



State of Washington  
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.  
April 24, 2014

MINUTES – REGULAR MEETING

Evergreen Plaza Building, Room 206  
711 Capitol Way South  
Olympia, Washington

COMMISSION MEMBERS PRESENT

Amit Ranade, Chair  
Grant Degginger, Vice Chair  
Katrina Asay, Member

STAFF PRESENT

Andrea McNamara Doyle, Executive Director  
Linda Dalton, Sr. Assistant Attorney General  
Lori Anderson, Communications & Training Officer  
Chip Beatty, Filer Assistance Specialist  
Phil Stutzman, Director of Compliance  
Nancy Coverdell, Executive Assistant

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Ranade at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Opening Comments

Chair Ranade called the meeting to order.

Citizen Comments/Concerns

No comments or concerns were expressed.

Commissioner Comments/Concerns

No comments or concerns were expressed.

Commission Meeting Minutes

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**Motion 14-067**

**The Commission adopt the minutes of the February 27, 2014, regular meeting as written.**

The motion passed.

Rulemaking

Discussion and possible approval of draft language for converting to rule interpretive statements regarding personal financial affairs reporting modifications. Amend WAC 390-28-100 Reporting modifications - Possible qualifications - Statement of financial affairs.

Lori Anderson, Communications and Training Officer, reported on converting to rules interpretive statements 02-03 (lawyers and law firm), 02-04 (judges and judicial candidates), 02-05 (motor vehicle dealers), and 02-06 (applicant's spouse who has a disclosure obligation). Ms. Anderson summarized the interpretations and the draft language to incorporate them into rule WAC 390-

- 02-03 Requests for Modification - 28-100.  
Lawyers & Law Firms
- 02-04 Requests for Modification -  
Judges & Judicial Candidates
- 02-05 Requests for Modification -  
Motor Vehicle Dealers
- 02-06 Requests for Modification -  
Requirements to Report Information  
for Applicants Whose Spouses  
Create a Reporting Obligation

**Motion 14-068**

Moved by Commissioner Degginger, seconded by  
Commissioner Asay that:

**The Commission approve the draft language as  
proposed to amend WAC 390-28-100 to  
incorporate the draft language of  
Interpretations 02-03, 02-04, 02-05, and 02-06.**

The motion passed.

Disclosure of lobbying expenditures -  
Discussion and possible adoption of draft  
language adjusting dollar threshold amounts  
and defining entertainment.

- Proposed new WAC 390-20-150  
Changes in dollar
- Amend WAC 390-20-0101 Forms for  
lobbyist registration
- Amend WAC 390-20-020 Forms for  
lobbyist report of expenditures
- Amend WAC 390-20-052 Application  
of RCW 42.17A.635 – Reports of  
agency lobbying
- Amend WAC 390-20-111 Form for  
lobbyist employers report of political  
contributions
- Amend WAC 390-20-120 Forms for  
report of legislative activity by public  
agencies
- Amend WAC 390-20-125 Forms for  
registration and reporting by  
sponsors of grass roots lobbying

Ms. Anderson reported on draft language to adjust  
lobbyist expenditure disclosure thresholds. Ms.  
Anderson summarized the background related to  
the different thresholds and identified where on the  
various lobbyist forms each of those thresholds  
appears. The Commission discussed the proposal  
to add a new rule that would serve as an index to  
all the adjustable lobbyist thresholds and identify  
when they were previously adjusted. Ms.  
Anderson then asked the Commission to approve  
the proposed draft language for new WAC 390-20-  
150 and proposed draft language to amend WACs  
390-20-0101, 390-20-020, 390-20-052, 390-20110,  
390-20-111, 390-20-120, 390-20-125, 390-20-143,  
and 390-20-144.

campaigns

- Amend WAC 390-20-143 Application of lobbying provisions to organizations
- Amend WAC 390-20-144 Registration and reporting by lobbyist organizations

**Motion 14-069**

Moved by Commissioner Degginer, seconded by Commissioner Asay that:

**The Commission approve language for a proposed new rule in WAC 390-20-150.**

The motion passed.

