

**State of Washington**  
**PUBLIC DISCLOSURE COMMISSION**  
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**MINUTES – Regular Meeting**

9:30 a.m. | January 28, 2021  
711 Capitol Way S. #206  
Olympia, Washington

**Commission Members Present (Participated via Microsoft Teams Online)**

Fred Jarrett, Chair; Nancy Isserlis, Vice Chair; Russell Lehman, Member.

**Commission Member Absent**

Bill Downing, Member

**Staff Present (Participated via Microsoft Teams Online)**

Peter Frey Lavalley, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Kurt Young, Compliance Officer; Tabatha Blacksmith, Compliance Coordinator; Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES); John Meader, Assistant Attorney General representing the Commission; and Chad Standifer, Assistant Attorney General representing PDC staff.

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

**[PDC Meeting Video](#)**

COVID 19 update: The January 28, 2021, Public Disclosure Commission Meeting was streamed live at <https://www.youtube.com/user/WASTPDC/live>.

The January commission meeting was held remotely pursuant to the Governor’s Emergency Proclamation [20-28](#) regarding Covid-19, waiving in-person meeting and access requirements.

**Public Comment | [PDC Meeting Video](#)**

As was noticed and announced, a conference call line was provided for public comment during this time.

No person(s) provided public comment at the January 28, 2021, Regular Meeting.

**Chair Opening Comments | [PDC Meeting Video](#)**

The January 28, 2021, regular meeting marked the first for Commissioner Jarrett to serve as Chair for the Public Disclosure Commission. Chair Jarrett thanked both CIO Gutholm and Administrative Officer Greer for their ability to make PDC livestreams a success for public viewing.

Chair Jarrett noted that Commissioner Downing would not be present for the January 28, 2021, meeting; and that the Commission was currently awaiting the announcement of a gubernatorial appointment for a new PDC Commissioner.

**Consideration and Possible Approval of Meeting Minutes | [PDC Meeting Video](#)**

Meeting minutes were presented to the Commission for consideration and possible approval:

- December 3, 2020 Regular Meeting

**MOTION 21-01** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission approve the meeting minutes for the December 3, 2020 regular meeting as presented.**

The motion passed 3 - 0.

**Legislative Update | [PDC Meeting Video](#)**

Deputy Director Barbara Sandahl presented current legislation that may have possible impact to the agency.

- [HB 1264](#) – Establishing an equity impact statement for legislative proposals.
- [SB 5109](#) – Limiting the attorney general’s ability to seek excessive sanctions under the fair campaign practices act against individuals who participate in elections.
- [SB 5170](#) – Concerning employment after public service in state government.
- [SB 5323](#) – Freezing wage and salaries and providing for furlough days during the 2021 – 2023 fiscal biennium.
- [SJM 8002](#) – Requesting an amendment to the United States Constitution on campaign finance reform.

General Counsel Flynn provided context to the Commission regarding [SJM 8002](#).

**Rulemaking re Implementation of SSB 6152 | [PDC Meeting Video](#)**

General Counsel Sean Flynn provided background on the process of rulemaking for [SSB 6152](#) concerning certification of the level of foreign national ownership for corporations that participate in Washington state elections. General Counsel Flynn remarked on the considerable number of comments the PDC received and provided the Commission an overview of the changes made as a result. Staff recommended that the Commission consider seeking more stakeholder and public comment due to the interest and substantial input already received. The emergency rule is due to expire February 11, 2021.

**MOTION 21-02** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission extend the emergency rules for SSB 6152 for up to 120 days for continued work on permanent rules with the understanding of holding a special meeting if needed based on advice from counsel.**

The motion passed 3 - 0.

**Rulemaking Public Hearing re F-1 Requirements and Modification Process (Ch 390-24 & 28 WAC) | [PDC Meeting Video](#)**

General Counsel Flynn gave a brief overview to the Commission of the written comments received regarding Ch [390-24](#) & [390-28](#) WAC. No changes were made since the proposal was made and published for comment.

Staff recommended that the Commission adopt as permanent rules as presented.

