

State of Washington
PUBLIC DISCLOSURE COMMISSION
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MINUTES – Regular Meeting

9:30 a.m. | October 22, 2020

711 Capitol Way S. #206

Olympia, Washington

Commission Members Present (Participated via Microsoft Teams Online)

David Ammons, Chair; Fred Jarrett, Vice Chair; Bill Downing, member; Russell Lehman, member; Nancy Isserlis, member.

Staff Present (Participated via Microsoft Teams Online)

Peter Frey Lavalley, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Kurt Young, Compliance Officer; Jennifer Hansen, Compliance Officer; Tabitha Townsend, Compliance Coordinator; Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES); John Meader, Assistant Attorney General representing the Commission; and Chad Standifer, Assistant Attorney General representing PDC staff.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Commission Chair David Ammons at 9:34 a.m.

[PDC Meeting Video](#)

COVID-19 update: The October 22, 2020 Public Disclosure Commission Meeting was streamed live at <https://www.youtube.com/user/WASTPDC/live>.

The October commission meeting was held remotely pursuant to the Governor's Emergency Proclamation [20-28](#) regarding COVID-19, waiving in-person meeting and access requirements.

Public Comment | [PDC Meeting Video](#)

As was noticed and announced, a conference call line was provided for public comment during this time.

No person(s) provided public comment at the October 22, 2020, Regular Meeting.

Chair Opening Comments | [PDC Meeting Video](#)

Chair Ammons thanked his fellow Commissioners and PDC staff for meeting via teleconference throughout these challenging times and continuing the work of the Commission, serving the agency in such an impressive manner. He remarked on the previous week's beneficial strategic planning meeting, where five project goals were discussed. The goals included commitment to expanding auditing and data integrity, enhancing public access to digital political advertising information, expanding and diversifying training and outreach, ensuring timely resolution of compliance cases and emphasis on continuous improvement and modernization throughout the agency.

Director Lavalley remarked on the continued work and the regular staff meetings that are being held to check in with all PDC staff both professionally and personally and to maintain morale among staff. He also reported that there were no plans to have staff return to the PDC offices anytime soon due to

the continuing pandemic situation. Director Lavallee stated he would be meeting with the Office of Financial Management for a budget update in the coming days and remained hopeful for better than expected news on the state budget front.

Consideration and Possible Approval of Meeting Minutes | [PDC Meeting Video](#)

Meeting minutes were presented to the Commission for consideration and possible approval:

- September 24, 2020, Regular Meeting

MOTION 20-081 Moved by Commissioner Downing and seconded by Commissioner Isserlis that:

The Commission approve the meeting minutes for the September 24, 2020, regular meeting as presented.

The motion passed 5 - 0.

Rulemaking | [PDC Meeting Video](#)

General Counsel Sean Flynn discussed the proposed draft rules for [SSB 6152](#) regarding the prohibition of donations from foreign donors; and also provided an update to the F-1 reporting and modification rulemaking.

The public comment period is open for the foreign donor bill and a public hearing scheduled for December. The changes to Chapters 24 and 28 for F-1 reporting and modifications, however, need to first meet the code reviser's schedule of a 30-day notice of intent to engage in permanent rulemaking. If no public comments are received on the intent to do rulemaking, staff will proceed with filing the proposed rules. No substantive changes have been made since the September 2020 drafts.

Next Steps/Follow-Up:

- Staff to hold public hearing on rulemaking for foreign donor rules at December 2020 regular meeting.
- Staff to postpone the public hearing for the rules for F-1 and modification chapters until January 2021.

Reporting Modification Request | [PDC Meeting Video](#)

9:47 a.m. The Commission heard a request for a reporting modification. Tabitha Townsend, Compliance Coordinator, presented the request to the Commission for consideration and possible approval.

New

[John Love](#) – Port Commissioner, Port of Whitman County [WAC 390-28-100\(1\)\(b\)](#)

MOTION 20-082 Moved by Commissioner Isserlis and seconded by Commissioner Downing that:

The Commission grant the partial reporting modification as requested, under the limited and unique circumstances as presented, on the basis that literal application of the law would cause a manifestly unreasonable hardship on

the applicant and that the limited modification would not frustrate the purposes of the Act.

Modification approved for: Annual reports covering 2013 - 2020

The motion passed 5 - 0.

