

### A message from the Chair . . .

Forty three years ago, Washington voters created the Public Disclosure Commission for the purpose of bringing transparency to the field of state and local campaign financing. While the mission remains the same, new challenges persist. The amount spent in each successive election cycle grows. Independent expenditures have expanded, and, in some cases, exceed the candidates' expenditures. Technology is rapidly changing the way funds are raised and campaign messages are delivered. The legal framework governing campaign finance also has been undergoing significant change. All of these developments serve to demonstrate that the PDC's roles in enforcing the campaign finance laws and protecting the public's right to know are more important than ever.

We are fortunate that the Legislature values our mission and has reversed a steep decline in funding with resources that will enable us to better serve the public through improved technology. Our priorities include launching a complaint tracking system so that the public can monitor complaints that have been filed, replacing our outdated website, and developing a new online filing application for lobbyists and their employers. We expect that these projects will be completed or nearly completed by the end of the calendar year. We have plans to upgrade other systems in 2016.

2015 was a time of transition in the PDC's leadership. Fred Kiga was appointed Interim Executive Director when Andrea Doyle resigned at the end of May. Under Mr. Kiga's leadership, the staff worked to eliminate a backlog of complaints and conducted a series of rigorous process improvements. The result is streamlined operations focused on providing better and faster service to the people of the State.

These process improvements and investments in technology upgrades position us to deliver improved public access to information, great customer service, more user-friendly filing systems, and speedier resolution of complaints.

Grant Degginger Chair [July 2014 - June 2015] The Public Disclosure Commission was created and empowered by Initiative 276 to provide timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance laws.

\$116.5 Million 2004 \$155.1 Million 2008

\$196.7 Million 2012

Projecting \$240 Million 2016

Projecting \$280 Million 2020

Total contributions received by candidates and political committees plus independent expenditures for election years 2004, 2008, and 2012.

# Informed Voter Campaign

The PDC was designed to make government more transparent. We are not merely a repository for data. The PDC is the lens through which the public can see who is attempting to influence elected officials by financing their campaigns and by lobbying them.

To raise the awareness of the PDC, we joined King County Elections' successful Informed Voter campaign. The campaign promoted the PDC's website through TV, radio, and online public service announcements.

The partnership allowed the PDC, King County, and other counties to each invest a small amount of money and leverage their pooled buying power to realize low advertising rates. Travel expert Rick Steves and other local celebrities volunteered their talents for the PSAs.



# Informing the Public ...

Campaign Disclosure: The Commission collects information about campaign funding and makes it available in a public database linked to the PDC's website. Searchable details include who contributed to campaigns, how much, and how the money was spent. The PDC made detailed information available for 2014 campaign spending totaling \$108.6 Million:

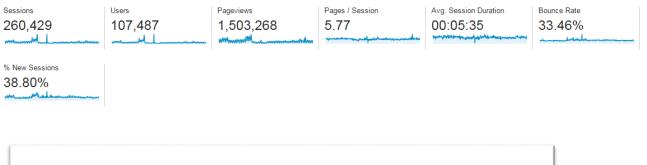
2014 Campaign Spending = \$108.6 Million				
Candidates				
	Direct Spending	Independent Spending		
314 Legislative Candidates	\$24,947,179	\$2,555,925		
183 Judicial Candidates	\$2,014,111	\$225,437		
629 Local Candidates	\$5,082,433	\$121,687		
Political Committees				
457 Political Action Committees	\$22,461,684			
192 Ballot Measure Committees	\$31,231,559			
259 Political Party Committees	\$20,036,260			

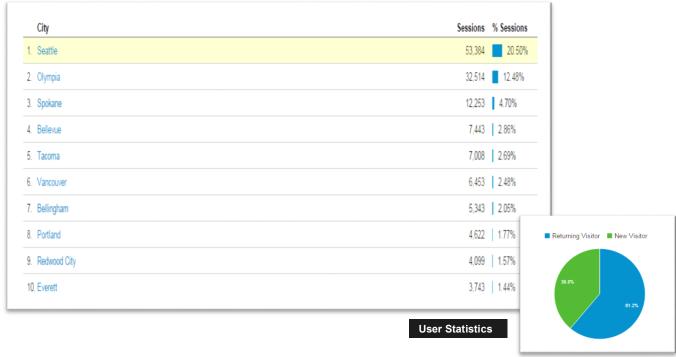
**Lobbying Disclosure:** The Commission's database also contains searchable information about lobbying expenditures, including who has hired a lobbyist, how much the lobbyists are paid, and other expenditures tied to lobbying, such as entertainment and campaign contributions. Detailed information was available for 2014 lobbying expenditures totaling \$58.9 Million:

