rule WAC 390-37-182 Penalty factors

Lori Anderson, Communications and Training Officer, presented to the Commission for consideration and possible adoption new WAC 390-37-182 penalty factors and amended WAC 390-05-400 changes in dollar amounts.

No comments from stakeholders or the public were received.

Staff recommended the Commission adopt proposed new WAC 390-37-182 and the proposed amendment to WAC 390-05-400.

Motion 13-02

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt new rule WAC 390-37-182 as proposed.

The motion passed.

- Amend WAC 390-05-400 Changes in dollar amounts

Motion 13-03

Moved by Commissioner Turner, seconded by Commissioner Degginger that:

The Commission adopt amended WAC 390-05-400 as proposed.

The motion passed.

COGEL Report

Michael Smith, Chief Information Technology Officer, reported on his recent presentation and attendance at the 2012 Council on Governmental Ethics Law (COGEL) conference December 2nd through the 5th.

Mr. Smith was on four panels and hosted a breakfast meeting table at the conference.

Mr. Smith thanked the Commission for sending him to the conference. He provided an overview of the information and topics discussed.

He advocated that the PDC continue to send Commissioners and staff to the annual conferences. COGEL is seeing new participants in the industry many historical people are retiring. COGEL is a way to stay connected with our peers throughout the

E-Audit Initiative Update

country and continue to have a national presence.

Ms. Doyle updated the Commission on the status and progress of the e-audit initiative now that the 2012 election is over.

She thanked Bruce Wendler, Quality Assurance Manager, for creating queries that allow staff to monitor certain types of filing requirements electronically.

The four requirements reviewed for the 2012 election were mandatory electronic filing, C-3 report contribution data, and 21- and 7-day pre-election C-4 reports and post-election c-4 reports.

She stated the e-audits are a very efficient process and an effective way to verify the identified requirements. Ms. Doyle summarized the findings from election E-audits. She also presented options for the Commission's consideration for implementing post-election limited scope audits, and highlighted the tradeoffs in staff resource allocation that would be necessary to do so. She asked the Commission to give input and direction on whether to continue the e-audits.

The Commission asked that staff establish a schedule for the audits to show a disciplined method of how to accomplish this task with limited staff.

Staff will determine the criteria for which filing categories and requirements lend themselves to those types of inquiries.

She will bring back more information and a plan to the Commission at a future meeting.

Emergency Operations Plan Update

Ms. Krier presented an overview of the agency's updated emergency operations plan (COOP).

Strategic Plan Update

Suemary Trobaugh, Administrative Officer, reported an update of the progress on action items and goals of the agency Strategic Plan.

Legislative/Budget Update

Ms. Doyle reported on the 2013 legislative session.

She stated that two, PDC agency request, bills have been introduced; there are companion bills in both the House and Senate for each.

The Chairs and Vice Chairs of the committees have signed on as prime sponsors of these bills. They

are:

HB 1378/SB 5258

Aggregating the cost of related ballot measure advertisements for purposes of top five sponsor identification requirements.

HB 1377/SB 5257

Modifying time frames applicable to certain public disclosure commission requirements.

Other Bills:

Ms. Doyle updated the Commission on other bills that were recently introduced; including:

- *HB 1093* Relating to state agencies' lobbying activities.
- *SB 5083* Concerning the display of political yard signs in homeowners' associations.
- *HB 1005* Concerning responsibilities and funding of the public disclosure commission.

The Commission requested additional staff analysis of implementation issues or concerns that might arise as result of merging ethics responsibilities into the PDC in HB 1005. The Commission expressed reservations about the timing of a July 2013 effective date; and whether adequate resources would be available to perform new work required under the bill.

Ms. Doyle will continue to update the Commission with progress and/or changes.

Staff Reports

Executive Director

No additional information to report.

General Counsel

Ms. Krier stated that offers have been made to two law clerks for PDC summer externships.

Both candidates have accepted and will begin the externship in May 2013.

Chief Information Technology Officer

Mr. Smith introduced PDC's new staff member John Zhao, Web Applications Chief.

The Commission welcomed Mr. Zhao.

Linda Dalton, Senior AAG joined the meeting at 12:12 p.m.

Executive Session/Working Lunch

The Commission went into executive session at 12:12 p.m. to discuss pending and potential litigation with legal counsel.

The Commission returned to public session at 1:30

p.m.

Farris, et al, v. Seabrook, et al,

Ms. Krier reported that, the Commission's request staff has informed the Legislature about the recent decision made in the *Farris, et al, v. Seabrook, et al,* case.

Mr. Krier stated that staff had interest in knowing if the Commission had any preferences in moving forward with respect to a legislative response.

She provided the Commission with several options for review and consideration.

The Commission asks that staff prepare for consideration a legislative approach that would address recall campaigns separately from other campaigns and that provides for disclosure and some limits.

Staff will convey the Commission's preference to legislative staff.

Family PAC v. McKenna et al.

Ms. Krier provided an update on the *Family PAC* case. She stated that on February 4, 2013 the PDC would participate in federal court mediation.

Staff requested direction from the Commission.

Motion 13-04

Moved by Commissioner Turner, seconded by Commissioner Degginger that:

The Commission authorize the Chair, working with the Executive Director, legal counsel, and risk management, to resolve the claims in that case on behalf of the Commission and under terms that they determine are in the best interests of the Commission and the State.

The motion passed.

Adjournment

Chair Sehlin adjourned the meeting at 1:35 p.m.

Approved February 28, 2013