

Public Comment for April 2024
Warning Letter Summary (4/1/24 – 4/22/24)
By Conner Edwards

Introduction

This written public comment is dedicated to former PDC Commissioner Russ Lehman, who was appointed by Gov. Inslee in 2019. Commissioner Lehman was well known for being an advocate for campaign finance transparency and the public’s “right to know”. While Commissioner Lehman supported the PDC’s mission, he never let his support blind him to poor decisions that were often made by the agency and agency staff. Frustrated by what he observed, Commissioner Lehman ultimately resigned¹ in 2021 before the expiration of his term.

Several months ago, Commissioner Lehman wrote an op-ed² after Director Lavallee unilaterally dismissed a complaint against the City of Olympia using a “warning letter”, even though the evidence had shown that Olympia had inappropriately used government resources to promote a ballot measure.

Commissioner Lehman wrote that by dismissing the complaint with a warning letter, that:

“... [t]he PDC not only failed to do their job, but they really did worse than that. They tried to make it look like they are doing their job while actually doing nothing – and thereby sending signals to all local governments about what can be a consequence-free use of public funds in this situation, and what is not.”

Commissioner Lehman was absolutely right. Warning letter dismissals have no deterrence effect whatsoever because they are effectively the same as an outright dismissal. Warning letter dismissals serve to send a “green light” to other entities to commit the same type of violations.

While it is obviously far more expedient for staff to dismiss a meritorious complaint than it is to prosecute it, this has fostered an environment where noncompliance has become widespread.

To state the obvious: no one likes monetary penalties, and it would be far better if everyone just complied with the law. However, the reality is that when the other methods fail (like filing reminders and compliance training), monetary penalties are pretty much the only tool that the agency has to incentivize filers to follow the law.

If hardly anyone ever gets fined when they fail to file reports on time, why should filers bother to spend time, money, or energy to comply with the deadlines? Why waste money on a treasurer? Why take the time to understand what the law requires and comply if there are no consequences for noncompliance?

¹ <https://wildwest.substack.com/p/a-resignation-and-warning>

² <https://www.thejoltnews.com/stories/public-disclosure-commission-failed-to-fulfill-its-mission,11154>

At the last several meetings, the Commissioners have started to express skepticism over how staff have used warning letter dismissals.

During the enforcement portion of the meeting, I would encourage you to discuss each case that was dismissed with a warning letter over the previous month and discuss whether such dismissals helped further the PDC's mission and the public's "right to know".

Warning Letter Dismissals (4/1/24 – 4/22/24)

During this time period, staff resolved 19 cases where their investigations found violations of RCW 42.17A or WAC 390.

One case (147358) was resolved through a Technical Correction, where the respondent had to amend C4 reports to include additional expenditure descriptions.

Only three cases resulted in the imposition of a penalty via a Statement of Understanding (147903, 147906, 141053).

15 of these cases were dismissed outright via a warning letter. Below, I will provide a brief summary of each case.

###

Case 141815 Evan Merritt

In this case, the staff investigation found that Evan Merritt – a successful candidate for Fire Commissioner for Snohomish County Fire Protection District 04 - illegally exceeded the \$500 contribution limit that exists for filers who choose the mini-reporting option.

The illegal contribution was from a firefighters' union (an entity whose interests are implicated by the position the candidate sought). The candidate never reported the contribution to the public prior to the election.

Despite the clear evidence of a violation that materially affected the public's right to know about the funding/finances of a candidate committee, agency staff unilaterally dismissed the complaint with a "warning letter", thereby giving a green light to other candidates to commit the same type of violation without fear of being penalized.

Case 147916 Battle Ground Citizens for Better Schools

In this case, the staff investigation found that the political committee "Battle Ground Citizens for Better Schools" was required to file a 21-day pre-election C-4 report that was due January 23, 2024, that covered the reporting period from Dec. 1, 2023 – Jan. 22, 2024. The report was not filed until February 2, 2024 and was 10 days late. Agency staff also found that the committee failed to timely disclose several contributions. Most notably the committee had failed to timely disclose a

\$3,346.35 contribution from the Battle Ground Principal Association until approximately 4 months after the due date.³ People were voting on the levy during this time and did not have access to the reports which they were legally entitled to view.

Despite the clear evidence of a violation that materially affected the public's right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a "warning letter", thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 142182
Satwinder Kaur

In this case, the staff investigation found that the candidate for State Representative Satwinder Kaur had failed to timely/accurately file multiple reports disclosing contributions and expenditures. The staff investigation found that 7 reports containing substantive activity were filed more than 1 day late, but staff did not do any further analysis of what was contained in the late reports other than noting the following:

"For example, the Campaign received in-kind contribution(s) from the Washington State Democrats on May 25, 2021, but did not report the in-kind contribution on a C-4 report until July 9, 2021. The Campaign also received a \$1000 contribution from the Truman Fund on September 14, 2020, and deposited the contribution on the same day, but it was not reported on a C-3 report until May 11, 2021."

These two disclosures were made notably late.

