

**State of Washington**  
**PUBLIC DISCLOSURE COMMISSION**  
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**MINUTES – Regular Meeting**

9:30 a.m. | April 22, 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; Russell Lehman, 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 Fred Jarrett at 9:31 a.m.

[PDC Meeting Video](#)

COVID 19 update: The April 22, 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 [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 April 22, 2021, Regular Meeting.

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

Chair Jarrett welcomed all attendees and viewers to the April 22, 2021, virtual regular Commission meeting.

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

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

- March 25, 2021, Regular Meeting

**MOTION 21-029** Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

**The Commission approve the meeting minutes for the March 25, 2021, regular meeting as presented.**

The motion passed 4 - 0.

**Legislative Update** | [PDC Meeting Video](#)

Sean Flynn, General Counsel noted that with the end of session approaching, there were no substantive legislative updates at this time. PDC staff had communications with Representative Pollet who is interested in proposing reforms to grassroots lobbying for potential review and collaboration in the future. Chair Jarrett noted that some time would be allocated during the July regular Commission meeting to have a workshop and invite Representative Pollet for discussion regarding grassroots lobbying and to discuss other legislation that the Commission may want to consider.

**Budget Update** | [PDC Meeting Video](#)

The agency remains under budget as the fiscal year end approaches. Executive Director Frey Lavallee noted the good news regarding elimination of potential furlough days that would have affected all Washington State employees. The ATG office billings remain the agency's largest unknown.

Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), added the budget forecast looked better than originally anticipated and that the budget report is due to release by the week's end. He said he will be relaying the budget information to the agency in the coming week.

**Interpretation – Surplus Funds** | [PDC Meeting Video](#)

General Counsel Sean Flynn presented a draft of PDC Interpretation "Disposal of Campaign Surplus Funds" for review and discussion [RCW 42.17A.430](#).

Several changes were included based on the stakeholder feedback and comments that were submitted for consideration.

- Clarifying the standard for designating contributions as surplus when all known expenses have been paid and the election is over. Surplus funds are defined as leftover contributions. Also, candidates may not directly solicit contributions for surplus funds. The question here is whether a candidate should be able to continue to receive contributions and use them as surplus funds after all campaign-related purposes have been exhausted (the election is over, and all expenses have been paid). Establishing a workable standard here may require some additional outreach.
- Clarifying that surplus funds may be designated once all campaign expenses and debts have been paid, and not just determined or itemized.
- Clarifying that surplus funds may only reimburse for a public office-related expense and cannot be used to pay the expense directly.
- Eliminating the historical commentary on the State Ethics Act as it relates to the restriction on gifts. The nexus between the Ethics Act and office-related expenses might be necessary to explain for purposes of an interpretation.

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General Counsel Flynn noted that it would be beneficial to bring the interpretation back to the Commission at the next regular Commission meeting to allow for further research and outreach for more stakeholder input.

*Next Steps/Follow Up:* Staff to analyze and present surplus funds data at the May 27, 2020 regular meeting.

**Annual F-1 Enforcement (Continuance from March 25, 2021 Commission Meeting) | [PDC Meeting Video](#)**

10:40 a.m. The Commission conducted an enforcement hearing for alleged failure to timely file annual Personal Financial Affairs Statements (F-1 reports), due no later than April 15 each year by elected and appointed officials.

Tabitha Townsend, Compliance Coordinator, presented PDC Case [80283, Justyn Turner](#).

Justyn Turner, a former School Director for Mary Walker School District 207. PDC staff is alleging that the respondent violated RCW 42.17A.700 by failing to file a Personal Financial Affairs Statement (F-1 report) due no later than April 15, 2020, disclosing financial information for calendar year 2019.

**MOTION 21-030** Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$250 with \$250 suspended contingent on no further violations of RCW 42.17A for four (4) years.**

The motion passed 4 - 0.

Commissioner Downing inquired on the prior motion made for PDC Case 80283 for Mr. Turner at the March 25, 2021, regular meeting. Tabitha Townsend, Compliance Coordinator, noted that staff discovered that the missing reports had been filed prior to the Commission's motion. Therefore, the written order from that meeting was not issued.

