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: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

MINUTES – Regular Meeting 9:30 a.m. | October 24, 2024 711 Capitol Way S. #206 Olympia, Washington

Commission Members

Allen Hayward, Chair; J. Leach, Vice Chair; Nancy Isserlis, Member; Douglass North, Member; James Oswald, Member.

Staff Present

Peter Frey Lavallee, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Nate Meyer, Customer Service and Outreach Manager; BG Sandahl, Compliance Officer; Jennifer Hansen, Compliance Officer; Tabitha Townsend, Compliance Officer; Jordan Campbell, Compliance Coordinator; Colin Peeples, Compliance Coordinator; John Meader, Assistant Attorney General representing the Commission, Chad Standifer, Assistant Attorney General representing the Staff; Susie Giles-Klein, Assistant Attorney General representing the Staff.

Staff Present (Participated via Microsoft Teams)

Casey Gayman, Compliance Officer; Christina Shearer, Senior Financial Consultant, DES.

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

The October 24, 2024, Public Disclosure Commission meeting streamed live via TVW at WAPDC.10.24.24. Public attended in-person and remotely via a MS Teams Link.

<u>Chair Opening Comments | PDC Meeting Video</u>

Chair Hayward welcomed all attendees and viewers to the October 24, 2024, Regular Commission meeting.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

- September 26, 2024, Regular Meeting
- October 03, 2024, Special Meeting

MOTION 24-062 Moved by Commissioner Leach and seconded by Commissioner North that the

Commission approve the meeting minutes as submitted for the September 26,

2024, regular meeting.

The motion passed 5-0.

MOTION 24-063 Moved by Commissioner Leach and seconded by Commissioner North that the

Commission approve the meeting minutes as submitted for the October 03,

2024, special meeting.

The motion passed 5-0.

Request for Reporting Modification | PDC Meeting Video

09:32 a.m. | The Commission conducted a hearing concerning request for reporting modification. Compliance Officer Tabitha Townsend presented the request to the Commission for consideration and possible approval.

NEW

• John Chun – Judge, King County Superior Court RCW 42.17A.120 & RCW 42.17A.235

Staff Memo

Judge Chun participated via Microsoft Teams.

Commissioner Leach recused himself from the matter regarding Judge John Chun.

MOTION 24-064

Moved by Commissioner Oswald and seconded by Commissioner Isserlis that the Commission grant the partial reporting modification, on the basis that literal application of the law would cause a manifestly unreasonable hardship on the applicant and that the limited modification would not frustrate the purposes of the Act.

The motion passed 4-0.

Commissioners Hayward, Isserlis, North, and Oswald voted yes. Commissioner Leach recused himself.

Budget Update | PDC Meeting Video

Executive Director Frey Lavallee provided the budget update to the Commission.

<u>Next Steps/Follow-Up</u>: Staff to report back to Commission on the case prioritization process.

Enforcement | PDC Meeting Video

09:49 a.m. | The Commission conducted a hearing for multiple PDC cases with alleged violations of RCW 42.17A.700. Compliance Coordinators Jordan Campbell and Colin Peeples presented the cases to the Commission for consideration and possible action.

• PDC Case <u>160023</u> – <u>Ben Callies</u>: Alleged violation of <u>RCW 42.17A.700</u> for failure to file the Personal Financial Affairs Statement (F-1 report) for calendar year 2023 (GE24)

MOTION 24-065

Moved by Commissioner Leach and seconded by Commissioner North that the Commission find a violation of RCW 42.17A.700 and assess a civil penalty of \$2,000 with \$1,500 suspended contingent on no further violations for the remainder of the term of office, all penalties paid, and outstanding reports filed within 30 days of the Final Order.

The motion passed 5-0.

 PDC Case <u>160022</u> – <u>Nicholas Henderson</u>: Alleged violation of <u>RCW 42.17A.700</u> for failure to file the Personal Financial Affairs Statement (F-1 report) for calendar year 2023 (GE24) October 24, 2024
Regular Commission Meeting
Page | 3

MOTION 24-066

Moved by Commissioner Leach and seconded by Commissioner Isserlis that the Commission find a violation of <u>RCW 42.17A.700</u> and assess a civil penalty of \$1,000 with \$500 suspended contingent on no further violations for the remainder of the term of office, penalty paid, and all outstanding reports filed within 30 days of the Final Order.

