State of Washington PUBLIC DISCLOSURE COMMISSION

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MINUTES – Regular Meeting 9:30 a.m. | August 25, 2022 711 Capitol Way S. #206 Olympia, Washington

Commission Members Present

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

Commission Members Present (Participated via Microsoft Teams)

Jocelyn Cooney, Member.

Staff Present

Peter Frey Lavallee, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; John Meader, Assistant Attorney General representing the Commission.

Staff Present (Participated via Microsoft Teams)

James Gutholm, Chief Information Officer; Kendra Hodgson, Communications and Outreach Director; Tabatha Blacksmith, Compliance Coordinator; Tabitha Townsend, Compliance Coordinator; Jordan Campbell, Compliance Coordinator; Kurt Young, Compliance Officer; Jennifer Hansen, Compliance Officer; Bret Skipworth, DES Senior Financial Consultant; Susie Giles-Klein, Assistant Attorney General representing PDC staff; Chad Standifer, Assistant Attorney General representing PDC staff.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Commission Chair Jarrett at 9:31 a.m.

PDC Meeting Video

COVID-19 update: The August 25, 2022, Public Disclosure Commission Meeting was streamed live via TVW at WAPDC.8.25.22

Chair Opening Comments | PDC Meeting Video

Chair Jarrett welcomed all attendees and viewers to the August 25, 2022, Regular Commission meeting.

Public Comment | PDC Meeting Video

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

The following person(s) provided public comment:

- Representative Gerry Pollet noted he would be commenting on the public forum on PDC priorities for the 2023 legislative session
- <u>Conner Edwards</u>, campaign treasurer, commented on C-4 reporting deadlines.
- Janet Miller, campaign treasurer, commented on foreign donor certification.
- Jason Michaud, campaign treasurer, commented on PDC proposed legislation.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

• July 28, 2022, Regular Meeting

MOTION 21-0206

Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission approve the meeting minutes for the July 28, 2022, regular meeting.

The motion passed 5 - 0.

Budget Update | PDC Meeting Video

Executive Director Peter Frey Lavallee and Bret Skipworth, DES Senior Financial Consultant, provided the budget update to the Commission.

Management Team Updates | PDC Meeting Video

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

Enforcement Hearings | PDC Meeting Video

10:05 a.m. The Commission conducted a hearing for alleged violations of <u>RCW 42.17A.700</u> for failure to file Personal Financial Affairs Statements (F-1 reports) disclosing financial information. Compliance Coordinators Tabatha Blacksmith, Tabitha Townsend, and Jordan Campbell presented cases to the Commission for consideration and possible action.

PDC Case <u>109819</u> - <u>Richard J. De Gloria</u>, City Council Member for City of Burlington. PDC staff alleged that the Respondent violated <u>RCW 42.17A.700</u> by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

Richard DeGloria participated via phone on Microsoft Teams.

MOTION 21-0207

Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$500, with \$500 suspended contingent on all outstanding reports filed within 30 days, and no further violations for 4 years.

The motion passed 5 - 0.

Next Steps/Follow-up: Compliance Coordinator Blacksmith to assist Richard DeGloria in submitting an electronic filing hardship request in order to submit the missing reports via paper.

 PDC Case <u>109818</u> - <u>Layne Bladow</u>, Regent/Trustee for Bates Technical College. PDC staff alleged that the Respondent violated <u>RCW 42.17A.700</u> by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

<u>Layne Bladow</u> participated via Microsoft Teams.

MOTION 21-0208

Moved by Commissioner Isserlis and seconded by Commissioner Downing that the Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$250, with \$250 suspended contingent on all outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion passed 5 - 0.

PDC Case <u>109822</u> - <u>Katie Rose</u>, School Director for Bellingham School District 501. PDC staff alleged that the Respondent violated <u>RCW 42.17A.700</u> by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

<u>Katie Rose</u> participated via Microsoft Teams.

MOTION 21-0209

Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$500, with \$500 suspended contingent on all outstanding reports filed and all outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion passed 5 - 0.

