

State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908

(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

MINUTES – Regular Meeting

9:30 a.m. | December 06, 2018

Evergreen Plaza Building

Room 206, 711 Capitol Way

Olympia, Washington

Commission Members Present

Anne Levinson, Chair; David Ammons, Vice-Chair; Bill Downing, member.

Staff Present

Peter Lavalley, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; Kurt Young, Compliance Officer; Phil Stutzman, Compliance Officer; Fox Blackhorn-Delph, Compliance Coordinator; Tabatha Blacksmith, Compliance Coordinator; John Meader, Assistant Attorney General; Chad Standifer, Assistant Attorney General.

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

Public Comments | [PDC Meeting Video](#)

No comment was given.

Meeting Minutes | [PDC Meeting Video](#)

The Commission considered approval of the October 25, 2018, regular meeting and November 29, 2018, special meeting minutes.

MOTION 18-085 Moved by Commissioner Ammons, seconded by Commissioner Downing that:

The Commission approve the October 25, 2018, regular meeting minutes as presented.

The motion passed 3-0.

MOTION 18-086 Moved by Commissioner Downing, seconded by Commissioner Ammons that:

The Commission approve the November 29, 2018, special meeting minutes as presented.

The motion passed 3-0.

2019 PDC Regular Meeting Dates | [PDC Meeting Video](#)

The Commission reviewed the proposed regular meeting dates schedule for 2019 and agreed to continue meeting on the fourth Thursday of each month in 2019 with the November/December meeting to be combined:

Thursday, January 24
Thursday, February 28
Thursday, March 28
Thursday, April 25
Thursday, May 23
Thursday, June 27
Thursday, July 25
Thursday, August 22
Thursday, September 26
Thursday, October 24
Thursday, December 5 (Nov/Dec mtg)

The 2019 meeting dates will be filed with Code Reviser by December 31, 2018.

Recurring Calendar Review | [PDC Meeting Video](#)

The Commission reviewed an updated agency recurring calendar for 2019, a tool that is used to keep the Commission and staff aware of upcoming recurring items that happen throughout the year. The calendar identifies and assists with the continuation of processes throughout each year. Additional focus was added to the calendar regarding items related to the transparency fund and IT projects.

Legislative Update | [PDC Meeting Video](#)

Executive Director Lavallee and General Counsel Flynn reported on the broad outreach efforts to legislators and legislative staff and on the additional stakeholder comments received on the Z-0120.5 version of the agency-request legislation. The Commission discussed final changes to the bill draft to be filed in early December for provisions regarding legislative intent, the involvement of Commissioners in out-of-state advocacy and their terms, and housing books of account on the agency website in the future.

Next Steps/Follow-up: PDC staff will incorporate changes to the agency-request legislation and prepare for submission in early December.

Interpretations | [PDC Meeting Video](#)

Sean Flynn, General Counsel, presented a summary of the staff's proposed amendments to PDC Interpretations [00-02](#) and [12-01](#) for discussion and consideration. These were the two Interpretations in the agency's Interpretations agenda for the second half of 2018.

The Commission gave direction to staff regarding recommendations, requested additional amendments and stakeholder outreach. Commissioner Levinson asked the staff to look at 14-01 as well, since it involves a similar subject as 12-01.

Next Steps/Follow-up: Staff will make the suggested changes, do stakeholder outreach, and also review interpretation [14-01](#) Campaign Loans, for any changes that may be necessary due to any changes in interpretation [12-01](#).

Staff will incorporate the noted changes and stakeholder input and bring the Interpretations

back to the Commission for consideration and possible approval in January.

Group Enforcement Hearings | [PDC Meeting Video](#)
Requests for Reconsideration

Tabatha Blacksmith, Compliance Coordinator, presented [PDC Case No. 38813](#), Logan Livingston, a request for reconsideration of a violation and \$1,000 penalty assessed on September 24, 2018, for failing to timely file a Personal Financial Affairs Statement (F-1 report) due no later than April 16, 2018, disclosing financial activities for calendar year 2017.

Logan Livingston participated in-person at the hearing.

