

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

9:30 a.m. | January 23, 2020  
Evergreen Plaza Building, Room 206  
711 Capitol Way  
Olympia, Washington

**Commission Members Present**

David Ammons, Chair; Russell Lehman, Vice Chair; Bill Downing, member; Fred Jarrett, member; Nancy Isserlis, member.

**Staff Present**

Peter 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; Phil Stutzman, Compliance Officer; Fox Blackhorn-Delph, Compliance Coordinator 2; Tabitha Townsend, Compliance Coordinator; Tabatha Blacksmith, Compliance Coordinator; Chad Johnson, Senior Financial Consultant, Department of Enterprise Services; 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 David Ammons at 9:34 a.m.

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

Chair Ammons welcomed new Commission member Nancy Isserlis from Spokane, Washington. Commissioner Isserlis's term is January 2020 through December 2024.

Chair Ammons noted that the PDC is off to a great start in the 2020 legislative session with the main agency request bill moving in both chambers. The Commission is appreciative of how much attention and consideration the Legislature is giving the agency.

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

No public comments.

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

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

- December 05, 2019 Regular Meeting
- December 20, 2019 Special Meeting

**MOTION 20-01**      Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission approve the meeting minutes for the December 05, 2019, and December 20, 2019 meetings as presented.**

The motion passed 4-0, with Commissioner Isserlis abstaining.

**Debrief and Next Steps from January 16<sup>th</sup> Special Meeting (the PDC’s “Big Data, Big Dollars – Shining Light on Digital Political Advertising” forum) | [PDC Meeting Video](#)**

The Commission expressed gratitude to staff for efforts to make the event possible and discussed the success of the PDC “Big Data, Big Dollars – Shining Light on Digital Political Advertising” forum held on January 16, 2020, televised by [TVW.org](#).

**Next Steps:**

- Commissioner Lehman and Commissioner Jarrett to work with CIO Gutholm to assemble a task force on digital political advertising. Suggestions from fellow Commissioners to include investigative reporters and candidates and individuals who work on campaigns.
- Staff to determine what data would be desired and where data may be found, so the Commission may discuss authority with the Legislature as needed.
- CIO Gutholm to provide regular updates regarding progress on the campaign finance reporting project that might help facilitate reporting of political ads.

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

Chad Johnson, Department of Enterprise Services (DES) Senior Financial Consultant, updated the Commission on the agency’s budget and recent meeting with executive staff regarding potential investments for the anticipated underspend for the fiscal year; and his coordination with Deputy Director Sandahl during the legislative session on fiscal notes.

The transparency fund account (22W) balance is at \$861,445 with unallocated funding of \$287,445.

**Rulemaking 6-month agenda | [PDC Meeting Video](#)**

The January-July 2020 [rulemaking agenda](#) was presented to the Commission for consideration and possible approval. PDC staff proposed possible rulemaking for legislation passed by the 2020 Legislature.

**MOTION 20-02** Moved by Commissioner Downing and seconded by Commissioner Isserlis that:

**The Commission adopt the 6-month rulemaking agenda as proposed with the understanding that rulemaking will be made for legislation passed by the 2020 Legislature, including, but not limited to, agency request legislation.**

The motion passed 5-0.

**Next Steps:** Commissioner Ammons asked that the annual planning meeting include discussion of the current process for identifying potential rulemaking.

**Review and possible approval of revised F-1 forms | [PDC Meeting Video](#)**

Kim Bradford, Communication and Outreach Director, presented the latest version of the Financial Affairs Disclosure (F-1) forms for commission review and possible approval. The new forms incorporate updated dollar-range codes and provide an approved attachment that will facilitate data entry when the filers receive hardship exemptions to the electronic filing requirement.

Staff recommended the Commission approve the new F-1, F-1 Attachment and F-1 Supplement forms as presented.

**MOTION 20-03** Moved by Commissioner Lehman and seconded by Commissioner Jarrett that:

**The Commission approve the updated Financial Affairs Disclosure, F-1, F-1 Attachment and F-1 Supplement forms as presented as presented.**

The motion passed 5-0.

**Group Enforcement – Revocation Hearings for Lobbyist Attestations** | [PDC Meeting Video](#)

Chair Ammons presided over the hearing.

In accordance with [RCW 42.17A.110](#) and [RCW 42.17A.755](#), an Adjudicative Proceeding (Enforcement Hearing) was held to adjudicate possible violations of [RCW 42.17A.603](#) by failing to update a lobbyist registration to include the required attestation of Legislative Code of Conduct training completion.

PDC Compliance Coordinators presented PDC cases to the Commission for consideration:

- [PDC Case No. 62683](#), Mike Armstrong
- [PDC Case No. 62692](#), Mary McHale
- [PDC Case No. 62694](#), Todd Mielke
- [PDC Case No. 62698](#), Tonia Sorrell-Neal
- [PDC Case No. 62716](#), Alma Gottlieb-McHale
- [PDC Case No. 62708](#), Christopher Plante
- [PDC Case No. 62710](#), Dave Sumner

Chair Ammons found a violation in each matter presented and revoked lobbying registrations in accordance with [RCW 42.17A.603](#).

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

General Counsel Sean Flynn and BG Sandahl, Deputy Director, updated the Commission on the status of the PDC agency-request bill and others related to or impacting the PDC.

