

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

OPEN MINUTES
REGULAR MEETING
August 20, 2015 Noon
JESSIE PARKER BUILDING
510 EAST 12TH, Ste 1A
DES MOINES, IA

I. CALL TO ORDER

Chair Albert calls the meeting to order at 12:10 pm

Members present: Jonathan Roos, John Walsh, Saima Zafar, Carole Tillotson

Mary Rueter enters meeting at 12:17 pm

Staff present: Megan Tooker, Sharon Wright

Others present: Theresa Kehoe, Christin Mechler, Brian Guillaume

II. APPROVAL OF MINUTES FROM LAST MEETING

Albert asks for a motion regarding the minutes from the last meeting.

Tillotson moves to accept as written, Zafar second.

All ayes, motion carries

III. ADJOURN TO CLOSED SESSION

In accordance with the provisions of Iowa Code 21.5(1) "c" & "g", the Board moves into closed session to discuss:

- Formal complaint against Rosanne Malek regarding misuse of public property

Zafar makes a motion to adjourn to closed session, Roos second.

All ayes by roll call.

The Board moves into closed session at 12:12 pm.

Rueter enters meeting at 12:17pm

IV. RETURN TO OPEN SESSION-

The Board returns to Open Session at 12:27 pm

Albert states the Board will summarize its discussion in Closed Session and entertain motions. Albert states there are two issues, section 68B.2A, the conflicts-of-interest statute, and the Board's rule regarding misuse of public resources.

Albert says that with regard to 68B.2A, there must be an outside activity or employment for action. Albert states that the general discussion in closed session was that Ms. Malek did not engage in an outside employment or activity.

As for administrative rule, Albert states the Rule prohibits using public resources for a personal benefit or financial gain. General consensus was that Ms. Malek did not receive a personal benefit or financial gain from the actions alleged.

Zarfar moves to dismiss complaint, Tillotson second.

All ayes, motion carries unanimously

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

- COUNTY LOCAL COMMITTEES (Rule 351 IAC 4.59(2))

1. Save Our School – Putting Community back in our School District (Henry County, \$50 penalty)

Tooker recommends waiver due to treasurer’s illness. Treasurer has cancer and had treatment around the time the report was due.

Rueter makes a motion to accept Tooker’s recommendation, Zafar second.
All ayes, motion carries unanimously

- OUT OF STATE COMMITTEES (Rule 351 IAC 4.59(6))

1. AG PAC (18 late filed VSRs for total penalty of \$875)

Tooker recommends reducing total penalties by half to a total of \$437.50. Tooker states that the committee had a new treasurer and didn’t realize the PAC had to report each contribution made in Iowa by VSR in addition to the FEC reporting. Tooker thinks the new procedures put in place by the PAC will prevent future problems.

Motion to accept Tooker’s recommendation by Zafar, Roos second.
All ayes, motion carries unanimously

VI. ADVISORY OPINIONS

1. To all interested persons re: definition of “professional employee” in § 68A.503

Tooker states several lobbyists have contacted her regarding who may be solicited for contributions to a corporate-sponsored PAC. “Professional employee” is not defined in chapter 68B but is defined in chapter 20. Tooker recommends adopting the chapter 20 definition for purposes of interpreting Iowa Code section 68A.503.

Motion by Roos to approve, Rueter second
All ayes, motion carries unanimously

2. To Iowa Finance Authority re: affordable homeownership summit

The Iowa Finance Authority is hosting a summit on affordable home ownership. It wants to ensure it is complying with the laws within the Board’s jurisdiction, particularly since IFA wants to invite presidential candidates to the summit.

The proposed advisory opinion states the summit as described would be compliant.

Tillotson questions why the advisory opinion is addressed to a private individual rather than IFA. Tooker states she addressed the proposed opinion to Charlie Smithson because he was the one who requested it on behalf of the executive director of IFA.

Tillotson moves to approve the advisory opinion with a caveat that Tooker contact IFA and determine to whom the advisory opinion should be issued. Walsh second.

All ayes, motion carries unanimously

3. To Representative Prichard re: Iowa Treasurers' Association scholarships

Tooker says the treasurers' association has a scholarship funded by two companies that do business with many county treasurers. There is a committee of treasurers who choose the recipients. Only children and grandchildren of treasurers and their employees are eligible.

Tooker states the scholarship is clearly a gift. The question is whether it is an "indirect" gift from a restricted donor. Tooker believes that it is.

Walsh moves to adopt the proposed opinion, Roos second.

All ayes, motion carries unanimously

4. To Polk County Republicans re: building funds for county central committees

Tooker states two years ago the Polk County Republican Central Committee asked the Board to consider allowing county central committees to have building fund accounts. Tooker believes the Board does not have the authority to expand building fund accounts to county central committees. Tooker says chapter 68A would have to be amended to allow them.

Rueter moves to accept the opinion as written, Zafar second.

All ayes, motion passes unanimously

VII. NOTICE OF INTENDED ACTION (RULEMAKING)

1. Conforming administrative rules to recent statutory changes

Tooker summarizes the changes to law effective July 1, 2015: the threshold for creating a committee has increased from \$750 to \$1,000 and the maximum allowable anonymous contribution has increased from \$10 to \$25. Additionally, the independent expenditure statute has been amended to reflect the 8th Circuit Court of Appeals decision which struck down ongoing reporting and the need to file a termination report. The proposed rule changes conform with the legislative changes.

Walsh moves to approve, Rueter second.

All ayes, motion carries unanimously

VIII. REQUESTS FOR ADJUSTING ENTRIES ON CAMPAIGN DISCLOSURE REPORTS

Tooker states there are times where a committee's bank statements do not match its disclosure reports. If the committee has more money than it can account for, then it must escheat those funds. If the committee has less money than it can account for, then the Board's staff may make an adjustment up to \$100. Adjustments over \$100 need Board approval. These two committees are requesting an adjustment. These amounts represent a tiny fraction of the overall contributions collected by each

committee. Tooker recommends allowing the adjustments so the committees may file statements of dissolution and close.

1. Friends of Matt Schultz - \$445.57
2. Gartin for Senate - \$298.35

Tillotson moves to approve adjustments for the committees, Zafar second.
All ayes, motion carries unanimously

IX. RESULTS OF STATE AUDIT OF BOARD FOR FY14

The State Auditor found no reportable errors for the Board in fiscal year 2014.

X. RESOLUTION RECOGNIZING BOARD INTERN STEVEN DE LEON

Albert suggested the Board adopt a resolution recognizing the Board's summer intern for his service to the board.

Walsh moves to approve a resolution, Tillotson second
All ayes, motion carries unanimously

XI. ADJOURNMENT

With no other business, Albert calls for a motion to dismiss
Walsh moves to adjourn, Zafar second.

The Board adjourns at 1:09 pm

Respectfully submitted,

