

ZACHARY S. GOODRICH

Executive Director
and Legal Counsel



BOARD MEMBERS:

James Albert, Chair
Elaine Olson, Vice Chair
Jonathan Roos
Mary Rueter
Carole Tillotson
John Walsh

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

Board Meeting Minutes

February 17, 2022, 12:00 p.m.

Ola Babcock Miller Building, Room 300
1112 E. Grand Ave., Des Moines, IA 50319

CALL TO ORDER

Roll call and introductions. Present are Carole Tillotson, Jonathan Roos, James Albert, Elaine Olson via phone. Mary Rueter and John Walsh are absent. Also present are Zachary Goodrich, Andrew Greenberg and Nancy Wood. Meeting begins at 12:03 pm.

APPROVAL OF AGENDA

Motion by Jonathan Roos to approve the agenda. Second by Carole Tillotson. All ayes, motion carries.

APPROVAL OF MINUTES

Motion by Carole Tillotson to approve the minutes of the November 18, 2021 meeting. Second by Jonathan Roos. All ayes, motion carries.

DIRECTOR'S UPDATE

Office Update: Zachary Goodrich started his position as Executive Director and Legal Counsel on January 7th, replacing retiring Mike Marshall. Cohl Bultje, auditor for State Candidates is leaving the agency effective February 17, after nearly 9 years as a Field Auditor for a new position at DOR.

This position will be posted within the next few days. My hope is to have the position filled by mid/late March.

We are in the process of figuring out what our office looks like post-pandemic. We will be in the office more, but remote work works and it is a nice perk for the staff. Still figuring out the finer points to find an ideal plan that is best for the well-being of the agency without sacrificing the well-being of the staff.

We are in the process of finding summer intern(s). I attended Drake Law career fair last week and already have some good candidates who have submitted resumes.

Projects we are going to get started:

We are expanding educational materials on our website (webinars, more FAQs)

More presentations to groups across the state (Vanessa and I are doing one tomorrow). This was a frequent activity pre-pandemic and it's something I want to bring back. It increases our visibility, helps the public, and reduces the amount of problems we run into.

We added nameplates under Board member pictures in lobby. Looks nice.

Website continues to be popular. 47K visitors in January. Roughly 1,500 visitors per day. 51% of visitors are US. 23% are unknown, China and Germany have 5%. UK has 2%.

Most downloaded reports: DeJear for Governor, Sand for State Auditor, Graham for Polk County Attorney, Smith for Governor, Reynolds for Governor.

Media coverage of our agency following 1/19 report due date.

Admonishments: 4 since the Board last met. 3 are related to the complaint that we'll address later.

Other one is for a school board candidate in Ames. Gave \$6.02 to a homeless man as a charitable contribution. Minor violation.

Operating Budget

Nancy monitors operating budget and we are in good shape. We do not expect the need to ask Department of Management (DOM) for additional funds as we approach the end of the FY like in years past.

Legislative

Our bill adding a second reporting date for statewide, legislative, and county candidates in non-election year passed the subcommittee and the State Gov. committee in the House both unanimously a few weeks ago. Currently waiting for it to be brought to the House floor for a full vote. Should be soon. This is funnel week so they're busy with other matters.

Last month budget presentation. Good reception. The legislation is working its way through the process with the full amount we requested which was also what the Governor recommended. Main increase was for maintenance of new WRS.

A proposal from a representative proposing that attribution statements be added to automated and live phone calls, radio ads and a few other items has died.

New Web Reporting Site (WRS)

- Goes live on March 8th.
- Staff had a meeting with QCI yesterday to go over the new system.
- We all have log in accounts to test the system and detect any issues that may need to be corrected.
- Week before it goes live we will be doing agency wide training to ensure we are all up to speed.
- New system is impressive. It will increase efficiency, be much more user friendly, and is overall a big upgrade. Thanks to Megan and Mike, as well as Jason and QCI.

