



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
May 22, 2014

MINUTES – REGULAR MEETING

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

COMMISSION MEMBERS PRESENT

Grant Degginger, Vice Chair
Kathy Turner, Member
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
Kurt Young, Compliance Officer
Nancy Coverdell, Executive Assistant

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

Opening Comments

Vice Chair Degginger called the meeting to order.

Citizen Comments/Concerns

Andrew Velleneuve, Northwest Progressive Institute, requested the complaint into the No on I-517 campaign be fully investigated and resolved. Mr. Velleneuve is concerned about the lack of information about the progress on the investigation and is concerned it is not being resolved.

Holly Chisa, Northwest Grocery Association, stated she is also a party to the No on I-517 complaint and has provided personal comments about the irregular activities that she witnessed. Ms. Chisa has not received any response back from the Commission on the comments she provided. She is concerned that the same individuals are now actively participating in an initiative campaign this year, and that the practices she saw in No on I-517 may continue during this year's campaign.

Mark Johnson, Washington Retail Association, stated he was also a participant in the No on I-517 campaign and is very concerned with the practices

of petition gatherers, including the individuals involved in the complaint. Mr. Johnson seeks the Commission's guidance on how to handle and resolve the issue of the complaint brought forward.

Carolyn Logue, Washington Food Industry Association, stated she is concerned about the lack of response for complaints filed almost two years ago. Ms. Logue hopes the Commission responds to this complaint.

Vice Chair Degginger thanked everyone for attending and asked staff about a timeframe on the complaint.

Andrea McNamara Doyle, Executive Director, stated the staff is not at a point where they can predict with certainty when the investigation will be completed. The staff has been diligently pursuing this complaint and noted that there are a number of factors that affect how long it takes to complete an investigation, including the availability of information and witnesses, cooperation of the witnesses, and the ability to review information that is believed to be relevant and essential in reaching conclusions. The staff continues to pursue leads related to this investigation, and in the past few months have increased that activity. Many of the concerns raised today appear to be around the behavior or conduct of the signature gatherers, and this Commission does not have a role in regulating the behavior or the conduct of petition signature gatherers. The comments by Ms. Logue concerning the financial arrangements related to the source and reporting of money used to pay signature gatherers is within the Commission's jurisdiction and is a part of what this investigation entails.

Commissioner Comments/Concerns

No Commissioner Comments/Concerns.

Meeting Minutes

Moved by Commissioner Asay, seconded by Commissioner Degginger that:

Motion 14-078

The Commission adopt the minutes of the April 24, 2014, regular meeting as written.

Commissioner Turner abstained.

The motion passed.

Lori Anderson, Communications and Training Officer, reported on possible amendments to WACs 390-16-105 Mini Campaign reporting – Eligibility and 390-16-125 Mini Campaign reporting – Exceeding limitations. Ms. Anderson asked the Commission to adopt the proposed amendments to WACs 390-16-105 and 390-16-125 and the proposed new WAC 390-17-301 and the proposed amendments to WAC 390-16-063.

Rulemaking

Public hearing and possible adoption of:

- Amendments to WAC 390-16-105 Mini Campaign reporting – Eligibility
- Amendments to WAC 390-16-125 Mini Campaign reporting – Exceeding limitations
- New WAC 390-17-301, Eligibility to receive primary election contributions
- Amendments to WAC 390-16-063, Additional information regarding C-6 report filing

Motion 14-079

Moved by Commissioner Turner, seconded by Commissioner Asay that:

The Commission amend WAC 390-16-105 (Mini Campaign Reporting – Eligibility) as submitted.

The motion passed.

Motion 14-080

Moved by Commissioner Turner, seconded by Commissioner Asay that:

The Commission amend WAC 390-16-125 (Mini Campaign reporting – Exceeding Limitations) as submitted.

The motion passed.

Ms. Anderson reported on the proposed new rule WAC 390-17-301, Eligibility to receive primary election contributions. The new rule would convert an interpretation the Commission adopted in 2004. She also explained the proposed amendments to WAC 390-16-063, Additional information regarding C-6 report filing. Ms. Anderson asked the Commission to adopt the proposed new WAC 390-17-301 and to amend WAC 390-16-063.