The Commission stated the motion was made under special circumstance revolving around the filer's incapacity to file their reports, and no longer being active in office. Otherwise, the past reporting would have warranted enforcement action. They praised the new electronic filing system and its improvement to the data integrity of the PDC in ensuring even previous years' reports are compliant.

Enforcement Updates | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided the enforcement update report for the period September 14, 2020, to October 13, 2020:

As of October 13, 2020, 68 Active Cases Open

17 Group Enforcement for 2020 Candidates, PDC Staff Generated Complaints

11 Under Investigation with Initial Hearings

40 Cases Under Assessment

Currently 49 Active Cases Open

3 Pre-effective date of House Bill 2938

46 Post-effective date of House Bill 2938

28 Cases Closed during the Period

- 1 Case found with No Evidence of Violations
- 12 Cases Closed with Reminder
- 6 Case Closed with Formal Written Warning
- 4 Cases Closed as Unfounded
- 2 Cases Closed Administratively
- 2 Cases Resolved through Statement of Understanding
- 1 Case Violation Found by the Commission

Compliance staff remain diligent with the influx of incoming cases and continue to work efficiently remotely.

Management Team Updates | [PDC Meeting Video](#)

[Peter Lavallee](#), Executive Director, presented updates to the Commission.

- Upcoming Legislative Session
- Foreign Donor Lawsuit Legislation Update
- Rulemaking

[BG Sandahl](#), Deputy Director, presented updates to the Commission.

- Brief Enforcement Hearing Update
- 2020 Candidate Reviews
- Enforcement Audits
- Compliance Outreach
- Open Data Analytics

[Kim Bradford](#), Communications and Outreach Director, provided Customer Service and Filer Assistance updates.

- Filer Assistance and Compliance Outreach Collaboration
- Records Requests Report
- F-1 Website Visibility Annual Report

[James Gutholm](#), Chief Information Officer, provided an update on IT activity.

- IT Support for Customer Service
- Lobbyist Filing System Update
- Campaign Finance System Migration
- Planned Outage - Weekend of November 14th
- Implementation of Automatic ORCA Updates
- Website Redesign

Budget Update | [PDC Meeting Video](#)

Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), reported that the agency's financials currently are in great standing. Staff is looking into the reasons for increased Attorney General's Office billings. Mr. Johnson noted he is working with staff on answering questions from OFM about PDC Budget requests for the 21 – 23 biennium.

Strategic Plan | [PDC Meeting Video](#)

Executive Director Peter Lavalley provided a brief overview of the recent strategic planning meeting and presented the suggested revisions to the Commission for consideration and possible approval. He discussed that although the website is a major PDC project, it is separate from the strategic planning items which include the data integrity/auditing program, creating new and flexible training opportunities, continuous improvement and refinement of the enforcement process, better disclosure of digital political advertising, and the modernization project for the online filing applications.

MOTION 20-083 Moved by Commissioner Jarrett and seconded by Commissioner Isserlis that:

The Commission adopt the strategic plan as discussed.

The motion passed 5 - 0.

Reporting Modification Process | [PDC Meeting Video](#)

Commissioner Russell Lehman and Commissioner Nancy Isserlis presented for discussion and consideration a suggested change to the reporting modification process. Commissioners Lehman and Isserlis throughout the year studied the reporting modification process and worked with Jennifer

Hansen, Compliance Officer, to determine ways to better utilize the Commission's time during regular meetings.

Two suggestions regarding the reporting modification process were proposed, discussed, and approved by consensus of the Commission. PDC staff will no longer read written material already provided but will instead provide a summary for the audience attending the meeting. The second suggestion involving modification renewals will allow for any renewal coming back with changes within its term to appear before the Commission at a full hearing; however, renewal requests with no changes will be heard at a brief adjudicative proceeding.

Break/Executive Session

The Commission went into Executive Session at 12:05 p.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters, pending and potential litigation with legal counsel, and personnel matters.

Returned to public meeting at 12:55 p.m.

Chair Ammons returned to the meeting and announced that there was no further business.

Meeting adjourned at 12:56 p.m.

Next Steps/Follow-Up:

- Staff to hold public hearing on rulemaking for foreign donor rules at December 2020 regular meeting.
- Staff to postpone the public hearing for the rules for F-1 and modification chapters until January 2021.

Approved December 3, 2020.