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

MINUTES – Regular Meeting

9:30 a.m. | August 26, 2021 711 Capitol Way S. #206 Olympia, Washington

Commission Members Present (Participated via Microsoft Teams Online)

Fred Jarrett, Chair; Nancy Isserlis, Vice Chair; Bill Downing, Member.

Staff Present (Participated via Microsoft Teams Online)

Peter Frey Lavallee, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Chip Beatty, Interim Customer Service and Outreach Director; Jana Greer, Administrative Officer; Jennifer Hansen, Compliance Officer; Kurt Young, Compliance Officer; Erick Agina; Compliance Officer; Alice Fiman, Compliance Officer; Matthew Kernutt, Assistant Attorney General representing the Commission.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Commission Chair Fred Jarrett at 9:30 a.m.

PDC Meeting Video

COVID 19 update: The August 26, 2021 Public Disclosure Commission Meeting was streamed live at https://www.youtube.com/user/WASTPDC/live.

The Commission meeting was held remotely pursuant to the Governor's Emergency Proclamation 2028 regarding Covid-19, waiving in-person meeting and access requirements.

Chair Opening Comments | PDC Meeting Video

Chair Jarrett welcomed all attendees and viewers to the August 26, 2021, regular Commission meeting which was held remotely.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

- July 22, 2021, Regular Meeting
- August 12, 2021, Special Meeting

MOTION 21-061 Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission approve the meeting minutes for the July 22, 2021, regular meeting as presented.

The motion passed 3 - 0.

MOTION 21-062 Moved by Commissioner Isserlis and seconded by Commissioner Jarrett that the Commission approve the meeting minutes for the August 12, 2021, special meeting as presented.

The motion passed 2 – 0. Commissioner Downing abstained.

Public Comment | PDC Meeting Video

As was noticed and announced a MS Teams meeting link and conference line was provided for public comment during this time.

The following person(s) provided public comment:

• <u>Conner Edwards</u>, Campaign Treasurer – New ORCA categorization and descriptive requirements.

Comments and Discussion on Digital Advertising Disclosure | PDC Meeting Video

Chair Jarrett invited a public discussion on the PDC's digital advertising disclosure.

The following person(s) provided public comment:

- <u>Ian Goodhew</u>, Head of Government Relations for Google in Washington State.
- <u>David Edmonson</u>, TechNet's Vice President of State Policy and Government Relations.
- Rowland Thompson, Representing Allied Daily Newspapers of Washington, WA Newspaper Publishers Assn, and WA State Assn of Broadcasters.
- <u>David LeDuc</u>, Vice President for Public Policy at the Network Advertising Initiative

<u>Discussion of Proposed Agency Request Legislation | PDC Meeting Video</u>

General Counsel, Sean Flynn summarized the draft of the proposed agency request legislation to the Commission, highlighting adjustments to the reporting schedule to reflect the longer election period, changes to last minute contribution reporting, and additional grassroots lobbying reporting and disclosure requirements.

• 2022 Agency Request Legislation (DRAFT – 8.20.21)

MOTION 21-063 Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission approve the proposed agency request legislation for submission to the Office of Financial Management for notification of proposed legislation, subject to modification by the Commission.

The motion passed 3 - 0.

<u>Strategic Plan Update and Discussion</u> <u>PDC Meeting Video</u>

- <u>Audits</u>. Kurt Young, Compliance Officer, presented the PDC Compliance Audit Program Summary of 2018 State Senate and 2020 State Representative candidate audits.
- Enforcement Process Map.
- Campaign Reporting Modernization.
- <u>Digital Political Advertising Disclosure</u>.
- Training Program Expansion.

Break/Executive Session & Closed Session

The Commission went into Executive Session at 12:00 p.m. to discuss matters allowed in Executive Session pursuant to RCW 42.30.110, including but not limited to discussion of enforcement matters and pending and potential litigation with legal counsel, and review of performance of public employees. Possible action regarding litigation, or other matters properly discussed during executive session, will be taken following the executive session.

Returned to public meeting at 1:01 p.m.