Motion 14-081

Moved by Commissioner Turner, seconded by Commissioner Asay that:

The Commission adopt new rule WAC 390-17-301 (Eligibility to Receive Primary Election

Motion 14-082

Continued discussion – Lobbying
Expenditures Related to Entertainment -
Disclosure of Legislative Receptions

**Personal Financial Affairs Statements
(F-1) Review**

Contributions) as submitted.

The motion passed.

Moved by Commissioner Turner, seconded by
Commissioner Asay that:

**The Commission amend WAC 390-16-063,
(Additional Information Regarding C-6 Report)
filing as submitted.**

The motion passed.

Ms. Anderson continued the discussion and
provided additional background information on
lobbying expenditures related to entertainment and
disclosure of legislative receptions. The
Commission discussed the issue and would like to
see a first draft of options for rulemaking
addressing the reporting of receptions at a future
meeting.

Ms. Anderson continued a discussion regarding F-
1 reporting questions including whether some of
the requirements should be changed and if F-1
contents should be posted online. Ms. Anderson
shared the results of a follow-up outreach survey
which included over 100 responses. The
comments conveyed concerns regarding having
contact information available, names of their family
members, safety concerns, identity theft and cyber
security issues resulting from having the
information from the F-1 on-line.

Richard Bloom, Richland City Council, provided
comments and raised his strong objections to
posting F-1s online.

Timothy Sekerek, House Counsel, House of
Representatives, provided comments and
concerns regarding the impact on professional staff
that would stem from posting F-1s online.

Ms. Anderson suggested a work session at the
June Commission meeting to allow the
Commission to consider in more detail all the F-1
issues raised through the stakeholder outreach
process. The Commission discussed the matter

further and agreed that additional information about security and identity theft issues would be important to consider.

Compliance Manual Review

Ms. Doyle presented examples of stipulated penalty provisions and conditions imposed on suspended penalties. Ms. Doyle reviewed the examples of stipulated violations and conditions along with the principles she proposes that staff would use when negotiating stipulations in the future. The Commission agreed that the principles as proposed seemed appropriate for staff to use when developing conditions for suspending portions of penalties.

Interpretations

Ms. Anderson continued a follow-up discussion from the last Commission meeting regarding an advisory matter on forgiven loans. She asked the Commission if they wanted to consider adopting an interpretation regarding loans and clarifying policy questions. The Commission discussed the matter further and determined it would be helpful to provide additional on this specific area that is both more clear and accessible. Staff will bring back draft options at a future meeting.

Reporting Modifications Renewals with Change

- Steven Hill, Trustee, Seattle Community College

Chip Beatty, Filer Assistance Specialist, presented Steven Hill's request for a reporting modification that would exempt him from reporting the business and other governmental customers that paid \$10,000 or more during 2013 to Seattle Foundation and the Seattle Symphony.

Motion 14-084

Moved by Commissioner Turner, 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.

- Carol K. Nelson, Director, Department of Revenue

Mr. Beatty presented Carol K. Nelson's request for a reporting modification in which she is no longer seeking a modification request for Volunteers of

America Western Washington, Washington Bankers Association and Premera Blue Cross. The remainder of the modification is exactly the same as what was approved last year.

Motion 14-085

Moved by Commissioner Turnery, 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.

- Marc Daudon, Executive Board Member, Energy Northwest

Mr. Beatty presented Marc Daudon's request for a reporting modification in which he is no longer seeking the spousal modification. Mr. Daudon's wife terminated her employment with Seattle Northwest Securities Corporation at the end of the calendar year 2012. The remainder of the modification is exactly the same as the previous year.

Motion 14-086

Moved by Commissioner Turner, 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.

Reporting Modifications

New

- Keith Fred Chamberlain, Candidate, Commissioner, Skamania County

Mr. Beatty presented Keith Fred Chamberlain's request for a reporting modification that would exempt him from disclosing the business and other governmental customers that paid \$10,000 or more during the previous 12 months to Wilkins, Kaiser, Olsen Inc. (WKO), High Cascade Inc. and High Cascade Forest LLC., of which his spouse Deborah Chamberlain is Secretary, Secretary, and a member. Mr. Chamberlain stated that prior to his marriage he signed away any legal right to any of

the companies. He has no knowledge of any of the company's internal workings or customer information. He and his spouse reside in a small community where the business operate and disclosure of that information would affect his spouse's family members and their company as well as provide information to employees which would be detrimental.

Motion 14-087

Moved by Commissioner Turner, 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.