PDC Case <u>109816</u> - <u>Jean Dillenburg</u>, Hospital Commissioner for Grant County Hospital District 4. PDC staff alleged that the Respondent violated <u>RCW 42.17A.700</u> by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0210

Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$1,000, with \$500 suspended contingent on all outstanding reports filed and penalty paid within 30 days, and no further violations for 4 years.

The motion passed 5 - 0.

• PDC Case <u>109817</u> - <u>Victoria Woodards</u>, Mayor for City of Tacoma. PDC staff is alleging that the Respondent violated <u>RCW 42.17A.700</u> by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0211

Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission find the respondent in violation of <u>RCW 42.17A</u> and impose a civil penalty of \$500, with \$500 suspended contingent on all outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion passed 5 - 0.

• PDC Case <u>109826</u> - <u>Andrew Towle</u>, former Park & Recreation Commissioner for Columbia Valley Park and Recreation District. PDC staff is alleging that the Respondent violated <u>RCW 42.17A.700</u> by

failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0212

Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$1,000, with \$500 suspended contingent on all outstanding reports filed and all outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion passed 5 - 0.

Reporting Modifications | PDC Meeting Video

10:43 a.m. The Commission conducted a remote hearing concerning requests for reporting modifications. Jennifer Hansen, Compliance Officer, presented the requests to the Commission for consideration and possible approval.

NEW

• Robert K. Amenn – Candidate for State Representative, Legislative District 12 WAC 390-28-100(1)(b), WAC 390-28-100(1)(d) & WAC 390-28-100(1)(e).

Robert Amenn participated via Microsoft Teams.

MOTION 21-0213

Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission deny the partial reporting modification as requested, on the basis that the requestor has not met the burden of proof of establishing a manifest hardship and/or that granting the modification would frustrate the purposes of the Act.

The motion passed 5 – 0. Final Order

Enforcement Updates | PDC Meeting Video

Kurt Young, Compliance Officer, presented the enforcement update report as of August 17, 2022.

Strategic Plan Update and Discussion | PDC Meeting Video

Executive Director Lavallee provided a brief update on audits and stated that the agency was nearing finalizing a date possibly in November for the strategic planning retreat.

Break/Executive Session & Closed Session

The Commission went into Executive Session at 11:15 a.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 1:00 p.m.

Public Forum on PDC Priorities for the 2023 Legislative Session | PDC Meeting Video

As was noticed and announced, a Teams video and conference line was provided for public forum during this time.

The following person(s) provided comment:

- Joe Nguyen, Washington State Senator, commented on digital advertising.
- Gerry Pollett, Washington State Representative, commented on grassroots lobbying.
- Jim Walsh, Washington State Representative, commented on foreign donor certification.
- <u>David Elliot</u>, Policy Director, Secretary of State; and <u>Peter Frey Lavallee</u>, PDC Executive Director, commented on campaign reporting and deep fakes.
- <u>Paul Queary</u>, Editor, and Publisher of Washington Observer, commented on grassroots lobbying, adjusting campaign reporting, and digital advertising.
- <u>Steve Finley</u> commented on prohibiting non-government entities from issuing subpoenas in PDC cases or investigations.
- Conner Edwards, campaign treasurer, commented on foreign contribution certification.
- Jason Michaud, campaign treasurer, commented on foreign contribution certification.
- Abbott Taylor, campaign treasurer, commented on foreign contribution certification.
- <u>Kathy Sakahara</u>, Legislative Director for Northwest Progressive Institute, commented on grassroots lobbying.
- <u>Cindy Madigan</u>, Money and Politics Issue Chair for League of Women Voters, commented on grassroots lobbying.
- <u>Dmitri Iglitzin</u>, Barnard Iglitzin & Lavitt LLP, commented on grassroots lobbying.
- <u>Bracken Killpack</u>, Executive Director of Washington State Dental Association, commented on grassroots lobbying.
- <u>Sandra Bensley</u> commented on foreign contribution certification.
- In addition, written comments were submitted by multiple parties and constitute part of the record of the public forum.

The Commission hopes to have a draft of its request legislation ready in November 2022.

Meeting adjourned at 2:49 p.m.

Approved September 22, 2022.