Staff recommended reconsideration of the matter and a reduction in the initial penalty amount to \$500, payable within 30 days of the Final Order.

MOTION 18-085 Moved by Commissioner Ammons, seconded by Commissioner Downing that:

The Commission grant the request for reconsideration of the violation and assessed penalty in PDC Case No. 38813, Logan Livingston; and amend the Initial Order to a penalty of \$1,000 with \$900 suspended.

The suspended portion is contingent on Ms. Livingston paying the unsuspended portion of \$100 within 30 days of the Final Order, having no further violations of Chapter [RCW 42.17A](#) or [WAC 390](#) within four years, and having all PDC filings filed and current.

The motion passed 3-0.

Fox Blackhorn-Delph, Compliance Coordinator, presented a request for reconsideration, [PDC Case No. 39031](#), Ashley Stubbs, a former Professional Staff for the Washington State House of Representatives.

At the September 24, 2018, hearing, Ms. Stubbs was found in violation of [RCW 42.17A.700](#) for failing to timely file a Personal Financial Affairs Statement (F-1 report) due no later than April 16, 2018, disclosing financial activities for calendar year 2017 and was assessed a \$250 penalty.

Ashley Stubbs participated in the hearing via telephone.

PDC staff recommended that the Commission suspend \$100 of the original \$250 assessed conditioned upon Ms. Stubbs paying the \$150 non-suspended portion of the penalty within 30 days of the Final Order, and commit no further violations of Chapter [RCW 42.17A](#) or [WAC 390](#) for a period of four years from the date of the Final Order.

MOTION 18-086 Moved by Commissioner Downing, seconded by Commissioner Ammons that:

The Commission grant the request for reconsideration of the violation and assessed penalty in PDC Case No. 39031, Ashley Stubbs; and amend the Initial

Order to suspend \$150 of the \$250 penalty assessed. The suspended portion is contingent on Ms. Stubbs paying the unsuspended portion of \$100 within 30 days, committing no further violations of Chapter RCW 42.17A or WAC 390 for a period of four years from the date of the Final Order, and having all PDC filings filed and current.

Commissioner Levinson indicated she would be inclined to vote against the motion, in favor of a motion to eliminate the penalty. Commissioner Downing indicated his concurrence with that approach and withdrew his motion.

MOTION 18-087 Moved by Commissioner Downing, seconded by Commissioner Ammons that:

The Commission grant the request for reconsideration of the violation and assessed penalty in PDC Case No. 39031, Ashely Stubbs; and amend the Initial Order to affirm the finding of the violation, but vacate the \$250 penalty assessed.

The motion passed 3-0

Commissioner Levinson mentioned agency orders as of June were to no longer be using the “cease and desist” language that the agency was able to get changed in statute last session. The makers of the motions agreed to friendly amendments that both orders should also be corrected in that regard.

Executive Session

The Commission went in to Executive Session at 12:10 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. Any action regarding pending litigation, or other matters properly discussed during executive session, would be taken following the Executive Session.

The Commission meeting returned to open session at 1:10 p.m.

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

New Staff

Executive Director Lavallee reported on the new IT project positions that were created with the recent funding appropriated to the PDC by the Legislature. New staff have been hired and will be introduced at the next meeting. This will help the agency move forward with the large number of I.T. projects in the queue to help update applications and systems for the regulated community.

Lease/Facility

Renovation work continues in the new additional lease space. This space will house the IT team members, allowing for the existing space to accommodate the several added staff.

Case Management

The PDC is below 400 open cases currently. PDC staff continues to work diligently to stay ahead of the new cases that are coming in daily.

Training

PDC staff received active shooter training from Sergeant Wright of the Washington State Patrol.

Budget

Expenditures continue to show the agency underspent in most areas. The Attorney General expenditures remain overspent. PDC will continue discussions with the Legislature to assist in determining what the long-term solution will be to that ongoing issue.

Commissioner Ammons requested a narrative of the expenditures provided each month at the Commission meetings.

Next Steps/Follow-up: Executive Director Lavalley will incorporate a monthly budget narrative into his Executive Director report.