The motion passed 5-0.

Enforcement | Request for Reconsideration | PDC Meeting Video

10:01 a.m. | The Commission conducted a hearing concerning requests for reconsideration. Compliance Coordinators Jordan Campbell and Colin Peeples presented the requests to the Commission for consideration and possible approval.

PDC Case <u>155492</u> – <u>Sandi Lytle</u>: At the July 11, 2024, Brief Adjudicative Proceeding (BAP Hearing), the Respondent was found in violation of <u>RCW 42.17A.205</u> for failure to file the C-1 report and RCW 42.17A.700 for failing to file the F-1 report covering the previous 12 month prior to becoming a candidate that was due within two weeks of becoming a candidate or no later than May 24, 2024. Ms. Lytle was assessed a penalty of \$500, which she now asks the Commission to reconsider.

Sandi Lytle participated via Phone on Microsoft Teams.

MOTION 24-067

Moved by Commissioner Leach and seconded by Commissioner Oswald that the Commission grant the request to reconsider PDC Case 155492, Sandi Lytle.

The motion passed 5 - 0.

MOTION 24-068

Moved by Commissioner Oswald and seconded by Commissioner Leach that the Commission assess a civil penalty of \$500 with \$400 suspended on the condition all outstanding reports are filed within 30 days of the Final Order.

Commissioner Oswald withdrew his motion.

MOTION 24-069

Moved by Commissioner Leach and seconded by Commissioner Isserlis that the Commission assess a civil penalty of \$500 with \$500 suspended on the condition the missing report is filed, and a signed document withdrawing candidacy is returned within 30 days.

The motion passed 5 - 0.

<u>Next Steps/Follow-up</u>: Staff to send hard copy of termination statement to respondent to file within 30 days.

PDC Case <u>156858</u> – <u>Amy Ruble</u>: At the August 29, 2024, Brief Adjudicative Proceeding (BAP Hearing), the Respondent was found in violation of <u>RCW 42.17A.700</u> by failing to file or timely file the required F-1 report disclosing financial information for calendar year 2023, no later than April 15, 2024. Ms. Ruble was assessed a penalty of \$150, with \$40 suspended, which she now asks the Commission to reconsider.

Amy Ruble <u>participated</u> via Phone Microsoft Teams.

Chair Hayward <u>recused</u> himself in the matter of PDC Case 156858, Amy Ruble.

MOTION 24-070 Moved by Commissioner Oswald and seconded by Commissioner North that

the Commission grant the request to reconsider PDC Case 156858, Amy Ruble.

The motion passed 4 - 0.

Commissioners Leach, Isserlis, North, and Oswald voted yes. Commissioner

Hayward recused himself.

MOTION 24-071 Moved by Commissioner Oswald and seconded by Commissioner North that

the Commission vacate the Final Order in PDC Case 156858, Amy Ruble.

The motion passed 4 - 0.

Commissioners Leach, Isserlis, North, and Oswald voted yes. Commissioner

Hayward recused himself.

Enforcement | PDC Meeting Video

10:41 a.m. | The Commission conducted an enforcement hearing concerning <u>PDC Case 146593</u>, Washington State Republican Party.

Susie Giles-Klein, Assistant Attorney General representing the Staff, and Jennifer Hansen, Compliance Officer, presented PDC Case 146593, Washington State Republican Party for alleged violations of (1) RCW 42.17A.320, by failing to include sponsor identification on political advertising; (2) RCW 42.17A.235 and RCW 42.17A.240 by failing to timely disclose expenditures made on Summary Full Campaign Contribution and Expenditure reports (C-4 reports); (3) RCW 42.17A.405 and WAC 390-17-060 by making a contribution to a ballot measure committee using exempt funds; (4) RCW 42.17A.235 and RCW 42.17A.240 by failing to timely and accurately disclose the source of monetary contributions on Monetary Contributions reports (C-3 reports), and RCW 42.17A.220 by depositing overlimit anonymous contributions.

Joel Ard, General Counsel representing Washington State Republican Party <u>participated</u> via in person.