Request for Reporting Modification | PDC Meeting Video

1:02 p.m. The Commission conducted a remote hearing concerning requests for reporting modification. Jennifer Hansen, Compliance Officer, presented the requests to the Commission for consideration and possible approval.

New

<u>Richard Hartman</u> – City Council Member Candidate, City of Ocean Shores <u>WAC 390-28-100(1)(b)</u> and <u>WAC 390-28-100(1)(e)(iii)</u>. Richard Hartman, and Mark Lamb, Counsel representing Mr. Hartman; participated via phone on Microsoft Teams. This request was continued from June 2021 regular meeting.

MOTION 21-064 Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission grant the partial reporting modification as requested.

The motion passed 3 - 0.

• <u>Amy Molen</u> – School Director Candidate, White River School District #3 <u>WAC 390-28-100(1)(e)(iv)</u>. Amy Molen participated via phone on Microsoft Teams.

MOTION 21-065 Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission deny the partial reporting modification as requested.

The motion was withdrawn.

MOTION 21-066 Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission deny the partial reporting modification as requested.

The motion passed 3 - 0.

• <u>Ben Johnson</u> – City Council Member Candidate, City of Renton <u>WAC 390-28-100(1)(b)</u>. Ben Johnson did not participate.

MOTION 21-067 Moved by Commissioner Isserlis and seconded by Commissioner Downing that the Commission deny the partial reporting modification as requested.

The motion passed 3 - 0.

<u>Next Steps/Follow-up</u>: Staff to review current reporting modification practices and statistics, then report back to the Commission.

Enforcement (Requests for Reconsideration) | PDC Meeting Video

1:46 p.m. The Commission conducted a remote hearing concerning requests for reconsideration. Jennifer Hansen, Compliance Officer, presented the requests to the Commission for reconsideration and possible action.

PDC Case No. 91597 - Washington Court Reporters Association, a lobbyist employer, was found to have violated RCW 42.17A.630 by failing to file an Annual Lobbyist Employer Report (L-3 Report) for calendar year 2019 due no later than March 1, 2020, and the Annual Lobbyist Employer Report (L-3 Report) for calendar year 2020 due no later than March 1, 2021, during a brief enforcement hearing that was conducted on July 1, 2021, where an Order imposing a civil penalty of \$500. The respondent is requesting a review of the Order by the Full Commission.

Washington Court Reporters did not participate.

MOTION 21-068 Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission approve the request and reconsider the final order and penalty assessed in PDC Case No. 91597, Washington Court Reporters Association.

The motion passed 3 - 0.

MOTION 21-069 Moved by Commissioner Isserlis and seconded by Commissioner Downing that the Commission find a violation of <u>RCW 42.17A.630</u> and assess a penalty of \$500 with \$300 suspended contingent on no further violations for 4 years.

The motion passed 3 - 0.

PDC Case No. 91640 - Puppyland, a lobbyist employer, was found to have violated RCW 42.17A.630 by failing to file an Annual Lobbyist Employer Report (L-3 Report) for calendar year 2020 due no later than March 1, 2021, during a brief enforcement hearing that was conducted on July 1, 2021, where an Order imposing a civil penalty of \$250. The respondent is requesting a review of the Order by the Full Commission.

Puppyland did not participate.

MOTION 21-070 Moved by Commissioner Isserlis and seconded by Commissioner Downing that the Commission approve the request and reconsider the final order and penalty assessed in PDC Case No. 91640, Puppyland.

The motion passed 3 - 0.

MOTION 21-071 Moved by Commissioner Isserlis and seconded by Commissioner Downing that the Commission find a violation of <u>RCW 42.17A.630 and</u> assess a penalty of \$150 with \$100 suspended contingent on no further violations for 4 years.

The motion passed 3 - 0.

Management Team Updates | PDC Meeting Video

- Executive Director Updates.
- Deputy Director Updates.
- IT Activity Report.
- Customer Service and Filer Assistance Update.

Enforcement Updates | PDC Meeting Video

Kurt Young, Compliance Officer; presented the enforcement update report for the period July 14, 2021, through August 17, 2021.

Meeting adjourned at 2:36 p.m.

Approved September 23, 2021.