Communications and Outreach

Communications and Outreach Director, Kim Bradford, reported on the work staff is doing in relation to the recently certified election results. Staff will be working with IT to incorporate the results into the PDC website.

Staff will be working with lobbyists as they begin to register for the new biennium. A first reminder has been sent to the lobbyists and those who file on behalf of a lobbyist.

Outreach pieces will be sent out regarding session freeze. It takes effect December 15, 2018.

Staff is beginning to prepare for the annual F-1 and annual elected officials process starting this month and leading into January.

Chip Beatty, Filer Assistance Specialist, is headed to Seattle to teach a Saturday campaign finance training session. This will be the first of two sessions offered this year in partnership with Seattle Ethics and Elections Commission. Director Bradford continues to work with the new Spokane campaign finance office to arrange a training in the spring of 2019.

The PDC website has been updated with the action that the Commission took on rules for ESHB 2938 and SSB 5991. PDC staff will continue to work on a plan to roll-out guidance on these rules by January 1, 2019, when the rules take effect.

Executive Director Lavalley noted that Chip Beatty also staffed an information table at the 2018 Fire Commissioners conference. Mr. Lavalley was also a presenter at the conference. He noted that some of the Fire Commissioners expressed that they should not be subject to the F-1 requirements.

IT Activity Report

Chief Information Officer Gutholm reported on the status of the project scorecard, a report that shows the status of IT-related projects. Mr. Gutholm reviewed the outcomes of the Core Data project phase 1. This project is now complete.

Mr. Gutholm reported on meeting with the Seattle Ethics and Election Committee (SEEC), collaborating with them on a campaign registration project. SEEC has committed to participate on the project team.

Process Improvement Spotlight

Kurt Young, Compliance Officer, and Fox Blackhorn-Delph, Compliance Coordinator, presented an overview of the initial PDC compliance training new staff now receive when coming onboard to the PDC. This initial training was designed to give the new staff members a basis for general guidance on the compliance processes.

Annual Report | [PDC Meeting Video](#)

Director Bradford presented the 2018 annual report draft that incorporated the Commission's requested changes. Further review of the campaign finance section, pages 4 and 5, of the annual report will be done after campaigns submit updated reports Dec. 10. Once approved by the Commission, the final report will be submitted to OFM and Governor's office. The Commission asked that stakeholders, press corps, and editorial pages be included in distribution.

Next Steps/Follow-up: Director Bradford will also send the final report to the Commission once complete.

Case Tracking System Demonstration | [PDC Meeting Video](#)

Chief Information Officer Gutholm demonstrated the new search functionality on the PDC enforcement section of the website, as well as the advanced search and the filtering and exporting tools that have been added to assist the public.

Enforcement and Compliance Update | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided an update on the status of complaints and enforcement cases from October 23rd through November 28th, 2018.

Compliance Case Summary:

Total number of open/active cases as of November 28, 2018: 389 cases

Total number of cases closed during the period: 114 cases plus an additional 35 cases closed related to Group Enforcement for a total of 149 cases

Case categorization summary for the current period:

New complaints received, and cases opened during the period: 69 new complaints filed with the PDC during the period covered by this report.

Cases Referred to Attorney General's Office (AGO) = 1

Cases closed – request for technical correction(s) (RCW 42.17A.005(51) & WAC 390-37-060(1)(b)) = 3

Case Status Reviews (Initial Hearings) held = 8

Cases closed – no violation occurred – [\(WAC 390-37-060\(1\)\(a\)\)](#) = 37

Resolved through issuance of Reminder Letter - Minor Violation occurred [\(WAC 390-37-060\(1\)\(c\)\)](#) = 25

Resolved through issuance of Warning Letter - Minor Violation occurred, with mitigating circumstances [\(WAC 390-37-060\(1\)\(c\)\)](#) = 36

Resolved through Statement of Understanding – Violation found, fine and conditions imposed [\(WAC 390-37-143\)](#) = 4

Cases closed – no jurisdiction = 7

Meeting adjourned January 24, 2019.