**Motion 14-070**

Moved by Commissioner Degginger, seconded by Commission Asay that

**The Commission approve the language to amend amendments to WAC 390-20-0101, WAC 390-20-0202, WAC 390-20-111, WAC 390-20-120, WAC 390-20-125, WAC 390-20-143, and WAC 390-20-144 as proposed.**

The motion passed.

**Compliance Advisory Matter re: Loans**  
Request from State Representative Jake Fey to reinstate loans from Representative Fey to his 2005 and 2010 campaigns that were forgiven in 2010.

Ms. Anderson provided background information on State Representative Jake Fey who requests to reinstate loans made by him to his 2005 and 2010 campaigns that were reported as having been forgiven December 12, 2010.

Discussion of possible interpretation or advisory opinion re: loan reporting

Jason Bennett, treasurer for Representative Fey, participated by telephone. Mr. Bennett stated in the transition between the former and current treasurers there was a miscommunication between a staffer and the former treasurer. In taking on the treasurer responsibilities there was confusion over the amount of debt of the loans that had been rolled over at the end of the 2010 campaign to the consultant. Representative Fey had written a personal contribution to cover those expenses which was confusing when there were outstanding loans and a personal contribution to cover other outstanding debt. Mr. Bennett acknowledged the mistake in writing off the loan without confirming

their mistaken assumption with Representative Fey on this matter. Mr. Bennett believes it's his expectation to pay himself back loans that he has contributed to the campaign to cover costs. He had subsequent contested races where he has had to loan himself additional money to get the campaign started. That is why Representative Fey had intentions of rolling over these loans to pay himself back the launch money for these campaigns.

The Commission discussed the matter. Chair Ranade stated no action is required as this is an advisory item and the Commission doesn't appear to have a complete record. The Commission expressed the view this is an area where we could do a little more work in the form of an interpretive statement or additional rulemaking could be helpful. The Commissioners noted there is a six-year statute of limitations on written contracts in the law now, and it may be helpful to clarify how that related to campaign debts and loans.

### **Informational**

Ms. Doyle summarized the highlights of the US Supreme Court decision on campaign finance *McCutcheon et al. v. FEC* [572 U.S. \_\_\_ (2014)] with a PowerPoint presentation.

### **Budget/Legislative Report**

Ms. Doyle highlighted Engrossed SB 5964 which takes effect July 1, 2014, and requires every member of the governing body of a public agency to complete training in the Open Public Meetings Act within 90 days of assuming duties. In addition, a refresher course every four years is required. The training can be done remotely or on-line. As a Commission strategy, in relating to the budget, Ms. Doyle is exploring options with OFM and their accountants to pursue IT related decision packages in the hopes of making shifts on how IT has been previously funded to a more stable O&M approach through the operating budget. Doing that will require converting to leasing some IT equipment such as staff PC's and Commission laptops rather than purchasing which is what the OCIO recommends. As IT funding has been identified as a high priority for the Commission, it will require some Commissioner involvement in the budgeting process to be successful.

**Reporting Modifications**

**New**

- Troy Clements, Candidate,  
Prosecuting Attorney, Yakima County

Chip Beatty, Filer Assistance Specialist, presented Troy Clements' request for reporting modification. Mr. Clements requests a reporting modification that would exempt him from disclosing his personal residential address information, including street address, parcel number, or legal description, on his Personal Financial Affairs Statement for the previous 12 months. As a Deputy Prosecutor and Gang Unit Supervisor his family could be harmed if his residential address is disclosed. He has received threats in the past.

**Motion 14-071**

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

- William S. Ayer, University of Washington

Commission Degginger disclosed that Mr. Ayer is a neighbor but believes he can proceed without recusing himself.

Mr. Ayer is requesting a reporting modification that would exempt him from disclosing the business customers that paid \$10,000 or more during the reporting period to Alaska Air Group, an entity for which he is the CEO, Puget Sound Energy, and includes the Museum of Flight Foundation.

**Motion 14-072**

Moved by Commissioner Asay, seconded by Chair Ranade that:

**The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

**Renewals With No Change**

Commissioner Asay disclosed knowing Clair

- Clair Sussman, Judge, Pierce County Superior Court
- Kalo Wilcox, Judge, Thurston County District Court
- Brett Buckley, Judge, Thurston County Superior Court
- Leila Mills, Judge, Kitsap County District Court

Sussman and Barre Seibert but did not feel this would impact her decision.