**Annual F-1 Enforcement | [PDC Meeting Video](#)**

10:46 a.m. The Commission conducted an enforcement hearing for alleged failure to timely file annual Personal Financial Affairs Statements (F-1 reports), due no later than April 15 each year by elected and appointed officials.

Tabitha Townsend, Compliance Coordinator, presented PDC Case [80210, Olivia DeLeon](#).

Olivia DeLeon, a former School Director for Mount Vernon School District 320. PDC staff is alleging that the respondent violated RCW 42.17A.700 by failing to file a Personal Financial Affairs Statement (F-1 report) due no later than April 15, 2020, disclosing financial information for calendar year 2019 and failure to file a Personal Financial Affairs Statement (F-1 report) due no later than April 15, 2019, disclosing financial information for calendar year 2018.

**MOTION 21-031** Moved by Commissioner Isserlis and seconded by Commissioner Downing that:

**The Commission find the respondent in violation of RCW 42.17A, impose a civil penalty of \$1,500 and require the Respondent to file the missing F-1 report for calendar year 2018 and 2019 within 30 days of the date of the Final Order.**

The motion passed 4 - 0.

Commissioner Lehman was present for this matter, however he experienced technical difficulties and was not present for the vote of the motion. Upon re-entering the meeting, he noted his yes vote to the motion. [PDC Meeting Video](#).

**Reporting Modification Requests** | [PDC Meeting Video](#)

11:00 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**

- Christine Chew – School Director, Bellevue School District 405 [WAC 390-28-100\(1\)\(b\)](#) & [WAC 390-28-100\(1\)\(e\)\(iv\)](#)

Christine Chew participated via phone on Microsoft Teams.

The Commission went into deliberation at 11:20 a.m. Returned: 11:31 a.m.

**MOTION 21-032** Moved by Commissioner Downing and seconded by Commissioner Isserlis that:

**The Commission grant the partial reporting modification as requested, 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 3 - 1. Commissioner Lehman voted No.

Commissioner Lehman added that he appreciated Ms. Chew's service and her intent to comply with the requirements of the law but voted no on the motion.

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

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

- Safety Survey Results.
- LNI All Staff Ergonomics Training.
- F-1 Filing System Kudos.
- Agency Spotlight – Commission Meeting Material Distribution.

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

- Increased Complaints.
- Group Enforcement.
- Compliance Team.

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- Compliance Team Kudos.
- Deputy Director Sandahl's Retirement Announcement.

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

- Electronic Filing Modernization Work.
- Registration Product Work.
- ORCA Online Work.
- Expenditure Reporting Work.

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

- New ORCA User Interface Tutorial Available.
- F-1 Outreach.
- Candidate Filing Season Coming.
- Records Requests Statistics for Q1 2021.

#### **Strategic Plan Update** | [PDC Meeting Video](#)

- [Audits](#) – Commissioner Isserlis, Kurt Young, Compliance Officer, and Erick Agina, Compliance Officer, presented the most recent four audit results and future audit and training expectations.
- [Enforcement Process Map](#) – Commissioner Downing and Compliance Officer Alice Fiman discussed the most recent updates on the enforcement mapping process and presented the map in its current state.
- [Digital Political Advertising Disclosure](#) – Commissioner Lehman, Communications and Outreach Director Kim Bradford and Executive Director Frey Lavallee provided a visual conception of how a potential digital advertising disclosure tool could be pursued.
- [Campaign Reporting Modernization](#) – Chair Jarrett and CIO James Gutholm reported all is on track and going well as they continue to do small iterations and release functionality to filers.
- [Training Program Expansion](#) – Communications and Outreach Director Kim Bradford noted prioritized tasks are assigned to staff with due dates prior to candidate filing week.

#### **Enforcement Updates** | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided the enforcement update report for the period March 15, 2021, through April 12, 2021.

As of April 22, 2021, the PDC had 29 active cases.

Compliance Officer Young commented on the great work the coordinators have done with the current group enforcement process.

#### **Break/Executive Session**

The Commission went into Executive Session at 12:15 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.

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Returned to public meeting at 12:37 p.m.

Meeting adjourned at 12:38 p.m.

Minutes approved May 27, 2021.