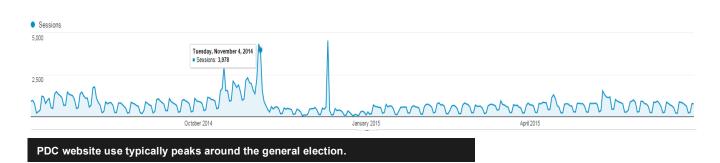
2014 Lobbying Expenditures = \$58.9 Million	
1,417 Private Sector Lobbyist Employers	\$56,303,020
[973 lobbyists]	
71 Public Agencies	\$2,453,908
9 Grass Roots Campaigns	\$185,194

**Government Transparency:** The PDC also makes candidates' and officials' personal financial information available for the public. Because of its sensitive nature, this information is not available online and only produced upon request. In FY 15, the Commission received 375 requests for personal financial statements.

# **PDC Website Use During FY15**







Source: Google Analytics

# **Improving Enforcement**

Compliance with and equitable and timely enforcement of Washington's disclosure and campaign finance laws are the Commission's primary goals. In 2015, the Commission enhanced its efforts by:

- Simplifying the complaint process to eliminate flawed complaints that must be corrected before the Commission may act on them,
- Reviewing how complaints are processed and investigated and changing procedures so that complaints are resolved more quickly,
- Establishing customer-friendly enforcement alternatives to resolve complaints that allege minor or technical violations by new filers or individuals who have a history of compliance. These alternatives allow the Commission to refocus its resources to provide consequences while eliminating the need for an enforcement hearing. Alternatives include deferred enforcement, warning letters, and increased use of statements of understanding under which a respondent may waive the adjudicative process,
- Increasing the Commission's brief adjudicative penalty authority to expand the Commission's capacity to use the single commissioner hearing process, and
- Hiring an experienced fraud investigator and reallocating a staff member to the Compliance & Enforcement Division.

### The Commission received 109 complaints in FY15



#### WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION COMPLAINT FORM

**Description of Complaint** 

RESPONDENT:

RESPONDENT: Identify who you are filling a complaint against and provide all contact information you have for them. Give names and titles, if any, for individuals, and the full name of any organization. Please note that the PDC does not enforce federal campaign finance laws or local ordinances.

Example 91: Joe Public, Mayor of My Town.

Example 91: Joe Public, Mayor of My Town. State, Phone: 555-123-4667, Email: unknown

123 Main Street, Your Town, State, Phone: 555-123-467, Email: unknown

1555-123-4607, Email: pag@aga.org. Website: www.PAGwashington.org

#### NUMBER OF COMPLAINTS BY CATEGORY

- 34 Late / incomplete campaign reporting
- 29 Political Advertising
- Spending tax dollars on campaigns (using govern-25 ment agency resources)
- 7 Exceeding contribution limits
- 5 Incomplete personal financial reporting
- Not registering before lobbying 4
- 5 Other

A HONS:

I when you believe the people/entities you are filing a complaint against
2.17/RCW 42.17A or Title 390 WAC. Be as detailed as possible about
aces and acts. If you can, cite which specific laws or rules you believe
ttach additional pages if needed, (Note that the RCW 42.17 citation applies to
and the RCW 42.17A citation applies to conduct on or after January 1, 2012.)

#### Witnesses

onts or other evidence you have that support your complaint, if any, and on this form. If you do not have copies, provide any information you have u believe the documents or evidence can be found and how to obtain it. al pages if needed.
stween Joe public and Candidate X, attached OR

has emails from Candidate X which describe an illegal campaign donation, ublic's phone number is 555-123-4567.

and contact information, if known, of any witnesses or other persons who of facts that support your complaint. Attach additional pages if needed. ic was present when Candidate's spoke to me about the illegal contribution. Jane Public's Street, Your Town, USA 12345, and her phone number is 555-123-4567.

	PROCEEDINGS CONDUCTED BY FULL COMMISSION (by category)	PROCEEDINGS CONDUCTED BY SINGLE COMMISSIONER (by category)	
9	Late / incomplete reporting	38 Late / incomplete reporting	
9	Public officials and employees using agency resources to campaign	Public officials and employees using agency resources to campaign	
2	Concealment		
1	Exceeding contribution limits		
21	TOTAL	39 TOTAL	

Penalties assessed in FY15 = \$140,500

Orders and other enforcement documents are available on the PDC's website.