BREAK: <u>11:09 a.m.</u> **RETURNED:** <u>11:16 a.m.</u>

Presentation continued

The Commission will <u>release</u> a written decision regarding the matter of PDC Case 146593, Washington State Republican Party before the election.

Break/Executive Session

<u>12:03 p.m.</u> Discussion of matters allowed in executive session pursuant to <u>RCW 42.30.110</u>, regarding enforcement matters, review of performance of public employees, and discussion with legal counsel of litigation or potential litigation when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence. Final action regarding these matters, or other matters properly discussed during executive session, will be taken following the executive session.

October 24, 2024
Regular Commission Meeting
Page | 5

Executive session ended 12:26 p.m. The Commission then went into to closed session.

Closed Session

12:27 p.m. The Commission went into closed session to discuss matters allowed in closed session pursuant to RCW 34.05.449(5) and RCW 5.60.060(2)(a) (attorney client privilege.)

Returned to public meeting at 1:00 p.m.

Enforcement – Request for Reconsideration PDC Meeting Video

1:00 p.m. | The Commission conducted a hearing concerning a request for reconsideration concerning PDC Case <u>140213</u>, Let's Go Washington (Sponsored by Brian Heywood).

Commissioner Oswald <u>recused</u> himself from the matter of PDC Case 140213, Let's Go Washington (Sponsored by Brian Heywood)

Chad Standifer, Assistant Attorney General representing the Staff, Response to request for reconsideration of PDC Case 140213, Let's Go Washington (Sponsored by Brian Heywood) for alleged violations of RCW 42.17A.235 & .240, WACs 390-16-037 and - 205, and WAC 390-16-043(9) by (1) failing to timely and accurately report the required allocation of monetary and in-kind expenditures for signature gathering and related expenditures that benefitted six separate initiatives supported by the Committee; (2) failing to timely report the expenditures of sub vendors paid by the Committee in support of six separate initiatives supported by the Committee; (3) failing to maintain and preserve books of account that substantiate expenditures incurred by sub vendors paid by the Committee in support of six separate initiatives supported by the Committee; and (4) failing to timely produce campaign records when requested by PDC Staff.

Callie Castillo, General Counsel representing Let's Go Washington, <u>participated</u> via Microsoft Teams.

MOTION 24-072

Moved by Commissioner Isserlis and seconded by Commissioner North that the Commission deny the motion to reconsider PDC Case.

The motion passed 4 - 0.

Commissioners Hayward, Leach, Isserlis and North voted yes. Commissioner Oswald recused himself.

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:

- <u>Conner Edwards</u>, campaign treasurer, commented on agency enforcement.
- <u>Joe Kunzler</u>, commented on agency enforcement.
- Jim Lazar, commented on proposed rulemaking.
- Glen Morgan, commented on agency enforcement.

Written Comment(s) Submitted:

• <u>Kunzler</u>

October 24, 2024 Regular Commission Meeting

Page | 6

- Edwards
- Lazar
- Morgan

Proposed Rulemaking | PDC Meeting Video

General Counsel Sean Flynn presented the proposed rule amendment for <u>WAC 390-18-030</u> regarding sponsor identification exemptions for consideration and possible approval.

- Memo
- DRAFT WAC 390-18-030

MOTION 24-073

Moved by Commissioner Leach and seconded by Commissioner Isserlis that the Commission adopt the proposed rules for publication, and schedule public hearing in the December regular commission meeting.

The motion passed 5 - 0.

Management Team Updates | PDC Meeting Video

- Executive Director and Budget Update.
- Deputy Director Update.
- Information Technology Update.
- Customer Service and Filer Assistance Update.

Enforcement Update | PDC Meeting Video

Tabitha Townsend, Compliance Officer, presented the enforcement update as of October 16, 2024.

• Enforcement Report – Categorization and Status of Open Complaints

MOTION 24-074

Moved by Commissioner Oswald and seconded by Commissioner Leach that the Commission direct staff to perform outreach to candidates who appear to be out of compliance with the 21-day C-4 report requirement and inform them if they do not respond or file within 72 hours, their names will be sent to the media and published to the PDC's website.

The motion passed 5 - 0.

Adjourned at 2:48 p.m.

Approved December 12, 2024.