A public hearing period was noticed and announced, a conference call line was provided for public comment during this time.

No person(s) provided public comment at the January 28, 2021, hearing for the proposed rules.

**MOTION 21-03** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission adopt the proposed rules for Ch 390-24 and Ch 390-28 WAC as submitted.**

The motion passed 3 - 0.

General Counsel Flynn noted that there was a 30-day wait period for the final rules to take effect and so an extension of the emergency rules was recommended.

**MOTION 21-04** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission extend the emergency rules for Ch 390-24 and Ch 390-28 WAC to allow for time to reach the new rule implementation date.**

The motion passed 3 - 0. (Note: There were no emergency rules in effect at the time, so no extension was necessary).

#### **Surplus Funds Interpretation - Update** | [PDC Meeting Video](#)

General Counsel Sean Flynn provided an update to the Commission of the interpretation regarding surplus funds. Staff continues to work to establish guidance for when and how candidates may designate campaign funds as surplus funds, and how they may be disposed.

General Counsel Fynn introduced a new extern to the PDC, Romulo Valdez, a third-year law student at Seattle University who joined the agency for this semester for law school credit. Staff and the Commission welcomed Valdez.

Next Steps/Follow Up: Staff will continue to work on the interpretation of surplus funds and possibly bring a draft to the February 2021 Commission meeting for possible action and stakeholder input.

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

[Peter Lavallee](#), Executive Director, provided updates to the Commission.

- Congratulations to the new Chair & Vice Chair.
- Remote Work Operations Update.
- Strategic Plan Preview.
- Audit Program Update.

[BG Sandahl](#), Deputy Director, provided updates to the Commission.

- Enforcement Team Update.

- Group Enforcement Status.
- Case Status Update.
- Strategic plan compliance mapping initiative update.
- Compliance Team Kudos.

[James Gutholm](#), Chief Information Officer, provided an update on the PDC IT activity report.

- IT Status & Roadmap Update.
- F-1 System Updates.
- ORCA Software Updates.

[Kim Bradford](#), Communications and Outreach Director, provided Customer Service and Filer Assistance updates to the Commission.

- Training Program Expansion Update.
- Annual Officials Lists.
- Website Usability Update.
- Annual Public Records Requests Update.

#### **Budget Update** | [PDC Meeting Video](#)

Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), and Executive Director Lavalée presented budget updates to the Commission, informing them of no significant changes other than an increased projection for Attorney General expenditures due to expected increase in the coming months. Johnson noted the start of the legislative session and a few statewide fiscal notes received however not specific to the agency.

Executive Director Lavalée added that despite the projected increase in AG billings due to referrals and cases, the agency's budget remains in a good position.

#### **IT Portfolio Update** | [PDC Meeting Video](#)

Chief Information Officer James Gutholm provided an overview of the current IT portfolio which included past completed projects such as telephony communications, and website accessibility and usability studies. CIO Gutholm presented the current IT priorities which include campaign finance (ORCA) system replacement, website re-design and upgrades, independent expenditure reporting upgrades, modernization and standardization of the initiative/referenda committee reporting, a commercial advertiser disclosure system among other upgrades for other PDC-related reporting systems.

CIO Gutholm added that a PDF version of the portfolio is available for viewing through the PDC website's January 28, 2021, regular commission meeting agenda.

#### **Strategic Plan Discussion** | [PDC Meeting Video](#)

The PDC strategic plan (update/discussion) will be included as a recurring item on each monthly agenda going forward to provide an update to the public and maintain a sense of urgency moving forward. Commissioners will select segments of the existing plan to sponsor.

#### **Strategic Plan Discussion – Digital Ads Project** | [PDC Meeting Video](#)

Commissioner Lehman and Kim Bradford, Communications and Outreach Director, discussed the increase in digital advertising over the recent years and the new digital ad disclosure model the

agency is testing that would make ad information more accessible to the public. Director Bradford provided an overview of how the model would work in concept using unique identifiers assigned to ad buys, which would allow for matching expenditure data with ad set data. The disclosure model being tested is not a state-hosted political ad archive.