### ENFORCEMENT BY THE NUMBERS

#### **Ongoing Litigation:**

#### State v. Grocery Manufacturers Assn (Thurston County Superior Court)

Commenced: 2013

Issues: Failure to register as a political committee and disclose contributions and expenditures | concealment

#### Grocery Manufacturers Assn v. State (Thurston County Superior Court)

Commenced: 2014

Issues: Seeks declaratory and injunctive relief from suit by State | challenges constitutionality of requiring a political committee to receive contributions from voters before making a contributions to another political

committee

#### State v. Food Democracy Action!, et al. (Thurston County Superior Court)

Commenced: 2014

Issues: Failure to register as a political committee and disclose contributions and expenditures

#### Scales v. PDC, et al. (U. S. District Court)

Commenced: 2015

Issues: Seeks declaratory and injunctive relief and damages for actions related to plaintiff's 2014 campaign for county office. Also challenges the constitutionality of RCW 42.17A.335 (false advertising prohibition).

# **Budget & Staffing**

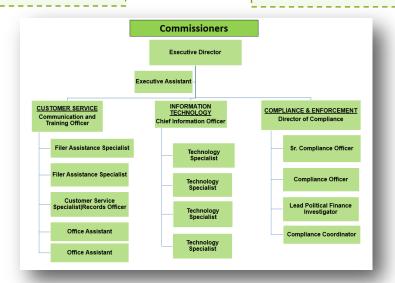
The Commission's 18-member staff is structured in four divisions. These divisions' primary functions are:

#### Administration:

Policy development, budget oversight, and overseeing day-to-day operations including facilities management and human resources.

#### **Customer Service:**

General customer service, scanning and data entry, filer support, training, records management, and external communications.



#### Information Technology:

Infrastructure maintenance, developing and maintaining electronic filing applications, automating agency business functions, and supporting internal agency IT and telecommunications systems.

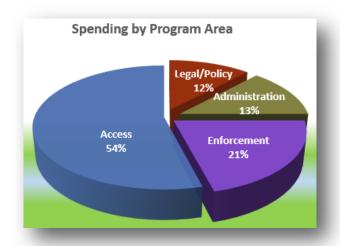
#### **Enforcement:**

Investigating complaints, issuing charges, and participating in the adjudication of enforcement matters.

In May 2015, the Commission began recruiting candidates to replace departing Executive Director Andrea Doyle. In September 2015, the Commission announced the appointment of Evelyn Fielding Lopez, effective October 1.

# **FY15 Spending**

### FY 15 Appropriation = \$2.042 Million | Amount Spent = \$2.029 Million



### **Public Access \$1,095,660**

Ensuring that campaigns, political committees, and lobbyists are timely disclosing accurate information, providing the information technology infrastructure to receive the data, and making the information available for public viewing.

# Enforcement \$426,090

Processing and investigating complaints, issuing charges, adjudicating violations, and conducting group enforcement efforts.



## Legal Services & Policy Development | \$243,201

Legal services, legislative matters, rule making interpretations, and advisory matters.

### Administration | \$263,770

Human resources, facilities, customer service, and records management.

## Leadership



Grant Degginger
Chair

An attorney, Mr. Degginger is chair of the Construction and Environmental Practice Group at Lane Powell PC. His law practice focuses on environmental, construction, and commercial disputes.

His public service includes three terms as a Bellevue City Council member (1999-2011) and two terms as Mayor (2006-10). Mr. Degginger has volunteered on numerous committees and boards addressing water supply and transportation issues, including the Cascade Water Alliance, the I-405 Executive Committee, and the King County Metro Regional Transit Task Force. Before being elected to the city council, he served seven years as a member of the Bellevue Planning Commission.



Katrina Asay Vice-Chair

Since 1995, Commissioner Asay has been self-employed as a real estate broker. An appointment to the Milton City Council in 1996 kicked off a 17-year career of representing her community - she served 8 years on the city council, 7 years as the mayor of Milton, and 2 years as a State Representative for the 30th Legislative District.

She currently volunteers as a board member for the Multi Service Center, which provides a variety of services to support individuals and families transitioning from crisis and poverty to greater self-sufficiency in Pierce and King Counties. Additionally, Commissioner Asay serves as president of the Milton Police Foundation.

Commissioner Asay and her husband, Neil, currently reside in Milton and have three grown children.



Amit Ranade Commissioner

Amit Ranade is a litigation partner in the law firm of Hillis Clark Martin & Peterson P.S. in Seattle, where his practice focuses on commercial, banking, and real estate disputes as well as bankruptcy. Commissioner Ranade is an adjunct faculty member of the University of Washington School of Law, and a former member of the Seattle Ethics & Elections Commission. He also serves on a variety of committees and task forces for the Washington State Bar Association. Commissioner Ranade previously served as Chair of the Seattle Parks & Recreation Commission and as a student member of the University of Washington Board of Regents while in law school.

