



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
September 26, 2013

MINUTES – REGULAR MEETING

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

COMMISSION MEMBERS PRESENT

Amit Ranade, Chair
Grant Degginger, Vice Chair
Kathy Turner, Member

COMMISSION MEMBER ABSENT

Barry Sehlin, Member

STAFF PRESENT

Andrea McNamara Doyle, Executive Director
Nancy Krier, General Counsel
Linda Dalton, Sr. Assistant Attorney General (joined
Executive Session at 12:00 noon)
Lori Anderson, Communications & Training Officer
Phil Stutzman, Director of Compliance
Kurt Young, Compliance Officer
Jennifer Hansen, Filer Assistance Specialist
Nancy Coverdell, Executive Assistant

The regular meeting of the Public Disclosure Commission was called to order by
Commission Chair Amit Ranade at 9:35 a.m. in the Evergreen Plaza Building, Room
206, Olympia, Washington.

Opening Comments

Chair Ranade called the meeting to order.

Citizen Comments and Concerns

Chair Ranade noted individuals were present to
participate in the discussion of a specific agenda
item.

Commissioner Comments/Concerns

Chair Ranade commented he would be leaving at
the conclusion of the enforcement matters.

Commission Meeting Minutes

Moved by Commissioner Degginger, seconded by
Commissioner Turner that:

Motion 14-09

**The Commission adopt the minutes of August
22, 2013, and September 10, 2013 as written.**

The motion passed unanimously.

Rulemaking

Adjusting dollar amounts in RCW
42.17A:

Lori Anderson, Communications and Training
Officer, presented draft proposed language for
amendments to WAC 390-05-400. This change

Discussion and possible approval of draft proposed language to amend:

- WAC 390-05-400 Changes in Dollar Amounts

Motion 14-010

Discussion and possible approval of draft proposed language to amend:

- WAC 390-16-050 Forms for Contributions and Expenditures of Out-of-State Political Committees

Motion 14-011

Discussion and possible approval of draft proposed language to amend:

would align local candidate limits enacted at \$800 with the other limits previously adjusted up to \$900. As proposed, all local candidates would have the same limit of \$950. All other limits for parties and caucuses will be adjusted accordingly.

Once approved the proposed adjustment would then be filed with Code Reviser's Office and scheduled for a public hearing later this year, for adoption of final language.

Staff recommended approval of the draft proposed language amending WAC 390-05-400.

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission approve proposed dollar amount amendments to WAC 390-05-400 as submitted.

The motion passed unanimously.

Ms. Anderson presented draft proposed language to amend WAC 390-16-050. She stated the amount is currently set at \$2,615 and following the statutory formula for modifying that amount, the staff propose it be raised by \$30 to \$2,645.

Staff recommended approval of the draft proposed language amending WAC 390-16-050. Once approved, the proposed language will be filed with the Code Reviser's Office and scheduled for a public hearing later this year, for adoption of final language.

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission approve proposed dollar amount amendments to WAC 390-16-050 as submitted.

The motion passed unanimously.

Ms. Anderson noted that individuals were present to discuss the proposed draft changes to WAC 390-20-020, the L-2 form. Ms. Anderson stated there

- WAC 390-20-020 Forms for Lobbyist Report of Expenditures

were several news reports about lobbying expenditures being made during the legislative session. Mindful of those news reports and some apparent inconsistencies identified in reporting practices, she explained that the staff believe it is appropriate to try to bring more consistency to reporting. The current instructions discuss in detail how to disclose entertainment expenses, but the form itself is less clear. Staff is attempting to provide clarification by adding more instructions to the L-2 form and an example onto the form.

Kathy Gano and Steve Gano, Gano & Associates Incorporated, provided comments on the proposed draft rule changes regarding entertainment and expenses.

Carl Nelson, lobbyist for the Washington Medical Association, also provided comments on the proposed draft rule changes and entertainment expenses.

Michael O'Connell, Legal Counsel to the Legislative Ethics Board, provided comments regarding reporting meals and gifts under the State Ethics Law.

The Commission asked staff to work with LEB staff and stakeholders to look at the lobbyist reporting threshold on the L-2, particularly with respect to reporting entertainment, and the relationship to the threshold for acceptance of gifts in the State Ethics Law.