- Lisa Janicki, Candidate,
Commissioner, Skagit County

Mr. Beatty, presented Lisa Janicki's request for a reporting modification that would exempt her from disclosing the business and other governmental customers that paid \$10,000 or more during the previous 12 months to Janicki Industries Inc.,

Motion 14-088

Moved by Commissioner Turner, 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.

- Lisa Napoli O'Toole, Candidate,
Judge, King County District Court

Mr. Beatty presented Judge Lisa Napoli O'Toole's request for 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 covering the last 12 months.

Motion 14-089

Moved by Commissioner Turner, 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.

- Jamie Pedersen, Senator, 43rd Legislative District

Mr. Beatty presented Senator Jamie Pedersen's request for a reporting modification that would exempt him from disclosing the business and other governmental customers, other than state agencies, that paid \$10,000 or more during 2013 to McKinstry Company, LLC and McKinstry Essention, LLC. Senator Pedersen serves as Vice President and General Counsel for both entities.

The Commission discussed the application and determined that more information would be helpful to evaluate the request. Staff will contact the Senator for additional information and bring the matter back at a future meeting.

- Rebecca Robertson, Municipal Court Judge, City of Federal Way

Mr. Beatty presented Judge Rebecca Robertson's request for a reporting modification that would exempt her from disclosing her personal residential address information on the home she purchased in 2013, including street address, parcel number, or legal description, on her Personal Financial Affairs Statement for 2013.

Motion 14-090

Moved by Commissioner Turner, 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.

- John R. Ruhl, Judge, King County Superior Court

Mr. Beatty presented Judge John R. Ruhl's request for 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 2013 that covers the last twelve months that he was appointed. He is also requesting a reporting modification that would exempt him from reporting the discloseable business customers of the law firm Ryan Swanson & Cleveland PLLC that paid \$10,000 or more during that previous twelve months of which he was a member prior to his appointment.

Motion 14-091

Moved by Commissioner Turner, 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

Ms. Doyle introduced James Gutholm, the new Chief Information Officer for the Public Disclosure Commission who begins on Monday, June 2, 2014. The Commission members welcomed him to the PDC.

Executive Session/Working Lunch

The Commission went into Executive Session to discuss pending and potential litigation with counsel and returned at 1 p.m.

**Reporting Modifications
Renewals with No Change**

- Linda C. Lee, Judge, Court of Appeals, Division II
- Bradley Maxa, Judge, Court of Appeals, Division II
- Theresa B. Doyle, Judge, King County Superior Court
- Robert H. Whaley, Trustee, Eastern Washington University
- Lucinda Whaley, Commission Member, Washington State Parks

The Commission considered the following reporting modification applications which are all renewals of previous modifications with no changes:

Judge Linda Lee, Judge Bradley Maxa, Judge Theresa Doyle, Mr. Robert Whaley and Ms. Lucinda Whaley request a reporting modification that would exempt them from disclosing their personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Motion 14-092

- Glenn M. Phillips, Municipal Court Judge, City of Kent
- Julia L. Garratt, Judge, King County Superior Court

Moved by Commissioner Turner, 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.

Judge Glenn Phillips and Judge Julia Garratt request a reporting modification that would exempt them from disclosing their personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Motion 14-093

- Matthew W. Williams Judge, King County District Court

Moved by Commissioner Turner, 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.

Judge Matthew Williams requests a reporting modification that would exempt him from disclosing his personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Motion 14-094

Moved by Commissioner Turner, 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.

- Lorrell D'Oliveira-Noahr, Professional Staff, Washington State Legislature

Lorrell D'Oliveira-Noahr requests a reporting modification that would exempt her from disclosing her personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Moved by Commissioner Turner, seconded by Commissioner Asay that:

Motion 14-095

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.

- Dan Kristiansen, Representative, 39th Legislative District

Representative Dan Kristiansen requests a reporting modification that would exempt him from disclosing reportable business customers and his personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Moved by Commissioner Turner, seconded by Commissioner Asay that:

Motion 14-096

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.

- Mark Thompson, Commissioner, Thurston County Fire District 5

Commissioner Mark Thompson requests a reporting modification that would exempt him from disclosing his personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Moved by Commissioner Turner, seconded by

Motion 14-097

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.

- Rodney Reid, Commissioner, Port of Waterman

Commissioner Rodney Reid requests a reporting modification that would exempt him from disclosing his reportable business customers and real estate.

Motion 14-098

Moved by Commissioner Turner, 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.