Judge Sussman requests a renewal with no change of a reporting modification that would exempt her from disclosing her personal residential address information, including street address, parcel number, or legal description, on her Personal Affairs Statement for 2013.

Judge Wilcox requests a renewal with no change of a reporting modification that would exempt her from disclosing her residential address, parcel number, or legal description on all filing submitted to the Public Disclosure Commission.

Judge Buckley requests a renewal with no change of a reporting modification that would exempt him from reporting real estate, including street address, parcel number, or legal description, on his Personal Financial Affairs Statements for 2013.

Judge Mills requests a renewal with no change of the reporting modification that would exempt her from disclosing her personal residential address information, including street address, parcel number, or legal description, and the address information of two other properties she owns, on her Personal Financial Affairs Statement for 2013.

### **Motion 14-073**

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission grant the partial reporting modification of Judges Sussman, Wilcox, Buckley and Mills as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

### **Renewals With No Change**

- Edward J. McKenna, Municipal Court Judge, City of Seattle

Judge McKenna requests a renewal with no change of the reporting modification that would exempt him from reporting his personal residential address information, including street address, parcel number, or legal description, on his

Personal Financial Affairs Statement for 2013.

**Motion 14-074**

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission grant the partial reporting modification of Judge McKenna as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

**Renewals With No Change**

- Elizabeth Pike Martin, Judge, Pierce County Superior Court

Judge Martin requests a renewal with no change of a reporting modification that would exempt her from disclosing her personal residential address information, including street address, parcel number, or legal description, on her Personal Financial Affairs Statement for 2013.

**Motion 14-075**

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission grant the partial reporting modification of Judge Martin as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

**Renewals With No Change**

- Palmer Robinson, Judge, King County Superior Court
- Nancy Whitten, Council member, City of Sammamish
- Deborah Ehrlichman, School Director, Shoreline School Board

Judge Robinson requests a renewal with no change of a reporting modification that would exempt her from disclosing the business customers that paid \$10,000 or more during 2013 to K & H Printers-Lithographers, Inc. (K&H).

Ms. Whitten requests a renewal with no change of a reporting modification that would exempt her from disclosing the business and other governmental customers that paid \$10,000 or more during 2013 to the Washington State Medical Association (WSMA).

Ms. Ehrlichman requests a renewal with no change of a reporting modification that would exempt her

from disclosing the business and other governmental customers that paid \$10,000 or more during 2013 to Dorsey & Whitney, LLP, a law firm.

**Motion 14-076**

Moved by Commissioner Degginger, seconded by Commissioner Ranade that:

**The Commission grant the partial reporting modification of Judge Robinson, Nancy Whitten, and Deborah Ehrlichman as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

**Renewals With No Change**

- Charles Quentin Powers, Trustee, Edmonds Community College
- Rebecca Stillings, Director, Rainier School District
- Barre Seibert, Council member, City of Clyde Hill

Mr. Powers requests a renewal with no change of a reporting modification that would exempt him from disclosing the business and other governmental customers that paid \$10,000 or more during 2013 to Premera Blue Cross.

Ms. Stillings requests a renewal with no change of a reporting modification that would exempt her from disclosing the business customers that paid \$10,000 or more during 2013 to Curtis Lumber Company.

Ms. Seibert requests a renewal with no change of a reporting modification that exempts him from disclosing the business and other governmental customers that paid \$10,000 or more during 2013 to Tootsie Roll Industries, Inc. (Tootsie Roll).

**Motion 14-077**

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission grant the partial reporting modification For Charles Quentin Powers, Rebecca Stillings, and Barre Seibert as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed.

**Enforcement**

**Enforcement (45-day Citizen Action Complaint)**

1. *Mark Anderson, Spokane School District No. 81 (Spokane Public Schools) (Continuation of February 27, 2014 enforcement hearing)*  
Case No. 12-145 involving alleged violations of RCW 42.17.130 (recodified January 1, 2012 as RCW 42.17A.555) by using or authorizing the use of school district facilities, including email accounts, to promote school district ballot propositions in 2009 and 2012. Acceptance by Respondent of Commission modification of Stipulation.