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

Motion 14-012

The Commission approve proposed amendments to WAC 390-20-020 as revised during the discussion.

The motion passed unanimously.

Discussion and possible approval of draft proposed language to amend:

- WAC 390-20-0101 Forms for Lobbyist Registration

Ms. Anderson presented draft proposed language to amend WAC 390-20-0101, the L-1 form. This change would correct a mistake made ten years ago when Section 10 was inadvertently left off of the form. This section would be added back in. A

new change under Section 8 would be added to clarify the reporting obligations for organizations with members or underlying funders who are paying for the lobbying effort.

Carl Nelson, lobbyist, for the Washington State Medical Association, provided comments on the proposed draft rule changes regarding payment of dues.

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

Motion 14-013

The Commission approve proposed amendments to WAC 390-20-0101 as submitted.

The motion passed unanimously.

Expenditure Codes:
Continued discussion - possible updates to:

- WAC 390-16-041 Forms - Summary of Total Contributions and Expenditures

Ms. Anderson provided an update to inform the Commission that staff has been working on suggested changes to WAC 390-16-041, the C-4 form, to remove language that should have been deleted following a court decision. She asked if the Commission wanted additional changes made to the expenditures codes that were originally adopted to streamline reporting. Staff has begun considering recommendations for possible changes but will need some additional time to come up with a proposed plan for Commission consideration at a future meeting.

Social Media - Continued from Retreat
FY 13 - Annual Report

Chair Ranade proposed tabling the social media agenda item to the next Commission meeting; and tabling the annual report agenda item as the report is still in draft form. Both agenda items will be deferred to a future meeting.

Draft 2013-15 Strategic Plan – Retreat Follow-Up

Andrea McNamara Doyle provided a draft of the proposed strategic plan for 2013-15. She asked for the Commission's input in confirming or modifying the new goals from the retreat. Ms. Doyle listed new action items for the Commission's review and invited feedback on removal of lower priorities or highlighting top priorities. She also asked the Commission to confirm or suggest changes to the proposed performance measures. Ms. Doyle discussed the goals and action items and provided staff retreat recommendations generally in a priority order. She also provided targets for performance

measures. The Commission discussed the draft and suggested several modifications which will be incorporated into a revised draft for consideration and possible adoption at the October meeting.

Supplemental Budget Request

Ms. Doyle provided a draft supplemental budget decision package for maintaining off-the-shelf commercial software maintenance and assurance agreements. She indicated that funding is available for this fiscal year, but in the second year of the biennium, there is not adequate funding. Ms. Doyle stated there is no reason a performance level budget request cannot be submitted to begin restoring some of the lost IT staff and infrastructure capacity if the Commission believes that it is important to submit both. Ms. Doyle also noted a memo from the Office of Financial Management which identified the Public Disclosure Commission as one of 35 agencies that are directed to take additional IT reductions in this fiscal year as well as next. The PDC's share of the statewide reduction is \$6,000 for the biennium. In its discussions considering submitting a supplemental budget for IT maintenance costs, the agency also now must factor in a reduction of an additional \$6,000 this biennium for IT operations, maintenance and procurement.

Commissioner Turner stated it would be better to make the request and have it denied than not make the request. She stated the PDC is different than other agencies and the agency is only (or usually) approached by the public via the Internet, and yet we keep getting further behind on technology.

Commissioner Degginger suggested sending a letter to the Governor's Office expressing the Commission's concerns and highlighting the difficulties the agency sees.

Chair Ranade stated he would work with Ms. Doyle to prepare the letter.

Nancy Krier, General Counsel, suggested the letter include statutes that require the Commission to maintain a website and to accept electronic filing. Ms. Krier indicated there was a lot of attention by the Legislature to mandate the agency's online presence and performance.

Reporting Modifications

New:

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

Jennifer Hansen, Filer Assistance Specialist, presented Lorrell D'Oliveira-Noahr's request for a new reporting modification.

Ms. D'Oliveira-Noahr is a newly appointed professional staff member of the Senate.

Ms. D'Oliveira-Noahr is requesting a reporting modification that would exempt her from disclosing the residential address information, including street address, parcel number, and legal description for two properties she owns.

Motion 14-014

Moved by Commissioner Turner, seconded by Commissioner Degginger 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 unanimously.

Julia Garratt, Judge, King County Superior Court

Ms. Hansen presented Julia Garratt's request for a new reporting modification.