Commissioner Ranade earned his Bachelor's Degree from the University of Washington in 1998 and his law degree from the University of Washington School of Law in 2003. Mr. Ranade lives in Seattle's Beacon Hill neighborhood with his wife and young daughter.



John Bridges Commissioner (appointed 12/2/2014)

Commissioner Bridges retired from the judiciary in 2013 after serving 24 years on the Chelan County Superior Court bench. He received numerous awards while in office, including the Washington State Bar Association's Family Law Judge of the Year and the Washington State Trial Lawyers Association's 2007 Judge of the Year honors. In 2005, the Washington Judges Foundation recognized him for his service in public legal education.

He currently volunteers for the Wenatchee Performing Arts Center. Many other civic and philanthropic organizations in his hometown of Wenatchee have benefitted from his community service, including the Sunnyslope PTA, United Cerebral Palsy, and the Lantham Scholarship Committee. He also served as a board member of the Wenatchee Sportsmen's Association.

Commissioner Bridges holds a B.A. from Seattle Pacific University and a J.D. from Gonzaga University. He served in the U.S. Army from 1968 to 1972. Commissioner Bridges and his wife, Susan, live in Wenatchee.



Anne Levinson Commissioner (appointed 1/1/15)

Commissioner Levinson has served as a judge, as the Chair of the state's Utilities & Transportation Commission, and in several roles for the City of Seattle, including Legal Counsel, Chief of Staff and Deputy Mayor for Mayor Norm Rice. Since retiring from the bench, she has consulted for governments and courts, including serving as Special Counsel to a DSHS Select Committee addressing foster care youth with complex needs, on a MacArthur Foundation National Research Network, and as an advisor to the City of Seattle providing review and oversight of administrative police misconduct investigations.

Commissioner Levinson has served on the boards of directors and advisory boards for many charitable organizations, including the founding boards for the Seattle Girls' School, the Privacy Fund and the Center for Children & Youth Justice. She has chaired or been an advisor to many local and state ballot measure campaigns. She is the recipient of civic awards from the Urban League, Lambda Legal, Washington Women Lawyers, City Club, the Northwest Asian Weekly, QLaw, and the Greater Seattle Business Association. She resides in Seattle.



Kathy Turner Commissioner (through 12/31/14)

Commissioner Turner retired in 2000 after a successful 27 year career in real estate during which she received the 1997 Realtor Award for Community Service for Pierce County and the 1998 Community Service Award for the State of Washington.

A resident of Puyallup since 1974, she has served on numerous community and city boards and commissions. First elected to the Puyallup City Council in 1993, she was re-elected to 4 more terms before her retirement at the end of 2011. During her 18 years on the city council, she served 3 terms as Mayor and 2 terms as Deputy Mayor. Commissioner Turner is a past president of the Association of Washington Cities and was instrumental in Washington State's adoption of the Military Community Covenant, which fosters and sustains effective state and community partnerships with the military to improve the quality of life for service members and their families. Commissioner Turner has received many community service awards and is honored to have been one of the first women inducted into the Fort Lewis Civilian Hall of Fame.



Andrea Doyle Executive Director (through 5/31/15)

Before being joining the Commission staff, Ms. McNamara Doyle adjudicated environmental permitting and enforcement matters as a governor-appointed member of the Pollution Control Hearings Board, Shorelines Hearings Board, and Environmental and Land Use Hearings Board. During her decade of service to the legislature, Ms. McNamara Doyle held positions as a non-partisan staff attorney and committee coordinator for various policy committees of the state Senate, where she drafted and analyzed legislation, and advised members of both political parties regarding policy matters in the areas of energy, environment, and telecommunications regulations. She also has two years of private sector legal experience in government relations.

Ms. McNamara Doyle earned a BA from Western Washington University and a JD from the University of Washington, School of Law.



Fred Kiga Interim Executive Director (appointed 6/1/2015)

Prior to being appointed interim Executive Director, Mr. Kiga had been the Senior Vice President of Government Affairs for Vigor Industrial, until the company relocated all headquarter functions out of state. He has also held executive management positions at Amazon.com, The Boeing Company, and Russell Investment Group. Mr. Kiga served in senior positions as a member of Governor Gary Locke's administration from 1997 through 2003. As the Director of the Department of Revenue, he led the agency through technology initiatives, including development of the nation's first internet tax filing system and a web-based sales tax geographic information system. Mr. Kiga was responsible for the oversight of all government operations, including strategic planning, policy development, budgeting, and operations, as the Governor's chief of staff.

Mr. Kiga holds Juris Doctor and MBA degrees from the University of Washington.