

State of Washington
PUBLIC DISCLOSURE COMMISSION
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MINUTES – Regular Meeting

9:30 a.m. | September 22, 2022

711 Capitol Way S. #206

Olympia, Washington

Commission Members Present

Fred Jarrett, Chair; Nancy Isserlis, Vice Chair; Bill Downing, Member; Allen Hayward, Member; Jocelyn Cooney, Member.

Staff Present

Peter Frey Lavalley, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; Chad Standifer, Assistant Attorney General representing PDC staff.

Staff Present (Participated via Microsoft Teams)

James Gutholm, Chief Information Officer; Kendra Hodgson, Communications and Outreach Director; Tabatha Blacksmith, Compliance Coordinator; Tabitha Townsend, Compliance Coordinator; Jordan Campbell, Compliance Coordinator; Kurt Young, Compliance Officer; John Meader, Assistant Attorney General representing the Commission.

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

[PDC Meeting Video](#)

COVID-19 update: The September 22, 2022, Public Disclosure Commission Meeting was streamed live via TVW at [WAPDC.9.22.22](#)

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

Chair Jarrett welcomed all attendees and viewers to the September 22, 2022, Regular Commission meeting.

Public Comment | [PDC Meeting Video](#)

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

The following person(s) provided public comment:

- [Conner Edwards](#), Campaign Treasurer, commented on the declaratory order petition.
- [Theo Leonard](#) had requested to make public comment but did not participate.

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

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

- August 25, 2022, Regular Meeting

MOTION 21-0206

Moved by Commissioner Downing and seconded by Commissioner Cooney that the Commission approve the meeting minutes for the August 25, 2022, regular meeting.

The motion [passed](#) 5 – 0.

Budget Update | [PDC Meeting Video](#)

Executive Director Peter Frey Lavalley provided the budget update to the Commission.

Declaratory Order Petition | [PDC Meeting Video](#)

General Counsel, Sean Flynn, discussed process for the declaratory order [petition](#) filed by Conner Edwards.

PDC Staff recommended that the Commission hold the petition for further discussion and possible action until the October 27, 2022, regular commission meeting. This would allow staff more time to evaluate the petition and consolidate the presentation along with the other filings by Edwards on same topic; including a petition for a rule amendment and a petition to convert agency interpretations to rule.

The Commission agreed to bring the matter back to the October 27, 2022, regular commission meeting for discussion and possible action.

Legislative Update | [PDC Meeting Video](#)

General Counsel, Sean Flynn, presented the PDC initial [draft agency-request legislation](#) for the Commission's consideration and possible approval to publish as draft legislation to be shared with the public, stakeholders and the Governor's office, soliciting feedback.

General Counsel Flynn highlighted some of the proposals and technical changes, such as the shifting of expenditure reporting, commercial advertising reporting, last minute contribution reporting, grassroots lobbying, and the non-appropriation of the transparency fund.

The Commission approved the initial draft to be published.

Enforcement Hearings | [PDC Meeting Video](#)

10:40 a.m. The Commission conducted a hearing for alleged violations of [RCW 42.17A.700](#) for failure to file Personal Financial Affairs Statements (F-1 reports) disclosing financial information. Compliance Coordinators Tabatha Blacksmith, Tabitha Townsend, and Jordan Campbell presented cases to the Commission for consideration and possible action.

- PDC Case [109821](#) - [Natalie Marx](#), former County Treasurer for Douglas County. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

[Natalie Marx](#) participated via Microsoft Teams.

MOTION 21-0207

Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission find the respondent in violation of [RCW 42.17A](#) and impose a civil penalty of \$500, with \$400 suspended contingent on all outstanding reports being filed and outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion [passed](#) 5 – 0.

- PDC Case [110540](#) - [Nathaniel McMillion](#), former Regent/Trustee for Central Washington University. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

[Nathaniel McMillion](#) participated via phone on Microsoft Teams.