Ms. Garratt is a newly appointed superior court judge in King County. Judge Garratt is requesting a reporting modification that would exempt her from reporting real estate, including street address, parcel number, or legal description, for two properties she owns. Judge Garratt is asking that this modification not only cover her current F-1 but also her previous F-1 when she served for 14 years on the Indeterminate Service Review Board. Her husband is a corrections officer.

Motion 14-015

Moved by Commissioner Turner, seconded by Commissioner Degginger 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 unanimously.

Ms. Hansen presented Bradley Maxa's request for a new reporting modification.

Bradley Maxa, Judge, Court of Appeals, Division II

Judge Maxa is a newly appointed judge with the Court of Appeals, Division II. Judge Maxa is requesting a reporting modification that would exempt him from disclosing his personal residential address information, including street address, parcel number, or legal description. He is also requesting a reporting modification that would exempt him from listing the business customers of that made payments of \$10,000 or more of the law firm Gordon Thomas Honeywell LLP during the previous 12 months.

Motion 14-016

Moved by Commissioner Degginger, seconded by Commissioner Turner 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 unanimously.

Renewal with Change:
Claire Grace, Member, Higher Education Facilities Authority

Ms. Hansen presented Claire Grace's request for a renewal of her reporting modification.

Ms. Grace is asking for a change in the office for which she is currently filing the financial affairs statement for. The modification she is requesting is otherwise the same as her prior request.

Motion 14-017

Moved by Commissioner Degginger, seconded by Commissioner Turner 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 unanimously.

Renewal with No Change:
Frank Radford, Commissioner, Finn

Ms. Hansen presented Frank Radford's request for a renewal of his previous reporting modification.

Motion 14-018

Enforcement

Review of Brief Enforcement Hearings held on August 1, 2013 at which the Presiding Officer found a number of 2013 candidates in violation of: (1) RCW 42.17A.205 by failing to file or timely file a Candidate Registration (C-1 report); and/or (2) RCW 42.17A.700 for failing to file or timely file a Personal Financial Affairs Statement (F-1 report), both due within two weeks of a candidate declaring their candidacy in 2013.

- *Vernon Garrison*, PDC Case No. 13-122.

Motion 14-019

Executive Session

Mr. Radford is seeking exemption from listing certain customers.

Moved by Commissioner Degginger, seconded by Commissioner Turner 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 unanimously.

Kurt Young, Compliance Officer, provided an overview of Vernon Garrison's request, PDC Case No. 13-122.

At the August 1, 2013, brief enforcement hearing the Chair found Mr. Garrison in violation of RCW 42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring his candidacy. A \$300 penalty was assessed. Mr. Garrison requested review.

Ms. Krier provided a summary of the appeal process. She explained that upon a request for review, the Commission considers the prior initial order, any additional information that's been received, and the explanation by the filer as well as by staff. The Commission then typically determines if it wants to uphold the initial order, amend the initial order, vacate it and initial a new order or vacate it and dismiss the case.

Moved by Commissioner Degginger, seconded by Chair Ranade that:

The Commission amend the initial order to reduce the penalty to \$100.

The motion passed.

The Commission entered into executive session at 12:05 p.m. to discuss pending and potential litigation with legal counsel.

The Commission returned to public session at 1:00 p.m.

Enforcement (continued)
Hearing

- *Robert Jesse Hill*, PDC Case No. 13-126 involving alleged violations of: RCW 42.17A.205 by failing to file a Candidate Registration (C-1 report); and RCW 42.17A.700 by failing to file a Personal Financial Affairs Statement (PDC form F-1), both due within two weeks of declaring his 2013 candidacy for City Council Member for the City of Tacoma, or not later than May 31, 2013.

Motion 14-020

Review of Brief Enforcement Hearing Orders (Continued)

- *Carl Mollnow*, PDC Case No. 13-138.

Motion 14-021

Mr. Young provided the facts and allegations in Robert Jesse Hill's, enforcement case, PDC Case No. 13-126.

Mr. Hill was assessed a penalty at a brief enforcement hearing (PDC Case No. 12-044, and PDC Case No. 08-012). In PDC Case No. 12-044, Mr. Hill failed to pay the \$300 penalty and the matter was sent to collections on March 8, 2013. Based on WAC 390-37-165, since the \$300 outstanding penalty had not been paid by Mr. Hill prior to July 17, 2013, the case could not be heard at a Brief Enforcement hearing and instead was required to be heard before the Full Commission

Mr. Hill was not present at the hearing.