**Agency Spotlight** | [PDC Meeting Video](#)

Communications and Outreach Director Kim Bradford presented the Commission with an update with regard to the State Elected Officials List; a resource in which is made available to Lobbyist Employers annually for reporting purposes by the PDC. The process in past years has been labor intensive. This year, due to the new financial affairs dataset, David Metzler, PDC's IT senior specialist, was able to extract the data to provide to the Communications and Outreach team to finalize. The new process will save the agency a significant amount of labor time and enable them to provide the information to lobbyist employers and the public more quickly.

**Enforcement Updates** | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided the enforcement update report for the period November 24, 2021, to January 20, 2021:

As of January 20, 2021, 32 Active Cases Open:

- 84 Group Enforcement Cases
- 17 Under Investigation with Initial Hearings
- 13 Cases Under Assessment
- 2 Scheduled for Full Commission Hearing

**Currently 24 Active Cases Open**

36 Cases Closed during the Period:

- 10 Cases found with No Evidence of Violations
- 13 Cases Closed with Reminder
- 7 Cases Closed with Formal Written Warning
- 1 Case Resolved as Technical Correction
- 18 Group Enforcement Closed Administratively
- 1 Cases Closed as Unfounded
- 3 Cases Resolved through Statement of Understanding
- 29 Group Enforcement Cases Resolved through Statement of Understanding
- 1 Case Violation Found by the Commission

**Executive Session**

The Commission went into Executive Session at 12:01 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, and personnel matters.

Returned to public meeting at 1:02 p.m.

**Reconsiderations** | [PDC Meeting Video](#)

Tabatha Blacksmith, Compliance Coordinator, presented the request for reconsideration of [PDC case 76878, Dana Kinsey](#).

Dana Kinsey participated via Microsoft Teams by phone.

During a Brief Enforcement Hearing held on October 21, 2020, Dana Kinsey, 76878, a candidate for County Charter Review Commissioner of San Juan County, was found to have violated [RCW 42.17A.205](#) and [.700](#) by failing to file a Candidate Registration and Personal Financial Affairs Statement within two weeks of declaring their candidacy or no later than June 1, 2020. At the October 21, 2020, Brief Enforcement Hearing, an order imposing a \$500 penalty was entered, which Dana Kinsey now requests the Commission reconsider.

**MOTION 21-05** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission moved to hear the reconsideration.**

passed 3 - 0.

**MOTION 21-06** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission deny the request for reconsideration of the Order issued in PDC Case 76878, Dana Kinsey.**

passed 3 - 0.

Tabatha Blacksmith, Compliance Coordinator, presented the request for reconsideration of [PDC case 76881, Michelle Jasmer](#).

Michelle Jasmer participated via Microsoft Teams by phone.

During a Brief Enforcement Hearing held on October 21, 2020, Michelle Jasmer, 76881, a candidate seeking election to the office of Lieutenant Governor, was found to have violated [RCW 42.17A.205](#) and [.700](#) for failing to file a Candidate Registration and Personal Financial Affairs Statement within two weeks of declaring their candidacy or no later than June 1, 2020. At the October 21, 2020, Brief Enforcement Hearing, an order imposing a \$500 penalty was entered, which Michelle Jasmer now requests the Commission reconsider.

Commission went into deliberations at 1:32 p.m. and returned to the hearing at 1:42 p.m.

**MOTION 21-07** Moved by Commissioner Lehman and seconded by Commissioner Isserlis that:

**The Commission moved to hear the reconsideration.**

The motion passed 3 - 0.

**MOTION 21-08** Moved by Commissioner Lehman and seconded by Commissioner Isserlis that:

**The Commission deny the request for reconsideration of the Order issued in PDC Case 76881, Michelle Jasmer.**

The motion passed 3 - 0.

Meeting adjourned at 1:47 p.m.

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Next Steps/Follow-up Items:

- Staff will continue to work on the interpretation of surplus funds and possibly bring a draft to the February 2021 Commission meeting for possible action and stakeholder input.
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Approved February 25, 2021.