

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

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BOARD MEMBERS:
James Albert, Chair
John Walsh, Vice Chair
Saima Zafar
Carole Tillotson
Jonathan Roos
Mary Rueter

MINUTES OPEN SESSION
REGULAR MEETING
November 22, 2013 NOON
OLA BABCOCK MILLER BUILDING
ROOM 310
DES MOINES, IA

I. CALL TO ORDER

Chair Albert calls the meeting to order at 12:05 pm

Members Present: Mary Rueter, Carole Tillotson, Jonathan Roos, James Albert

By Telephone: John Walsh

Not present: Saima Zafar

Staff present; Megan Tooker, Sharon Wright, Cohl Bultje

Others: Jason Noble, Des Moines Register, Mary Braun, Legislative Employee

II. APPROVAL OF MINUTES

Documents

August 8, 2013 open

August 8, 2013 closed

August 21, 2013 open

October 31, 2013 open

October 31, 2013 closed

Tillotson moves to approve all as written, second by Roos.

All ayes, motion carries unanimously

III. ADJOURN TO CLOSED SESSION

Motion by Rueter to adjourn to closed session to discuss update to potential investigation, second by Roos. The Board adjourns into closed session at 12:06 pm.

IV. RETURN TO OPEN SESSION

Board returns to open session at 12:17 pm.

Albert asks Tooker if there was any evidence of wrongdoing found during the investigation of the Butler County Republican Central Committee. Tooker states no.

Tillotson moves to close investigation with no further action. Rueter second. All ayes, motion carries unanimously.

V. ADVISORY OPINION

1. Use of campaign funds to attend presidential inauguration

Tooker states this question was raised by a committee and research found that in 2009 the Board discussed the matter and requested an advisory opinion be written which was not created.

Tooker states she believes the expense is a legitimate use of funds as it would enhance the candidate's candidacy such as the Board has opined regarding conventions. Roos states that he is struggling with the similarity of a convention with a presidential inauguration. He also states that he believes the whole situation should be paid with

personal funds. Albert states that he went to a presidential inauguration many years ago and there were events mainly for lowans specifically given for networking for candidates. He states he believes this would be an acceptable campaign expense.

Tooker states that 68A.302 expressly permits purchase of meal tickets for the candidate or candidate and one guest so long as the event enhances the candidacy of any person.

Tillotson asks if Tooker is saying attending a presidential inaugural ball would fall under the meal exemption. Tooker states yes. The proposed advisory opinion would cover travel and hotel expenditures.

Albert states that the networking and building ties are important. Roos disagrees in that the social situation and other are personal expenses and should not be paid with campaign funds, especially since all candidates (dog catcher) would then be able to attend using campaign funds.

Tooker states the typical local and county candidates would not have sufficient campaign funds to attend a presidential inauguration. She expects legislative and statewide candidates would be the only candidates who would have the necessary funds to attend such an event.

Roos asks about attending governor's inauguration, for example. Tooker states candidates use campaign funds to pay for the governor's inauguration under the meal ticket exception. The biggest difference between a governor and presidential inauguration is the need to travel.

Albert states that the expense would be disclosed on the reports and transparent to the public. Roos states that the Attorney General or other legislative or statewide candidate would have the personal funds to attend such an event. Albert says that if it is disclosed properly then the public would have the ability to weigh that information when determining whether to contribute and/or vote for the candidate.

Roos says that under the reasoning in the proposed advisory opinion any social activity that provides networking could be paid for with campaign funds as long as they claimed it "enhanced" their candidacy.

Tillotson moves to adopt the proposed opinion as written, Rueter second. Tillotson, Rueter, Albert, Walsh, ayes. Roos nay. Motion passes 4-1

VI. ADOPTION OF RULES

Tooker states the board has already published notice of intended action on these rules and the staff received no public input. Roos moves to adopt rules as written. Rueter second. All ayes, motion carries unanimously.

VII. DISCUSSION RE: PARTY BUILDING FUNDS/COUNTY CENTRAL COMMITTEES

Tooker states that a central committee asked to expand the existing building fund rule to include the county central committees. Tooker says she does not believe the board has the authority to extend the use of building funds to the county central committees without legislative approval. She states if the board is interested, it could propose legislation to allow county central committees and state central committees to establish building funds.

Tillotson moves to propose legislation to allow the state and county central committees to establish building funds for the purpose of maintaining party headquarters. Rueter second. All ayes, motion carries unanimously.

