Written Comment – June Regular Meeting 2025 Conner Edwards

Commissioners:

This is my written comment for the June 2025 Regular Meeting.

- Rulemaking Enforcement/Penalty Schedule. There are three significant issues I see with the proposed rules changes.
 - **a. Penalty Schedule.** The penalty schedule often results in some pretty underwhelming outcomes for significant violations. The biggest circumstance in which this presents itself is late reporting.

If the late reports at issue had little to no activity to disclose, the imposition of a nominal penalty would be appropriate. But some of the reports that are being filed late have fairly significant amounts of activity, and yet they get shoehorned into the absurdly low penalty schedule.

For example, recently the PDC staff adjudicated a case where the Tulalip Tribe's PAC had failed to report a \$40,000 contribution until 151 days after the deadline and only after the 2024 general election had ended. Staff imposed a paltry \$150 penalty based on the penalty schedule despite the significant size of the late contribution.

A more meaningful way to approach this issue might be to try to incorporate Oregon's penalty formula for late reporting. Oregon looks at the total amount of activity that was not timely disclosed, multiplies it by 0.50% for every day late¹, and that becomes the calculated penalty. If the calculated penalty is less than \$50, Oregon just dismisses the case outright.

If this formula were applied to the above-mentioned case regarding the late reported \$40,000 contribution, the penalty against the Tulalip Tribe's PAC would have been \$4000 and not \$150. This would establish more significant incentives for large PACs to follow the law.

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¹ Oregon caps this number at 10% total.

- **b. New complaint requirements.** An amendatory section of WAC 390-37-040 requires that a complainant identify: "any complaint filed by the complainant against the same respondent within the previous 12 months from the date of the complaint". A few questions:
 - 1) What purpose does this requirement serve? The agency already has this information so what is the purpose in having the complainant regurgitate it?
 - 2) What exactly does the agency want the complainant to provide to comply with this requirement? A copy of the complaint that was previously filed or just referencing it by the case number?
 - 3) Will the agency decline to process an otherwise valid complaint if the complainant does not provide this information?
- c. Inappropriate factors considered when weighing alternative approaches to enforcement. Many of the enforcement factors described in WAC 390-37-061 essentially empower staff to dismiss cases where the violation was caused by negligence. The reality is that nearly all violations are the result of negligence as opposed to a deliberate effort to avoid disclosure.
 - The agency cannot both allow negligence to be a de-facto recognized defense for noncompliance and simultaneously protect the public's right to know about the financing of political campaigns.
- 2. PDC Training Program. During the 11:10 AM portion of Thursday's meeting, the Commission will likely hear yet another self-congratulatory presentation from PDC staff on what a great job they are doing with the new training outreach program. But the way that this program has been structured fails to address the most significant problem with the agency's training program: that a sizable percentage of filers do not have the basic knowledge of what they are required to do in order to be in compliance with the PDC's requirements.

For a campaign finance disclosure system to function well, the candidates/committees who are required to file reports must have a basic understanding of what they are required to do and when they are required to do it.

Relying on a system - where filers voluntarily opt to learn about the requirements they must follow – is an ineffective approach. Especially when paired with an enforcement system premised on the belief that a respondent's failure to understand the law is an appropriate basis to dismiss an otherwise meritorious complaint.

When I was growing up, I attended a summer camp where we all went out on boats into a lake. Before we were allowed to go out on the boats, we all had to watch an hour-long training video that explained to us what we needed to do in order to be safe on the water. The training video was not optional for (what I hope) are obvious reasons. The same thinking applies here.

What is the harm in requiring new filers to watch a brief 35-minute training video² that educates them on the basic requirements that they must follow?

3. **Meeting Length/Format.** The public-facing portion of the PDC's monthly meeting agenda for Thursday is only two hours. Of course, no one likes long meetings. But consider this question: do the length and format of these monthly meetings actually lend themselves to meaningful oversight over the agency's work?

 $^{^2}$ The video has already been produced and does a great job of summarizing the applicable requirements: $\underline{\text{https://www.youtube.com/watch?v=M8j5S-A1dxw\&t}}$