Staff recommended the assessed penalty be in the range of \$500 to \$750.

Moved by Commissioner Degginger, seconded by Commissioner Turner:

The Commission find Mr. Hill in violation of RCW 42.17A.205 and RCW 42.17A.700 and assess a penalty of \$500.

The motion passed unanimously.

Mr. Young provided an overview of Carl Mollnow's request, PDC Case No. 13-138.

At the August 1, 2013 brief enforcement hearing the Chair found Mr. Mollnow in violation of RCW 42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring his candidacy. A \$300 penalty was assessed. Mr. Mollnow requested review.

Mr. Mollnow was present and explained his reasons for his request. He stated he believed he filed the C-1 and F-1 in January. He also indicated he did not receive a hearing notice.

Moved by Commissioner Degginger, seconded by Chair Ranade that:

The Commission amend the initial order and reduce the penalty from \$300 to \$150, with

payment to be paid in 30 days.

The motion passed unanimously.

- *Krischana Roberson*, PDC Case No. 13-314.

Mr. Young provided an overview of Krischana Roberson's request, PDC Case No. 13-138.

At the August 1, 2013 brief enforcement hearing the Chair found Ms. Roberson in violation of RCW 42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring his candidacy. A \$150 penalty was assessed. Ms. Robertson requested review.

Ms. Roberson participated by telephone.

Moved by Commissioner Degginger, seconded by Chair Ranade that:

Motion 14-022

The Commission amend the initial order and reduce the penalty from \$150 to \$75 to be paid within 30 days.

The motion passed unanimously.

- *Scott Horton*, PDC Case No. 13-138.

Mr. Young provided an overview of Mr. Horton's request, PDC Case No. 13-138.

At the August 1, 2013 brief enforcement hearing the Chair found Mr. Horton in violation of RCW 42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring his candidacy. A \$400 penalty was assessed. Mr. Horton requested review.

Mr. Horton participated by telephone.

Moved by Commissioner Degginger, seconded by Chair Ranade:

Motion 14-023

The Commission uphold the initial order.

The motion passed unanimously.

Bonnie Decius, PDC Case No. 13-244

Mr. Young reviewed Bonnie Decius' request, PDC Case No. 13-244.

At the August 1, 2013, brief enforcement hearing the Chair found Ms. Decius in violation of RCW

42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring her candidacy. A \$100 penalty was assessed.

Ms. Decius participated by telephone.

Motion 14-024

Moved by Commissioner Degginger, seconded by Chair Ranade:

The Commission amend the initial order and reduce the penalty to \$50.

The motion passed unanimously.

- *Taylor Taranto*, PDC Case No. 13-151.

Mr. Young reviewed Taylor Taranto's request, PDC Case No. 13-151.

At the August 1, 2013 brief enforcement hearing the Chair found Mr. Taranto in violation of RCW 42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring his candidacy. A \$200 penalty was assessed. Mr. Taranto requested review.

Mr. Taranto participated by telephone.

Moved by Commissioner Turner, seconded by Chair Ranade that:

The Commission uphold the initial order.

The motion passed unanimously.

Motion 14-025

Mr. Young reviewed Melony Pederson's request, PDC Case No. 13-297.

- *Melony Pederson*, PDC Case No. 13-297

At the August 1, 2013 brief enforcement hearing the Chair found Ms. Pederson in violation of RCW 42.17A.205 and RCW 42.17A.700 for failing to file a C-1 and F-1 report due within two weeks of declaring her candidacy. A \$100 penalty was assessed. Mr. Pederson requested review

Ms. Pederson participated by telephone.

Moved by Commission Degginger, seconded by Chair Ranade:

Motion 14-026

The Commission uphold the initial order.

The motion passed unanimously.

**Internet Lobbying
Staff Reports**

Chair Ranade continued the remaining reviews of brief enforcement orders and deferred Internet lobbying discussion, and staff reports, until the next Commission meeting.

Adjournment

Chair Ranade adjourned the meeting at 2:10 p.m.

Meeting minutes approved by the
Commission on: October 24, 2013