MOTION 21-0208 Moved by Commissioner Downing and seconded by Commissioner Cooney that the Commission find the respondent in violation of [RCW 42.17A](#) and impose a civil penalty of \$500, with \$400 suspended contingent on all outstanding reports being filed and outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion [passed](#) 5 – 0.

- PDC Case [109820](#) - [Pamela A. Martin](#), Water & Sewer Commissioner for Coal Creek Utility District. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0209 Moved by Commissioner Cooney and seconded by Commissioner Isserlis that the Commission find the respondent in violation of [RCW 42.17A](#) and impose a civil penalty of \$1,000, with \$500 suspended contingent on all outstanding reports being filed within 30 days, and no further violations for 4 years.

The motion [passed](#) 5 – 0.

- PDC Case [109824](#) - [Mike Slobojan](#), Park & Recreation Commissioner for East County Park & Recreation District. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0210 Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission find the respondent in violation of [RCW 42.17A](#) and impose a civil penalty of \$1,000, with \$500 suspended contingent on all outstanding reports being filed and outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion [passed](#) 5 – 0.

- PDC Case [110526](#) - [John R. Martin](#), former Hospital Commissioner for Grant County Hospital District 4. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0211 Moved by Commissioner Downing and seconded by Commissioner Cooney that the Commission find the respondent in violation of [RCW 42.17A](#) and

impose a civil penalty of \$2,000, with \$1,000 suspended contingent on all outstanding reports filed and outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion [passed](#) 5 – 0.

- PDC Case [110550](#) - [Ray Wardenaar](#), former Fire Commissioner for Grant Fire Protection District 10. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0212 Moved by Commissioner Downing and seconded by Commissioner Cooney that the Commission find the respondent in violation of [RCW 42.17A](#) and impose a civil penalty of \$1,000, with \$500 suspended contingent on all outstanding reports being filed and outstanding penalties paid within 30 days, and no further violations for 4 years.

The motion [passed](#) 5 – 0.

Enforcement (Reconsideration) | [PDC Meeting Video](#)

11:11 a.m. The Commission conducted a remote hearing concerning a request for reconsideration. Tabitha Townsend, Compliance Coordinator, presented the request to the Commission for consideration and possible approval.

- PDC Case [64863](#) - PayQwick, a lobbyist employer. At a February 28, 2020, Brief Enforcement Hearing, PayQwick was found in violation of RCW 42.17A.630 for failure to file an annual L-3 report disclosing lobbying activities for 2018 that was due no later than February 28, 2019, and assessed a \$250 civil penalty, which PayQwick now requests the Commission reconsider.

[Kevin Greenberg and Daniella Madrid](#) of PayQwick participated via Microsoft Teams.

MOTION 21-0213 Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission grant the request and reconsider the Final Order and penalty assessed in PDC Case 64863.

The motion [passed](#) 5 – 0.

MOTION 21-0214 Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission vacate the Final Order in PDC Case 64863, contingent on PayQwick filing outstanding reports within 30 days.

The motion [passed](#) 5 – 0.

Enforcement Updates | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, presented the enforcement update report as of September 15, 2022.

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

- [Executive Director Update](#).
- [Deputy Director Update](#).

- [Customer Service and Filer Assistance Update.](#)
- [IT Activity Report.](#)

Findings and Recommendations from Study Analyzing Disclosures by Online Platforms Hosting Political Advertising | [PDC Meeting Video](#)

Executive Director Lavalley introduced the co-authors of a [study](#) analyzing how algorithms shape the distribution of political advertising, from the Center for Information Technology Policy (CITP) at Princeton University.

[Mihir Kshirsagar, Christelle Tessono, and Orestis Papakyriakopoulos](#) of CITP presented their study and took questions from the Commission.

Break/Executive Session & Closed Session

The Commission went into Executive Session at 12:21 p.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters and pending and potential litigation with legal counsel, and review of performance of public employees. Possible action regarding litigation, or other matters properly discussed during executive session, will be taken following the executive session.

Returned to public meeting at 1:13 p.m.

Meeting adjourned at 1:13 p.m.

Approved October 27, 2022.