

State of Washington
PUBLIC DISCLOSURE COMMISSION

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MINUTES – Regular Meeting

9:30 a.m. | February 23, 2017

Evergreen Plaza Building, Room 206

711 Capitol Way

Olympia, Washington

Commission Members Present (Participated via teleconference)

Anne Levinson, Chair; John Bridges, Vice Chair; David Ammons, Member

Absent: Katrina Asay, Member; Jack Johnson, Member

Staff Present

Evelyn Fielding Lopez, Executive Director; Penny Allen, Assistant Attorney General; Chad Standifer, Assistant Attorney General; Kurt Young, Compliance Officer; James Gutholm, Chief Technology Officer; Jana Greer, Executive Assistant

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Anne Levinson at 9:30 a.m.

Commission Chair Levinson welcomed new Commissioner David Ammons. Commissioner Ammons term is February 2017 through December 2021.

Public Comment | [PDC Meeting Video](#)

A statement emailed to the PDC from Glen Morgan, regarding campaign finance, was read into the record by Executive Director Lopez.

No other public comment was made.

Meeting Minutes | [PDC Meeting Video](#)

The review and possible adoption of meeting minutes of the January 26, 2017 and February 8, 2017 meetings was deferred to the March 23, 2017 Commission meeting.

Report to the Commission | (PDC Review of 45-Day Citizen Action Complaint) *Wasserman, Strategies 360, McLerran: PDC Case 8321* | [PDC Meeting Video](#)

Kurt Young presented the Staff's review of a 45-Day Citizen Action complaint that Larry Wasserman, an employee of the Swinomish Indian Tribal Community, Strategies 360, Inc, public affairs consulting firm, and Dennis McLerran, Region 10 Administrator for the Environmental Protection Agency (EPA), violated RCW 42.17A.640 by failing to register and report grassroots lobbying activities undertaken in support of Washington State legislation.

For 45-Day Citizen Action complaints, the Commission's role under the statute is to refer the matter back to the Attorney General with a recommendation for further action, no further action or with no recommendation. Staff presented its analysis and recommendation that the Commission recommend to the Attorney General that no further action be taken against any of the respondents.

Commissioner Ammons asked the Staff about their analysis as to why the actions articulated in the complaint did not meet the test for grassroots lobbying.

Commissioner Levinson suggested that the Legislature consider refining the statute if its intention is that grassroots lobbying encompasses encouraging contact with the Legislature without reference to a particular piece of legislation.

Wyatt Goldberg, attorney representing Mr. Wasserman, addressed the Commission.

Motion 17-06 Moved by Commissioner Bridges, seconded by Commissioner Ammons that:

The Commission return these matters to the Attorney General's Office with a recommendation of no further action.

The motion passed.

Report to the Commission | (PDC Review of 45-Day Citizen Action Complaint) *Sound Transit Officials and Josh Benaloh and Pat McCarthy: PDC Case 11906* | [PDC Meeting Video](#)

Phil Stutzman presented the Staff's review of a 45-Day Citizen Action complaint alleging violations of RCW 42.17A.555, that Sound Transit Officials and Josh Benaloh and Pat McCarthy used or authorized the use of public facilities to promote the passage of the November 8, 2016 Sound Transit 3 ballot proposition.

Staff concluded, based on the factors in the review, that enforcement action would not be appropriate in this case and that it would not be appropriate to ask the Attorney General to seek a court action to overturn the election, as the Complainant requested.

Staff recommended the Commission return the matter to the Attorney General's Office with a recommendation of no further action.

Motion 17-07 Moved by Commissioner Bridges, seconded by Commissioner Ammons that:

The Commission return this matter to the Attorney General's Office with a recommendation of no further action.

The motion passed.

Staff Report | Executive Director | [PDC Meeting Video](#)

Director Lopez reported on PDC agency request legislation, HB1833, HB1834, and HB1835. Each of the agency request bills has moved into the Rules committee. Director Lopez has been working with Representative Dolan's legislative assistant and continues to try to contact members of the rules committee to ask them to move these bills out of the rules committee. Their legislative assistants have indicated the bills will be added to their lists. If the bills get out of the rules committee, then they have a chance of continuing to move forward and eventually going to the Senate.

Director Lopez and Commissioner Bridges met with a delegation from South Korea. The delegation was very interested in the PDC website, and were particularly impressed that campaigns report even \$1 contributions. They had interesting questions about the F1 personal financial disclosure statement, and that someone might return it timely but perhaps would very poorly fill it out, and how would the PDC know that. In all this was a good event.

Director Lopez provided an update on the PDC budget. PDC is still waiting to hear about the supplemental budget and the next two year budget; there has been no indication that there are any problems expected with our budget request.

