

# 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**  
June 4, 2014 NOON  
OLA BABCOCK MILLER BUILDING  
ROOM 310  
DES MOINES, IA

**I. CALL TO ORDER**

Chair Albert calls the meeting to order at 12:08 pm

Members present: John Walsh, Jonathan Roos, Carole Tillotson, Mary Rueter, Saima Zafar, James Albert

Staff present: Megan Tooker, Sharon Wright, Jason Hacker

Others: Jason Noble, Mary Braun, Brittany Telk and Mike Wiser

**II. ELECTION OF OFFICERS**

Pursuant to Iowa Code 68B.32(3), the board shall annually elect one member to serve as chairperson and one member to serve as vice chairperson. The vice chairperson shall act as the chairperson in the absence or disability of the chairperson or in the event of a vacancy in that office.

Rueter moves to retain Albert as chair, Walsh as Vice Chair, second by Roos.

All ayes, motion carries unanimously

**III. APPROVAL OF MINUTES**

1. November 22, 2013 open minutes
2. November 22, 2013 closed minutes

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

All ayes, motion carries unanimously

Tillotson states that as a housekeeping matter, the Board should try to keep with quarterly meetings as previously discussed in meetings, using phone meetings when necessary for minor items.

Albert agrees.

Tillotson says that keeping on the quarterly schedule would allow time to discuss broader agenda items.

**IV. ADJOURN TO CLOSED SESSION**

Motion by Safar to adjourn to closed session, second by Roos. The Board adjourns into closed session at 12:15pm

**V. RETURN TO OPEN SESSION-**

Board returns to open session at 12:56pm

Albert states that the Board will summarize the items discussed in open session.

**1. Review of ALJ's proposed decision in Tom Slockett matter**

(Tooker was not present during the portion of the closed session that involved the Slockett matter.)

Walsh moves to reject the summary judgment decision, set the matter for hearing and to appoint a new hearing officer, Safar second.

Albert states that the Board discussed the matter and the significance of the decision to the public. The decision will affect whether or not the statute will be enforced on individuals as well as political entities and political subdivisions. Albert says summary judgment is inappropriate and he disagrees with the legal analysis. Albert states that as the Chair he intends to appoint the entire Board as hearing officers.

With no further discussion, Albert asks for a vote. All ayes, motion passes unanimously.

Albert appoints the entire board as hearing officers and directs Tooker to schedule a time for the whole Board to hear the case.

**2. Formal complaint against Ursala Frith alleging use of government resources for political purposes**

Rueter moves to begin investigation, Safar second.

Albert states the board discussed whether or not to continue to stay the investigation pending arbitration.

Roos states that his comment in closed session was that the Board had waited a reasonable amount of time.

Albert calls for a vote. All ayes, motion passes unanimously

**3. Informal complaint against Robbi Sneller alleging campaign signs within 300 feet of a polling place**

Rueter moves to send an informational reminder letter, Tillotson second.

Albert states the discussion centered on the fact the signs were posted in public areas and the lack of evidence that the candidates or businesses posted the material.

With no further discussion, Albert calls for the vote.  
All ayes, motion passes unanimously

**4. Formal complaint against Buck Clark alleging use of government resources for political purposes**

Roos moves to issue a Reprimand and a \$100 civil penalty based on the number of violations, Rueter second.

Albert states that discussion in closed session was about the number of emails that were political in nature that created a pattern rather than an isolated incident of misuse of resources.

Albert calls for the vote. All ayes, motion passes unanimously.

**5. Update on formal complaint against NOM alleging failure to disclose donors on independent expenditure reports**

Tooker informs the board that two interns (recent law school graduates) have made progress investigating NOM's campaign activities in Iowa and the board will be further advised of the investigation at the next meeting.

**VI. NOTICE OF INTENDED ACTION**

1. Amend Rule 351—4.32 to require electronic filing of verified statements of registration by federal and out-of-state PACs

Tooker states she is trying to just make the rule consistent with statute. Rueter moves to amend as submitted, Safar second. All ayes, motion passes unanimously

2. Amend Rule 351—4.25 to define "charitable organization"

Tooker states the board has previously issued an advisory opinion defining a charitable organization as a 501(c)(3). She thinks it would be a good idea to include the definition in the board's rules.

Roos moves to amend, Zafar second. All ayes, motion passes unanimously

**VII. PROPOSED AUDITING STANDARD FOR TRUSTS**

Tooker states that the board has had a few discussions about trusts and what it can do to help develop uniform standards. The proposed standard is that for trust contributions in excess of \$100, the board's staff shall obtain an affidavit from the trustee that the contribution is not in the name of another and not from a prohibited source.

Tooker states she does not believe it is appropriate to request trust instruments as a routine matter because they typically contain very sensitive, confidential information and the documents would be public records in the hands of the board.

Albert asks if there is a motion to approve new policy. Tillotson moves Roos second, all ayes, unanimous.

**VIII. PROPOSED DISASTER RECOVERY PLAN Document**

Tooker states the State Auditor requested the board have a disaster recovery plan as part of the Auditor's annual audit of the board.

