



DCU BULLETIN

Division of Credit Unions

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Voting Process to Ensure Member Confidentiality

This Bulletin provides guidance to Washington state chartered credit unions regarding the use of a ballot for an annual or special membership meeting and the voting process for the following:

- If a “secret” ballot is required in the bylaws; or
- If a “secret” ballot is **not** required in the bylaws.

Research:

First, we researched whether a Washington state chartered credit union is required to provide a “secret” ballot for voting at an annual or special membership meeting. There is no statutory duty under the Washington Credit Union Act (Chapter 31.12 RCW) to have a “secret” ballot. The concept is unmentioned. Both RCW 31.12.185 (annual membership meeting) and RCW 31.12.195 (special membership meeting) require the meeting to be “conducted according to the rules of procedure approved by the board.”

Second, we found the definition of “secret” as “concealed from public or general knowledge or view¹.”

Third, we looked for other regulatory guidance on the term “secret” ballot. On July 30, 2003, the National Credit Union Administration (NCUA) wrote an opinion letter on the subject and stated the following:

“Secrecy in voting is interpreted to mean that “the elector may conceal from every person the name of the candidate for whom he voted.” 29 C.J.S. Elections§1(1) (1965). Maintaining actual secrecy is important for two reasons. First, if the members believe the balloting process is susceptible to a breach in the secrecy; this may have a chilling effect on the voting process. Second, a process that allows tellers, even if they are independent, to know both the identity of the voters and how the voters have cast their ballots is susceptible to a breach in the secrecy².”

¹ Webster’s II New Riverside University Dictionary, The Riverside Publishing Company, 1984, p 1054.

² NCUA Opinion Letter 03-0510, dated July 30, 2003, to Mr. Dino Joseph Drudi, a copy is available at <http://www.ncua.gov/Legal/OpinionLetters/OL2003-0510.pdf> .

Guidance:

1. If a “Secret” Ballot is Required in the Bylaws or Rules of Procedure Approved by the Board

If a “secret” ballot is required in the credit union’s bylaws or the rules of procedure approved by the board for any membership meeting vote, the Division of Credit Unions will expect that the identification of the voter will be separated from the ballot. For example, the credit union may provide each member with a ballot and a separate identification form that is submitted at the same time with the ballot but removed from the mailing envelope before opening the ballot. The procedure would allow the credit union to verify the identity of the voter while maintaining the secrecy of the ballot.

If the ballots are designed so that members’ identities remain secret and are not disclosed on the ballot, a credit union may use election tellers from the credit union. In any case, the credit union’s employees, officials, and members must not have access to ballots identifying members or to information that links a member’s vote to their identity.

2. If A “Secret” Ballot Is **Not** Required in the Bylaws

If a “secret” ballot is not required in the bylaws or the rules of procedure approved by the board for any membership meeting vote, a Washington state chartered credit union is still expected to provide a voting process that assures the member’s vote will remain confidential and secret from all interested parties. If the voting process does not separate the member’s identification from the ballot, the credit union should use an independent third party that has sole control over completed ballots. The credit union may contract with an independent, third party company to distribute, collect, take custody, and tabulate the ballots. The contract between the credit union and the independent company should stipulate that at no time the credit union’s personnel would have access to information that would indicate the voting of an individual member. The credit union should not use the term “secret” ballot in its Notice of Membership Meeting or other voting materials.

If you have any questions or would like more information, please contact Linda Jekel, Director of Credit Unions at Linda.Jekel@dfi.wa.gov or (360) 902-8778.