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. | July 24, 2025 711 Capitol Way S. #206 Olympia, Washington

Commission Members Present

J. Leach, Chair; Douglass North, Vice Chair; Nancy Isserlis, Member, James Oswald, Member.

Staff Present

Peter Frey Lavallee, Executive Director; Kim Bradford, Deputy Director; Jana Greer, Administrative Officer; Sean Flynn, General Counsel; Nate Meyer, Customer Service and Outreach Manager; BG Sandahl, Compliance Officer; Jennifer Hansen, Compliance Officer; Tanya Mercier, Compliance Officer; Tabitha Townsend, Compliance Officer; Colin Peeples, Compliance Coordinator; Jordan Campbell, Compliance Coordinator; Natalie Johnson, Communications Specialist.

Staff Present (Participated via Microsoft Teams)

James Gutholm, Chief Information Officer; Christina Shearer, Senior Financial Consultant, DES; William Schwarz, Assistant Attorney General representing the Commission; Chad Standifer, Assistant Attorney General representing the Staff; Susie Giles-Klein, Assistant Attorney General representing the Staff; Simone Prince-Eichner, Assistant Attorney General representing the Staff.

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

The July 24, 2025, Public Disclosure Commission meeting streamed live via TVW at PDC.07.24.2025. Public attended remote via a MS Teams Link.

Chair Opening Comments | PDC Meeting Video

Chair Leach welcomed all attendees and viewers to the July 24, 2025, Regular Commission meeting.

Chair Leach acknowledged this was Commissioner Isserlis' last in-person meeting. Her term ended in December 2024 but she agreed to stay on through the month of August, during which the Commission will be meeting virtually. Chair Leach thanked Commissioner Isserlis for her service to the agency.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

• June 26, 2025, Regular Meeting

MOTION 25-030

Moved by Commissioner Oswald and seconded by Commissioner North that the Commission approve the meeting minutes as submitted for the June 26, 2025, regular meeting.

The motion passed 4 - 0.

Enforcement Hearings for 2025 Candidates | PDC Meeting Video

9:33 a.m. | The Commission conducted a hearing for multiple PDC cases with alleged violations of

<u>RCW 42.17A.205</u> and <u>.700</u>. Compliance Coordinators Colin Peeples and Jordan Campbell presented the cases to the Commission for consideration and possible action.

• PDC Case <u>173024</u> – <u>Brett Johnson</u>: Alleged violations of <u>RCW 42.17A.205</u> and <u>.700</u> for failure to file a Campaign Registration (C-1 report) and a Personal Financial Affairs Statement (F-1 report) within two weeks of becoming a candidate for EY25.

MOTION 25-031

Moved by Commissioner North and seconded by Commissioner Isserlis that the Commission find a violation of <u>RCW 42.17A.205</u> and .<u>700</u>.

The motion was <u>amended</u>.

Moved by Commissioner North and seconded by Commissioner Isserlis that the Commission amend the motion to find a violation of <u>RCW 42.17A.205</u> and .700 for election year 2025.

The motion passed 4 - 0.

MOTION 25-032

Moved by Commissioner Isserlis that the Commission assess a civil penalty of \$2,000 with \$1,000 suspended contingent on all missing reports filed, the penalty paid within 30 days of the Final Order, no further violations for four years, and all prior penalties paid.

The motion failed for lack of a second.

MOTION 25-033

Moved by Commissioner Isserlis and seconded by Commissioner North that the Commission amend the motion to assess a civil penalty of \$5,000 with \$2,500 suspended contingent on all missing reports filed, the penalty paid within 30 days of the Final Order, no further violations for four years, and all prior penalties paid.

The motion passed 4 - 0.

 PDC Case <u>173017</u> – <u>Adam Smith</u>: Alleged violations of <u>RCW 42.17A.205</u> and <u>.700</u> for failure to file a Campaign Registration (C-1 report) and a Personal Financial Affairs Statement (F-1 report) within two weeks of becoming a candidate for EY25.

MOTION 25-034

Moved by Commissioner Oswald and seconded by Commissioner North that the Commission find a violation of <u>RCW 42.17A.205</u> and <u>.700</u>.

The motion passed 4 - 0.

MOTION 25-035

Moved by Commissioner North and seconded by Commissioner Isserlis that the Commission assess a civil penalty of \$5,000 with \$2,500 suspended contingent on all missing reports filed, the penalty paid within 30 days of the Final Order, and no further violations for four years.

The motion passed 4 - 0.

MOTION 25-036

Moved by Commissioner Isserlis and seconded by Commissioner Oswald that the Commission withdraw their motion, and continue the matter of PDC Case 173017, Adam Smith to the August regular commission meeting to ensure proper notice.

The motion passed 4 - 0.

The Commission moved the matter of PDC case 173017, Adam Smith to the August regular commission meeting.

PDC Case <u>173069</u> – <u>Michael J. Luzzo</u>: Alleged violations of <u>RCW 42.17A.205</u> and <u>.700</u> for failure to file a Campaign Registration (C-1 report) and a Personal Financial Affairs Statement (F-1 report) within two weeks of becoming a candidate for EY25.

MOTION 25-037

Moved by Commissioner North and seconded by Commissioner Isserlis that the Commission find a violation of RCW 42.17A.205 and .700.

The motion passed 4 - 0.

MOTION 25-038

Moved by Commissioner North and seconded by Commissioner Isserlis that the Commission assess a civil penalty of \$2,000 with \$1,000 suspended contingent on all missing reports filed, the non-suspended penalty paid,, all prior penalties paid within 30 days of the Final Order, and no further violations for four years.

The motion passed 4 - 0.

Enforcement Reconsideration | PDC Meeting Video

10:07 a.m. | The Commission conducted a hearing concerning a request for reconsideration. Compliance Coordinator Jordan Campbell presented the request to the Commission for consideration and possible approval.