- [HB 2214](#) Concerning the public inspection of records of commercial political advertisers.
- [HB 2215](#) Transferring requirements to maintain records for commercial political advertising to the public disclosure commission.
- [HB 2253](#) Concerning disclaimers for election-related advertising that encourages votes or includes endorsements for people that are not candidates in that election or for that office.
- [HB 2396](#) Concerning the regulation of bot communication on public-facing internet web sites.
- [HB 2397](#) Transferring oversight of filings of statements of financial affairs by legislative staff from the public disclosure commission to the legislative ethics board.
- [HB 2398](#) Prohibiting the statements of financial affairs filed by a professional staff member of the legislature from being posted online.
- [HB 2530](#) Making necessary changes to move the primary election date to May.
- [HB 2540](#) Clarifying when campaign funds may be used for childcare expenses.
- [HB 2674](#) | [SB 6361](#) (*Agency Request*) Concerning the administration of election campaign activities and reporting statements of financial affairs.
- [SSB 5270](#) Concerning dates and timelines associated with the operation of the state primary and

elections.

- [SSB 6028](#) Adopting the uniform electronic transactions act and aligning statutory provisions relating to signatures, declarations, and documents.
- [SB 6152](#) Concerning certification of the level of foreign national ownership for corporations that participate in Washington state elections.
- [SGA 9289](#) Senate Confirmation | Fred Jarrett

**Next Steps:** Commissioner Ammons requested a new legislative session 2020 report format, highlighting the bills endorsed or requested by the Commission . He also asked staff to note if there is need for a Commission endorsement or appearance at any hearing.

**Reporting Modification Request** | [PDC Meeting Video](#)

The Commission conducted a hearing on new requests for reporting modifications. Fox Blackhorn-Delph, Compliance Coordinator 2, presented the requests to the Commission for consideration and possible approval.

Both applicants participated in the hearing via telephone.

The following individuals requested a new reporting modification:

- Lori Feagan – Candidate, State Representative for Legislative District 4 [WAC 390-28-100\(1\)\(d\)](#) & [WAC 390-28-100\(1\)\(e\)](#)

**MOTION 20-04** Moved by Commissioner Jarrett and seconded by Commissioner Isserlis that:

**The Commission grant the partial reporting modification of reporting personal residence address, finding that the literal application of the law would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the Act.**

The motion passed 3-2.

Commissioners Jarrett, Isserlis, and Downing voted to grant the modification, and Commissioners Ammons and Lehman voted to not grant the modification.

- Matt Larkin – Candidate, Attorney General [WAC 390-28-100\(1\)\(b\)](#) & [WAC 390-28-100\(1\)\(c\)](#)

**MOTION 20-05** Moved by Commissioner Lehman and seconded by Commissioner Jarrett that:

**The Commission deny the partial reporting modification as requested, finding that the literal application of the law would not cause a manifestly unreasonable hardship on the applicant and that a limited modification would frustrate the purposes of the Act.**

The motion passed 5-0.

**Executive Session** | [PDC Meeting Video](#)

The Commission went into Executive Session at 12:13 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.

The Commission meeting returned to open session at 1:14 p.m.

**Enforcement Hearing: Facebook, Inc.** | [PDC Meeting Video](#)

Chair Ammons called the hearing to order at 1:14 p.m.

Winn Allen, Counsel for Facebook, Inc. was present on behalf of Respondent.

Chad Standifer, AAG; Phil Stutzman, Compliance Officer; and Fox Blackhorn-Delph, Compliance Coordinator 2, presented a [Proposed Stipulation and Final Order](#) for Commission consideration and possible approval in:

Facebook, Inc. (3), [PDC Case 47572](#) and Facebook, Inc. (5), [PDC Case 55351](#), involving alleged violations of: [RCW 42.17A.345](#) by failing to maintain documents and books of account open for public inspection during normal business hours, specifying: (a) The names and addresses of persons from whom it accepted political advertising or electioneering communications; (b) The exact nature and extent of the services rendered, as required by [WAC 390-18-050](#); and (c) The total cost and the manner of payment for the services.

The Commission went into deliberations at 1:53 p.m. and returned to the hearing at 2:15 p.m.

The Commission determined that, due to concerns about the adequacy of notice to Complainants about today's hearing, the enforcement hearing for PDC cases [47572](#) and [55351](#) should be held open until the February 27, 2020, commission meeting.

**MOTION 20-06** Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

**The Commission hold the matter open until the February 27, 2020, regular commission meeting to allow for more substantive notification to all parties.**

The motion passed 5-0.

**Brief Enforcement Hearings**

Chair Ammons stepped out of the meeting to preside over scheduled Brief Enforcement Hearings at 3:00 pm.

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

Kurt Young, Compliance Officer provided the enforcement update report for period: November 26, 2019 – January 7, 2020

101 Cases Open

30 Cases Opened during the Period

78 Cases Closed during the Period

- 21 Cases Closed with No Evidence of Violations

- 27 Cases Closed with Reminder
- 12 Cases Closed with Formal Written Warning
- 3 Cases Closed Administratively
- 1 Case Closed by Executive Director Dismissal
- 2 Cases Closed as a Request for a Technical Correction
- 1 Case Resolved through Complaint Publication
- 4 Cases Resolved through Statement of Understanding
- 7 Cases Closed as Unfounded

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

Peter Lavalley, Executive Director presented updates to the Commission.

- Potential Inflationary Adjustments
- Agency Planning Meeting
- Strategic Plan Discussion

Kim Bradford, Communications and Outreach Director provided Customer Service and Filer Assistance updates to the Commission.

- PDC Public Records Request Statistics
- Outreach Statistics
- F-1 Personal Financial Affairs Report Application Release
- Jurisdiction Reporting System

James Gutholm, Chief Information Officer, provided an update on the PDC IT activity report.

- Campaign Finance Project
- Publishing of Open Data
- F-1 project closeout

Meeting adjourned at 3:45 p.m.

Approved February 27, 2020.

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**Next Steps/Follow-up:**

Debrief and Next Steps from January 16th Special Meeting (“Big Data, Big Dollars – Shining Light on Digital Political Advertising” forum)

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Legislative Discussion

January 23, 2020

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