Reminders:

- Personal Financial Disclosures are due April 30th. Let myself or Nancy know if you'd like help with yours.
- For the next meeting, I will be in touch later to decide on a meeting date. Currently planning on it being in May once Governor's appointees for the next six years are in place.

ADVISORY OPINION

a. AO 2022-01 (Wiedeman)*

Andrew Greenberg - We had a question with someone involved with a candidate committee that asked about accepting a contribution in the form of crypto currency. The short answer is yes, a candidate committee can accept crypto currency, because there is no rule prohibiting it. The advisory opinion prepared, explains how to record it how to hold it and what you do when you sell it and how you can use it. You may not use it to make expenditures. It is called currency but you can't buy anything. All expenditures must be used with funds that are deposited in an Iowa financial institution, which crypto currency cannot do. You report it as in kind contribution. You assess the value as of the time it is received and record that value. When it is sold, you obtain the value and record the cash value of the crypto currency. The FEC does have an advisory opinion on this subject, however, the reporting is a little bit different than ours. So this advisory opinion should provide guidance as it relates within our jurisdiction

Motion to approve Advisory Opinion 2022-01(Wiedeman) was made by Elaine Olson, second by Jonathan Roos. No further discussion, all ayes, motion carries.

II. COMPLAINTS

- a. Ready for Board action
 - i. FC 2021-10 (Brett McCormick for Cedar Rapids City Council)*
 - ii. FC 2021-11 (Craig McCormick for Cedar Rapids City Council)*
 - iii. FC 2021-12 (Rocky Wicher for Cedar Rapids City Council)*

The three complaints we had, were consolidated because they are the same complainant. The complaint was about a violation of 68A, that the respondents failed to form their candidate committees and failed to file their campaign disclosure reports on the due date of October 28th. After reviewing the subsequent campaign disclosure reports and financial activity, the issue was that the three candidates collectively purchased two digital advertisements on a billboard in cedar rapids. The complainant became aware that the average price for one advertisement is around \$1500. We reviewed the campaign disclosure reports and the expenditures made amounted to a little bit more than \$1200 per candidate and that expenditure was made on October 25th. The report due on October 28th, only covered activity through October 23rd, so this activity would not have been subject to that report. They were required to file a report as it exceeded \$1000 for each candidate. They need to file a statement of organization within 10 days. The filings were due no later than November 4th. Brett McCormick filed on November 8th Craig McCormick and Rocky Wicher filed on December 26th. In response to late filings IA code 351-9.4 (6). The three respondents were admonished on January 31st.

So upon legal review, the complaint does not state an allegation that is legally sufficient at the time the complaint was filed the respondents were not in any violation of IA code chapter 68A and subsequent violations have been dealt with through admonishments. The three respondents have also filed their statements of dissolution for their candidate committees. Therefore, I recommend to the Board, that they dismiss these complaints as legally sufficient.

Motion by Carole Tillotson to dismiss due to legal sufficient, second by Jonathan Roos. No further discussion. All Ayes, motion carries

This complaint noted as pending is to bring to the Boards attention that we are currently investigating this complaint and simply bringing it to the Board's attention.

Pending

- iv. FC 2021-09 (Amara Andrews 4 CR, Iowa Voter Info, and Linn County Democrats)

PETITIONS FOR WAIVER OF CIVIL PENALTIES

1. Andrew Rasmussen for Iowa House District 37
2. Anesthesia Service Medical Group Advocacy Fund
3. Bill Gray for City Council

Carole Tillotson – moves to deny the waiver requests for Anesthesia Service Medical Group Advocacy Fund and Bill Gray for City Council. Second by Roos. No discussion. All ayes, motion carries.

After additional discussion, Carole Tillotson made the motion to approve the waiver request for Andrew Rasmussen for Iowa House District 37. Second by Jonathan Roos. All ayes, motion carries.

ADJOURN

Motion by Jonthan Roos to adjourn, second by Carole Tillotson. All ayes, motion carries. Meeting adjourns at 12:40 pm.

Respectfully submitted by,

Nancy Wood

Nancy Wood, Executive Secretary
Approved 5/26/2022