Despite the clear evidence of a violation that materially affected the public's right to know about the funding/finances of a candidate committee, agency staff unilaterally dismissed the complaint with a "warning letter", thereby giving a green light to other candidates to commit the same type of violation without fear of being penalized.

Case 147935
Nand Jenna

In this case, the staff investigation found that the Edmonds City Councilmember Jenna Nand violated RCW 42.17A.555 by using her position at a council meeting to promote passage of a ballot measure when she directly encouraged: *"everyone listening to vote yes and to also remind their neighbors to vote yes and turn in their ballots by February 13th."*

In their dismissal letter, agency staff noted that *"[staff's] review found that the Respondent used a council meeting and/or facilities of the City of Edmonds to support/promote a ballot proposition"* but staff sought to excuse this conduct because *"it appears that [the respondent] was not aware of the prohibition against the use of facilities of a public agency to support/promote a ballot proposition"*.

³ <https://apollo.pdc.wa.gov/public/registrations/campaign-finance-report/110199468>

Despite the clear evidence of a violation that involved the misuse of government resources for electioneering, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other elected officials to commit the same type of violation without fear of being penalized.

Case 148416

Citizens for Schools Walla Walla

In this case, the staff investigation found that the political committee “Citizens for Schools Walla Walla” failed to include an accurate sponsor ID on electioneering communications that would have allowed members of the public to look up the committee’s name on the PDC’s website and see where the committee received its funding from.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 147913

Sky Valley Citizens Schools

In this case, the staff investigation found that the political committee “Sky Valley Citizens Schools” was required to file a 21-day pre-election C-4 by January 23, 2024, that covered the reporting period from Dec. 1, 2023 – Jan. 22, 2024 but that the report was filed 10 days past the deadline. People were voting on the levy during this time and did not have access to the report which they were legally entitled to view.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 137290

Betsy Wilkerson

In this case, the staff investigation found that the respondent (a member of the Spokane City Council) had committed a number of violations of RCW 42.17A, including:

- a) Inappropriately designating \$3,254.89 as carryover funds from a previous campaign for a different office even though donors had only approved the transfer of \$1020 worth of funds from the previous campaign. The campaign remediated this issue only after receiving the complaint.
- b) Failure to include [what staff perceive to be] the appropriate level of expenditure details for ads and other purchases from the candidate’s 2021 campaign. The campaign amended

these reports, but this amendment occurred more than a year after the 2021 election was already over.

- c) Inappropriate acceptance of an overlimit in-kind contribution, the overlimit portion of which was \$279. The campaign only refunded this amount after receiving the complaint.
- d) Failure to accurately identify the employer information for a contributor. The correct information was provided only after the complaint was filed.
- e) Failure to provide accurate information on form F-1 regarding private/public directorships/offices held. The correct information was provided only after the complaint was filed.

Staff attempted to justify their decision to dismiss the complaint without any penalties because of the *“lack of knowledge by the Respondent’s 2021 treasurer and general misunderstanding of the reporting requirements for expenditure descriptions and content F-1 reports”*.

Despite the clear evidence of a violation that materially affected the public’s right to know about the financial affairs and campaign funding of an elected official, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other elected officials to commit the same type of violation without fear of being penalized.

Case 148216
East Valley 4 Education Levy Committee

In this case, the staff investigation found that the political committee “East Valley 4 Education Levy Committee” was required to file a 21-day pre-election C-4 on January 23, 2024 but did not file an accurate version of the report until February 23, 2024 (after the election). The committee did file an inaccurate version of the report on time, but staff did not address what differences existed between the accurate and inaccurate version of the report, only noting that the differences were “substantive” and therefore that the report was considered late.

Additionally, staff investigation showed that the political committee was also required to file a 7-day pre-election C-4 on February 06, 2024 but did not file an accurate version of the report until February 23, 2024 (after the election). The committee did file an inaccurate version of the report on time, but staff did not address what differences existed between the accurate and inaccurate version of the report, only noting that the differences were “substantive” and therefore the report was considered late.

While the complaint also alleged that the committee had failed to comply with expenditure/in-kind descriptive requirement guidance, agency staff failed to address (or even acknowledge) this issue in their dismissal letter.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a

“warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 148109

Votenobondandlevy / John Johanson

In this case, the staff investigation found that an individual (John Johanson) used a fictitious name “Votenobondandlevy” to sponsor political advertisement opposing a local bond and levy campaign and in doing so violated the statutory requirement that all written political advertising include the actual name and address of the sponsor. The group “Votenobondandlevy” did not actually exist and was not registered with the PDC, which was what triggered the complaint.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding behind political advertisements, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other political advertisement sponsors to commit the same type of violation without fear of being penalized.

Case 147902

Help Eastmont Levy Pass

In this case, the staff investigation found that the political committee “Help Eastmont Levy Pass” was required to file the 21-day pre-election C-4 on January 23, 2024, but the committee did not file that report until January 31, 2024, making it 8 days late. People were voting on the levy during this time and did not have access to the reports which they were legally entitled to view.