PDC Case <u>154832</u> – <u>Mike Spranger</u>: At the May 1, 2025, Brief Adjudicative Proceeding (BAP Hearing), the Respondent was found in violation of <u>RCW 42.17A.235</u> and <u>.240</u> for failure to timely and accurately file mandatory C-4 reports for election year 2023. Mr. Spranger was assessed with a penalty of \$250, which he now asks the Commission to reconsider.

Mike Spranger <u>participated</u> via phone on Microsoft Teams

MOTION 25-039

Moved by Commissioner Oswald and seconded by Commissioner Isserlis that the Commission reconsider PDC Case 154832, Mike Spranger.

The motion passed 4 - 0.

MOTION 25-040

Moved by Commissioner Oswald and seconded by Commissioner Isserlis that the Commission find a violation of RCW 42.17A.235 and .240, and reduce the

civil penalty to \$250 with \$250 suspended contingent on the missing report being filed within 30 days of the Final Order, and no further violations for four years.

The motion passed 4 - 0.

Reporting Modification Request | PDC Meeting Video

10:22 a.m. | The Commission conducted a hearing concerning a request for reporting modification. Compliance Officer Jennifer Hansen presented the request to the Commission for consideration and possible approval.

• Employment for All – Political Committee RCW 42.17A.120, RCW 42.17A.235 & RCW 42.17A.240

Patricia Borden participated via phone on Microsoft Teams

MOTION 25-041

Moved by Commissioner Isserlis and seconded by Commissioner Oswald that the Commission grant the partial reporting modification, 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.

The motion passed 4 - 0.

Enforcement Hearing | PDC Meeting Video

10:33 a.m. | The Commission conducted an enforcement hearing for PDC Case 155771, Shaun Scott and The Fighting 43rd.

Susie Giles-Klein, Assistant Attorney General representing PDC Staff, and Tanya Mercier, Compliance Officer presented the stipulation for PDC Case 155771, Shaun Scott and The Fighting 43rd (the Committee) for alleged violations of RCW 42.17A.235, RCW 42.17A.240, WAC 390-16-042, WAC 390-16-205, and WAC 390-16-043 by: (1) reporting incomplete or inaccurate information on pre-primary Cash Receipts, Monetary Contribution (C-3) and Receipts & Expenditure Summary (C-4) reports and failing to timely file mandatory 21-day, 7-day, and post-primary C-4 reports; (2) failing to timely file mandatory 21-day and 7-day pre-general reports; (3) failing to timely and accurately report debt and receipt of contributions; and (4) failing to provide campaign books of account inspection; and RCW 42.17A.320 and WAC 390-18-010 by: (1) failing to include complete sponsor identification on political advertisements; (2) failing to conform to formatting requirements; and (3) using an assumed name for the sponsor identification on political advertisements. PDC Staff also allege that, during election year 2024, Respondent Shaun Scott violated RCW 42.17A.445 and WAC 390-16-238 by expending campaign funds for impermissible personal use.

Shaun Scott <u>participated</u> via Microsoft Teams.

MOTION 25-042

Moved by Commissioner Oswald and seconded by Commissioner Isserlis that the Commission accept the stipulation as presented.

The motion passed 4 - 0.

MOTION 25-043

Moved by Commissioner Oswald that the Commission assess a civil penalty of \$7,500 with \$3,750 suspended contingent on no further violations for four years, and the penalty paid within 90 days of the Final Order.

The motion failed for lack of a second.

MOTION 25-044

Moved by Commissioner Isserlis and seconded by Commissioner North that the Commission assess a civil penalty of \$10,000 with \$5,000 suspended to the Committee and assess a civil penalty of \$1,000 with \$500 suspended to Shaun Scott, contingent on the penalty paid within 90 days of the Final Order, no further violations for four years, and accept staff's recommendation on personal liability.

The motion passed 4 - 0.

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.

- Joe Kunzler
- Conner Edwards

Written comment(s) submitted:

- J.Long
- Edwards
- Kunzler

Hearing on rulemaking to update enforcement penalties and procedures | PDC Meeting Video

General Counsel Fynn presented the proposed rule for updating enforcement penalties and procedures to the Commission for discussion and possible approval.

- Written Comment
- Memo
- Proposed Rule Change

Public Comment

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.

- Joe Kunzler
- Conner Edwards

MOTION 25-045

Moved by Commissioner Isserlis and seconded by Commissioner North that the Commission adopt the rule as proposed, and the effective date to be after the 2025 general election.

The motion passed 4 - 0.

Six Month Rules Development Agenda | PDC Meeting Video

General Counsel Fynn provided an update on the agency's rulemaking agenda for the upcoming sixmonth period, July 2025 through January 2026.

Memo

Budget Update | PDC Meeting Video

Executive Director Frey Lavallee provided the budget update to the Commission.

Management Team Updates | PDC Meeting Video

- Executive Director Update.
- <u>Deputy Director Update.</u>
 Update on C-4 reporting schedule outreach
- Information Technology Update.
- Customer Service and Filer Assistance Update.

Enforcement Update | PDC Meeting Video

Tabitha Townsend, Compliance Officer, presented the enforcement update for July 2025.

• Enforcement Report – Categorization and Status of Open Cases.

Executive Session

<u>12:25 p.m.</u> Discussion of matters allowed in executive session pursuant to <u>RCW 42.30.110</u>, regarding enforcement matters, review of performance of public employees, and discussion with legal counsel of litigation or potential litigation when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence. Final action regarding these matters, or other matters properly discussed during the executive session, will be taken following the executive session.

Executive session ended at 1:00 p.m.

Adjourned at 1:00 p.m.

Approved August 28, 2025.