Tillotson moves to approve as submitted, Walsh second. All ayes, motion passes unanimously.

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

- STATE COMMITTEES (Rule 351 IAC 4.59(3))
  1. Iowans for Ung, January 19, 2013 report, \$50 (recommend denial)
  2. Roquette America Inc, PAC, January 19, 2014 report, \$200 (recommend waiver)
  3. Iowa PA PAC, May 19, 2014 report - \$50 (recommend reduction to \$25)
  4. Central Iowa Building and Construction Trades Council PAC, May 19, 2014 report, \$50 (recommend denial)

Tillotson moves to accept the Director's recommendations, Rueter second.

Albert states that he has a question regarding the Iowa PA committee. He is sympathetic to the fact that the treasurer entered the data on time and thought she had submitted the report. Discussion follows regarding whether the Board's electronic filing system could be improved to reduce this type of situation. Walsh states it is important to make the system as user friendly as possible. Tooker states staff will reach out to QCI to see if there are any ideas they may have to prevent these types of errors.

With no further discussion, Albert calls for the vote. All ayes, motion passes unanimously

- COUNTY LOCAL COMMITTEES (Rule 351 IAC 4.59(2))
  1. David R. Marr , Floyd County, January 19, 2014 report, \$50 (recommend denial)
  2. Heil for Treasurer, Marshall County, January 19, 2014 report, \$20 (recommend waiver)
  3. Doland for Supervisor, Mahaska County, January 19, 2014 report, \$20 (recommend denial)
  4. Kurt Brown for Recorder, May 19, 2014 report, \$20 (recommend waiver)
  5. Kathy Christianson, May 19, 2014 report, \$20 (recommend waiver)

Rueter moves to accept the director's recommendation, Tillotson second. All ayes, motion passes unanimously

- COUNTY CENTRAL COMMITTEES (Rule 351 IAC 4.59 (2))
  1. Shelby County Republican Central Committee, January 19, 2014 report, \$100 (recommend waiver)
  2. Wayne County Republican Central Committee, May 19, 2014 report, \$20 (recommend denial)
  3. Ida County Republican Central Committee, May 19, 2014 report, \$20 (recommend denial)

Tillotson moves to accept the director's recommendations, Roos second. All ayes, motion passes unanimously.

- PERSONAL FINANCIAL DISCLOSURE STATEMENT (Rule 7.5(1))
  1. Gary Lippe, \$25 (recommend waiver)
  2. Bruce Greiner, \$25 (recommend denial)

Tooker states that Lippe was sent a letter to an address that was given to us by the department and it was returned. Once he received the notice, he filed immediately.

Tillotson moves to accept recommendation, Walsh second. All ayes, motion passes unanimously.

Tooker states that Greiner was the DAS employee who brought the board information about Lois Schmitz. He has been told repeatedly that the Ethics Board is waiting for the State Auditor's investigative report. The Schmitz complaint has nothing to do with his personal financial disclosure report.

Roos moves to deny the request, Zafar second. All ayes, motion carries unanimously

**X. REQUEST FOR WAIVER OF RULE REQUIRING EXPENDITURE OF COMMITTEE FUNDS TO CLOSE BY SEVERAL REPUBLICAN WOMEN'S GROUPS**

Albert states that the recommendation is to allow these women's groups to close their PACs without expending their remaining funds. The committees don't want to have to disperse their funds and close their bank accounts because they use their money for nonpolitical things such as scholarships. They have to file the reports because their committees are open, but they do not engage in more than \$750 annually in express advocacy so requiring them to file is onerous.

Rueter moves to waive the rules for the women's groups, Walsh second. All ayes, motion passes unanimously.

**XI. REVIEW OF LEGISLATIVE SESSION**

Tooker states the board's two bills were unsuccessful this session. The first bill would have allowed county central committees to have building funds. It did not get out of the Senate subcommittee. The second bill would have raised the threshold to create a campaign committee from \$750 to \$1000, increased allowable anonymous contributions from \$10 to \$25, and required all committees to electronically file their disclosure reports. That bill passed the Senate and made it through the House State Government Committee. House leadership decided not to bring the bill to the floor for a vote. Tooker says she got a lot of good feedback about the bill and thinks it is worthy of pursuing again.

At the last minute, the standings bill was amended to change Iowa Code section 68B.3. That section now allows board and commission members to sell services to agencies other than their own without public bid if otherwise allowed in the Code (e.g. architecture and engineering services).

The board's request for an additional staff member was approved and the board's budget for fiscal year 2015 is \$60,000 more than the previous year.

## XII. ADJOURNMENT

Chair Albert asks if there is any other business, and with no response calls for motion to adjourn. Zafar moves to adjourn, Rueter second. All ayes, motion carries.

The Board adjourns at 1:45 pm

Respectfully submitted,

A handwritten signature in black ink that reads "S. Wright". The signature is written in a cursive, flowing style.

Sharon Wright, Administrative Assistant