- Orin C. Smith, Regent, University of Washington
- Claire S. Grace, Member, Higher Education Facilities Authority

Orin C. Smith and Claire S. Grace request a reporting modification that would exempt them from disclosing their personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Motion 14-099

Moved by Commissioner Turner, 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.

- Bruce Dammeier, Senator, 25th Legislative District
- Don Benton, Senator, 17th Legislative

Senator Bruce Dammeier, Senator Don Benton and Commissioner Norman Gutzwiler request a reporting modification that would exempt them

District

- Norman Gutzwiler, Commissioner, Chelan County Public Utility District

from disclosing reportable business customers from his personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Motion 14-100

Moved by Commissioner Turner, 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.

- Amit Ranade, Commissioner, Public Disclosure Commission
- Drew Hansen, Representative, 23rd Legislative District
- David B. Johnston, Director, Snohomish School District
- Kathleen M. O'Sullivan, Member, Commission on Judicial Conduct
- Benson D. Wong, Council Member, City of Mercer Island

Commissioner Amit Ranade, Representative Drew Hansen, David B. Johnston, Kathleen M. O'Sullivan, and Benson D. Wong request a reporting modification that would exempt them from disclosing their reportable business customers personal residential address information including street address, parcel number, or legal description, on their Personal Financial Affairs Statement for 2013.

Motion 14-101

Moved by Commissioner Turner, 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.

Enforcement

Enforcement and Report to Commission (45-day Citizen Action Complaint)

Supporters of I-522 (Organic Consumers Association; Organic Consumers Fund; Organic Consumers Fund Committee to

Phil Stutzman, Compliance Manager, presented T-14-053, a 45-day letter filed with the Attorney General's Office on October 25, 2013, by Rob Maguire, an attorney with Davis, Wright, Tremaine, PLLC, a Seattle Law firm, against several entities supporting I-522, a statewide initiative concerning the labeling of genetically modified foods and

Label GMOs in Washington State (OCF-WA State PAC); Volunteers for I-522; 522Parents.org; Dr. Bronner's Magic Soaps; and Ben & Jerry's Ice Cream) Tracking No. T14-053 involving alleged violations of RCW 42.17A.205 by failing to timely and accurately register as a political committee; RCW 42.17A.235 and .240 by failing to file reports of contributions and expenditures; RCW 42.17A.255 by failing to file, or timely file, Independent Expenditure reports; and RCW 42.17A.320 by failing to include the proper sponsor identification on political advertisements that supported I-522.

Motion 14-102

Legislative and Budget

Staff Report

beverages on the November 5, 2013, general ballot. The Respondents named in the complaint are: Food Democracy Now! (FDN); Organic Consumers Association (OCA); Organic Consumers Fund (OCF); Organic Consumers Fund Committee to Label GMO's in Washington State (OCF-WA State PAC); Volunteers for I-522; 522Parents.org; Dr. Bronner's Magic Soaps; and Ben & Jerry's Ice Cream. Mr. Stutzman provided background information on the alleged violations of RCW 42.17A and explained the staff recommendations regarding each Respondent.

Moved by Commissioner Turner, seconded by Commissioner Asay that:

The Commission accept the staff recommendations to dismiss the allegations against the eight Respondents listed in the Complaint and recommend that the Attorney General take no further action.

The motion passed.

Ms. Doyle provided an update on legislative issues that she anticipates will come back up this session which includes petition signature gathers and paid petition gather businesses, incidental political committees and electronic signatures. In reference to the budget, allotted reductions that apply to all state agencies regarding small agency Human Resources services have been made. DES will make some adjustments to their core HR services. Ms. Doyle is still awaiting the impact on the McCleary decision. The latest revenue update is slightly positive as we are still awaiting our budget instructions from the Governor's Office..

Ms. Doyle reported that from mid-April through mid-May, the front office responded to over a 1,000 customer contacts. Ms. Doyle noted Nancy Coverdell, Executive Assistant/Administrative Officer's extra efforts on personnel recruitments and the IT Consultant RFP. Ms. Doyle hopes to share positive news in the near future on the Deputy Director position. There was discussion at

the last meeting for the Commission to consider a request for a reporting modification in a partially closed hearing but that applicant withdrew. The Commission received a Petition for a Declaratory Order so the Commission will provide notice to the public.

Meeting was adjourned at 1:40 p.m.

Adjourn

Minutes approved on June 26, 2014.