She provided a status update on the recent staff vacancies and the recruiting process. Staff have been working on hiring for an assistant director and will also be moving to fill the open positions in the enforcement unit as soon as possible.

Staff Report | Chief Technology Officer / [PDC Meeting Video](#)

James Gutholm reported that he and Kyle Veldhuizen, the project manager for the Open Data Project, met with representatives from Socrata, a software vendor in Seattle that provides the Open Data portal that the PDC team is using. Socrata proposed doing a documentary video of the PDC success story, and would like to use it in the opening session for their national conference which is coming up in the beginning of March.

Mr. Gutholm noted that Socrata offered to foot the bill for Kyle to attend the National conference. This is a big kudos to the team and the great job they're doing on the project.

Phase one of the project is ending and is moving onto phase two. The project will finish on time and with everything that was agreed.

Mr. Gutholm reviewed plans for phase two and three of the project for the Commission.

He also discussed the opportunity to hire a group of interns from Northeastern University. Northeastern likes the PDC proposed project and project approach enough that they're now pitching it to the faculty at their Seattle campus to try to get together a group to come and do an internship project.

Executive Session/Working Lunch

Discussion of 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 review of performance of public employees. Possible action regarding pending litigation, or other matters properly discussed during executive session, will be taken following the executive session.

Enforcement | *Benton County Democratic Central Committee: PDC Case 2603* | [PDC Meeting Video](#)

Phil Stutzman presented a Stipulation as to facts and violations for the Commission's consideration. He summarized the alleged violations of RCW 42.17A.205 by Benton County Democratic Central Committee failing to timely amend its committee registration when it changed treasurers, and RCW 42.17A.235 and .240 by failing to timely report contributions and expenditures between October 2013 and December 2016, and by failing to preserve books of account concerning its contributions received.

David Rose, Chair, Benton County Democratic Central Committee participated via telephone.

Staff recommended that the Commission accept the Stipulation as to Facts and Violation, and assess an appropriate penalty.

The Commissioners asked questions of Staff and the Respondent. The Commission left to deliberate at 11:09 a.m. and returned to the open meeting at 11:18 a.m.

Motion 17-08 Moved by Commissioner Bridges, seconded by Commissioner Ammons that:

The Commission accept the stipulation as to facts and violations and that the Commission impose a penalty of \$3,000.00, \$2,000.00 of which is suspended for a period of four years on the conditions that the Respondent pay the \$1,000.00 non-suspended portion of the penalty within 30 days of receiving the Commission's Order, is in compliance with all required reporting obligations under RCW 42.17A and WAC 390, and commits no further violations of RCW 42.17A or WAC 390 for four years from the date of the Order.

In the event that the Respondent fails to meet any of the above terms of the order, the entire penalty of \$3,000.00, which includes the suspended portion of the penalty

(\$2,000.00), will become immediately due without any further intervention of the Commission, and PDC Staff will refer any outstanding debt to the Department of Enterprise Services (DES) for collection.

The motion passed.

Petition To Amend Rule | [PDC Meeting Video](#)

Director Lopez stated that on January 26th, the Commission received a petition for an amendment to a rule from Connor Edwards in which he suggested that the Commission amend WAC 390-37-182 to provide an additional penalty option.

She noted that under the Administrative Procedures Act, petitions may be filed to initiate a rule-making, and the agency has the option, within sixty days, to either deny the petition, in writing, stating the reasons for the denial, and addressing the concerns raised; or, initiate rule-making proceedings in accordance with the Administrative Procedures Act.

Chair Levinson ask for any public comment or testimony.

Conner Edwards addressed the Commission and encouraged them to pass this petition. He suggested this as an option for the Commission to consider because requiring candidates to attend the training not only would familiarize them with the relevant rules and statutes of the PDC, it would also give them the knowledge that they need to comply for the future.

Director Lopez stated that, monthly, Jennifer Hansen and Chip Beatty hold trainings at the PDC, particularly for campaign personnel, treasurers, candidates, to come and learn about the ORCA filing, how it works and what is required. Staff continues to consider ways to make training available online.

Commissioner Bridges stated that he might support rule-making if it were intended to set forth in the rule that this kind of training was something the Commission could order, depending on the facts of a case. Since the Commission has the discretion to do that already, he cannot support rule-making at this point, as submitted.

Chair Levinson stated if the Commission is going to consider a rule-making, her preference would be to have some additional consideration, from the Commissioners, staff and the Attorney General's Office, about this rule, to see if any other amendments should be considered at the same time.

She asked staff to hold this matter over until the next meeting, and research options to bring to the Commission for consideration.

Director Lopez suggested that this matter be placed on the next meeting agenda which will still allow for the PDC to be within the sixty days to act.

Next Steps/Follow-up: Staff will research and prepare options for Commission consideration.

The meeting adjourned at 1:03 p.m.

Minutes approved March 23, 2017