VIII. LEGISLATIVE AGENDA FOR UPCOMING SESSION

1. Review of the Board's bills from 2013 session
Bills will be eligible to move forward in 2014 session.
2. Discuss new ideas
Tooker states the Board can also request additional legislation and asks for additional ideas.
 - A. Albert states the Board should ask for statutory authority for the state parties and central committees to have building funds. Walsh states that if the state parties can do it, then the county central committees should be able to as well.
 - B. Proposal to mandate electronic filing for all committees by January 2015.
Tooker states that if all committees were required to e-file, then all reports would be due at the same time. Currently paper filers have until midnight on due date whereas e-filed reports are due by 4:30 pm.
Tooker also suggests that if we had a 4th auditor, he or she could do initial outreach to new committees and get them set up right away to e-file
 - C. Raising the threshold for anonymous contributions from \$10 to \$25, which is also the amount generally allowed for most un-itemized contributions.
 - D. Tooker suggests the board may be interested in raising the \$750 reporting threshold for creating a committee. Tillotson suggested \$1,000. Albert thinks now would be a good time to propose an increase to \$1,000.

Motion by Tillotson, Roos second, to propose the following legislative package: 1) building fund for state and county parties, mandatory e-filing for all committees, \$25 threshold for anonymous contributions and \$1,000 threshold to create committee. All ayes, passes unanimously.

IX. REQUESTS FOR WAIVER OF CIVIL PENALTIES (RULE 351 IAC 4.60)

- STATE COMMITTEES (Rule 351 IAC 4.59(3))
 1. Sachs for Iowa House, January 19, 2013 report -\$200
 2. Hoy for House, January 19, 2013 report -\$200
 3. United Barber Schools PAC, July 19, 2013 report -\$50

- COUNTY LOCAL COMMITTEES (Rule 351 IAC 4.59(2))
 1. Rebecca Wearmouth, May 19, 2012 report -\$20, Buchanan County
 2. Rich Knowles, January 19, 2013 report -\$20, Crawford County
 3. Erik Peterson for Sheriff, October 19, 2012 report -\$100, Taylor County
 4. Taxpayers for Responsible Spending, August 1, 2013 report, Dallas County

Rueter moves to deny all waiver requests, second by Tillotson. All ayes, motion carries unanimously.

X. DIRECTOR'S COLA

Tooker states that she received her last cost of living increase in August of 2012.

Tillotson moves for a 3% adjustment. Fails for lack of second.

Albert says that he thinks more than 3% is justified. Rueter suggests an increase of 5%. Albert and Walsh agree.

Walsh asks if there is any review process for the executive director. Albert says that previously the COLA has been a defacto review. Walsh states that we need to have a review process in place.

Tooker states that she can check with the governor's office to see what process is being used with other directors.

Rueter moves for a 5% COLA. Second by Tillotson. All ayes, motion carries unanimously.

XI. OTHER BUSINESS

Albert states that contributions from entities other than individuals are legal in Iowa. Albert directs Tooker to research the law here and elsewhere to develop a standard on auditing contributions from non-individuals such as associations, LLCs, trusts and partnerships and present it to Board at its next meeting.

Roos asks about the Slockett matter. Tooker states that the administrative law judge drafted a proposed decision, which the Board may adopt, amend or reject. Tooker

states she will schedule a separate board meeting to address the Slockett matter. The matter was not on today's agenda because Slockett's attorney was not available.

Tillotson, Rueter, and Walsh would like to receive copies of news articles that discuss the board. Tooker asks whether the Board would like editorials, blogs or other opinion-type pieces. General consensus is for board staff to distribute at the end of the week any news piece in a newspaper that discusses the board. Roos disagrees. He feels strongly that the board's staff does not need to be disseminating news pieces. Roos notes that news pieces are irrelevant to the board's review of complaints. The only thing the Board should be considering is the complaint and the director's analysis. Roos says it is inappropriate for the director to send opinion pieces on a complaint before the Board. It puts the director and the Board in a bad light. The director's emails are public record and the disbursement of news and opinion pieces gives the perception that the Board is being unduly influenced. It also creates the perception that the staff is biased because they are choosing which articles are relevant. In short, Roos wants to keep the staff out of it. Tillotson disagrees and says it's the director's job to keep the board informed and she feels that includes news articles and opinion pieces. Rueter says to the extent possible, the director and staff should disseminate both sides of an issue.

Tillotson moves to have staff distribute substantive news articles, editorials and letters to the editors which are in newspapers to Board members weekly. Walsh, Albert, Tillotson, Rueter, ayes. Roos nay. Motion carries.

XII. ADJOURNMENT

Motion by Rueter to dismiss. Second by Roos.

The Board is adjourned at 1:40 pm