**Motion 14-077**

2. *Yes on I-522 Committee*, Case No. 14-011 involving alleged violations of RCW 42.17A.235 and .240 by failing to timely disclose in-kind contributions received from supporters of I-522.
3. *Food Democracy Action! and Food Democracy Action! Yes on I-522 to Label GMOs in Washington (FDA-WA State PAC)*, Case No. 14-007 involving alleged violations of RCW 42.17A.205 by failing to timely

Phil Stutzman, Director of Compliance, provided background information on Case No. 12-145 concerning Mark Anderson, Spokane School District No. 81 (Spokane Public Schools). At the February 27, 2014, Commission Meeting the Commission accepted a stipulation of facts and violation signed by PDC staff and Dr. Mark Anderson. The Commission modified the penalty portion of the stipulation to \$1,000 with \$500 suspended pending no further violations of RCW 42.17A.555 by Dr. Anderson for a period of four years. In a letter dated March 13, 2014, and received on March 20, 2014, Paul Clay, counsel to Dr. Anderson, confirmed Dr. Anderson's acceptance of the Commission's modification. PDC staff also accepts the Commission's modification.

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission accept to adopt the modified stipulation.**

The motion passed.

Linda Dalton, Sr. Asst. Attorney General, representing the Commission Staff, presented background information on the pending enforcement proceeding for *Yes on I-522 Committee*. Jim Fruesh, representing *Yes on I-522 Committee*, and Mr. Lloyd, Treasurer, participated by telephone.

Ms. Dalton stated the parties have been working towards reaching a stipulation. She advised the Commission that the process is not completed yet, and jointly request on behalf of the both parties that the matter be set over to the May meeting in order to present a stipulation at that time.

Ms. Dalton, Sr. Asst. Attorney General, representing the Commission Staff, presented background information on the pending enforcement proceeding for *Food Democracy Action! and Food Democracy Action!* Mr. Stutzman who prepared the Executive Summary

register as a political committee; and RCW 42.17A.235 and .240 by failing to file reports of contributions and expenditures.

and Recommendation was also in attendance. Greg Wong who represents *Food Democracy Action!* participated by telephone.

This matter came as part of a citizen action complaint that was filed with the Attorney General's Office on October 25, 2013. A number of entities were named who the complainant believes violated the state's campaign finance disclosure laws. PDC staff recommend that the Commission find FDA and FDA-WA State PAC committed multiple apparent violations of RCW 42.17A and conclude that the Commission's penalty authority is inadequate to address these apparent violations, given the amount of late reported activity and the lateness of the committee's registration and reporting. Staff recommend referral of the matter to the Attorney General for appropriate action against Respondents.

#### **Motion 14-078**

Moved by Commissioner Degginger, seconded by Commissioner Asay that:

**The Commission find there are multiple apparent violations of RCW 42.17A, the Commission's penalty authority is inadequate to address the apparent potential violations, and that the matter be referred to the Attorney General for appropriate action.**

The motion passed.

#### **Request for Closed Hearing to Consider New Reporting Modification Application**

Ms. Doyle presented to the Commission a request that PDC has received for a closed hearing on an application for a reporting modification. The Commission discussed the matter and the different options that might be available under the Commission's rules to consider the request. The Commission advised Ms. Doyle to notify the requestor that it will entertain the request if the requestor is willing to identify themselves to present their information at a future meeting.

#### **Executive Session/Working Lunch**

The Commission recessed for Executive Session/Working Lunch at 12:00 noon and reconvened at 1:10 p.m.

**Strategic Plan Update**

Ms. Anderson presented a status report on the completion of strategic plan actions items related to the Personal Financial Affairs Statement (F-1).

Ms. Greer presented the survey results from the 13 questions asked regarding F-1's which was an attempt to get public opinion.

Commissioner Ranade requested staff to seek some additional input from the filers who had responded to the survey indicating they would or may choose to leave office if F-1's were to be posted on-line. He commented that a surprisingly large number of filers expressed this view, and it would be helpful to have more information about specifically why they felt that way.

Commissioner Degginger comment that the time has come to post the F-1's online. There are a number of filers that routinely need some kind of exemption and we need to ensure those exemptions are available and honored.

**Adjourn**

Meeting adjourned at 1:30 p.m.