Additionally, the investigation found that the committee had filed C4 reports covering earlier time periods significantly late because contributions received during these periods exceeded the \$750 threshold.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 147915

Committee to Support Deer Park Schools

In this case, the staff investigation found that the political committee “Committee to Support Deer Park Schools” was required to file the 21-day pre-election C-4 on January 23, 2024 but the committee did not file that report until January 28, 2024 which was 5 days late. People were voting on the levy during this time and did not have access to the reports which they were legally entitled to view. An accurate version of the report was not submitted until February 9, 2024.

Additionally, the investigation found that the committee had filed C4 reports covering earlier time periods significantly late because contributions received during these periods exceeded the \$750 threshold.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 147910
Citizens for Bellingham Schools

In this case, the staff investigation found that the political committee “Citizens for Bellingham Schools” was required to file a 21-day pre-election C-4 report was due January 23, 2024, that covered the reporting period from Dec. 1, 2023 – Jan. 22, 2024. The report was filed two days after the deadline on January 25, 2024. People were voting on the levy during this time and did not have access to the report which they were legally entitled to view.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 148402
Help Educate Lakewood Pupils

In this case, the staff investigation found that the political committee “Help Educate Lakewood Pupils” was required to file a 7-day pre-election C-4 on February 06, 2024 but failed to file the report until February 08, 2024. The report was two days late and people were voting during this time period.

Despite the clear evidence of a violation that materially affected the public’s right to know about the funding/finances of a political committee, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other committees to commit the same type of violation without fear of being penalized.

Case 147009
Julieta Altamirano-Crosby

In this case, the staff investigation found that the respondent (a Lynwood City Councilmember):

“...failed to accurately disclose her source of income from Mukilteo School District. Staff further noted that the Respondent failed to disclose funds received from a government agency where she held office in 2022. Specifically, staff noted that WA-GRO Foundation, a business entity where the Respondent serves as an officer (President), received \$500 in government funds from the City of Lynnwood and failed to report it on her 2022 F-1 report.”

Despite the clear evidence of a violation that materially affected the public’s right to know about the financial affairs of an elected official, agency staff unilaterally dismissed the complaint with a “warning letter”, thereby giving a green light to other elected officials to commit the same type of violation without fear of being penalized.

Case 147863
Riley Christina

Because I was the treasurer who was hired to help this candidate address the allegations of the complaint, I am not going to summarize this warning letter. You can read the documents associated with the case here: <https://www.pdc.wa.gov/rules-enforcement/enforcement/enforcement-cases/147863>.

Per my response to the complaint though, I will note that this candidate had entered most of the transactions into ORCA but the final step to file the reports (certification) had not occurred. This is not an uncommon problem, and the agency should consider some technical changes to ORCA to resolve this issue going into the future.

Toni Lince

From: Russell Lehman
Sent: Friday, June 25, 2021 10:32 AM
To: Fred Jarrett; Nancy Isserlis; Bill Downing
Cc: Flanagan, John (GOV); Sheri Sawyer
Subject: Resignation

Fred/Nancy/Bill,

I joined the Public Disclosure Commission (PDC) in January 2019. Unlike other Commissioners, I was not “recruited”. I applied after my experience with a statewide ballot measure campaign and the subsequent research I did which showed that the “citizen initiative” in Washington state was in danger of becoming merely a vestige of our populist roots.

What occurred there was entirely legal in Washington state. I felt, at the time, that I wanted to have whatever impact I could in helping to level the legal playing field, regarding: 1) money, 2) transparency, and 3) disclosure in WA state politics.

The trade-off for someone joining the Commission is abstaining from any political activity in exchange for the opportunity to have a direct impact on “shed(ding) the light” on Washington politics and governing. I decided to join the Commission only after I spent some time on the phone with the then-Chair, Anne Levinson. It was her obvious intelligence, commitment and, to me, most importantly, her plans and hopes for leadership, substantive change, and an activist PDC (i.e. to preserve and increase the independence of PDC, digital transparency, assuring the public’s access to commercial political advertisers records, etc.) which was the deciding factor for me.

Notwithstanding my experience in politics and policymaking, I quickly became aware of my naivete when confronted with both the institutional and bureaucratic inertia, as well as the counterforces to reform and change from elected leaders and the political establishment. As one colleague reminded me “there is more than a supermajority in both chambers who would be happy to see the PDC go away”.

But it’s not just those in the legislative branch, who both appear to relish the almost complete leverage they have over the PDC, while also seemingly offended at the very notion that they must consider public access to political, personal, and financial matters of candidates and elected officials. It is also the executive branch which too often acts as if they are put out by even the minimal management and coordination of an agency which has the chutzpah to enforce state law and the public mandate. As of this writing the Governor’s office has still not, despite requests and offers of help since the summer of 2020, even named a fifth member of the Commission.

The PDC is now recognized as a very “customer friendly” agency which both practices responsiveness and professionalism to citizens. It also, and not insignificantly, supports a happy and satisfied workforce. However, mistaking the floor for the ceiling, the agency and the Commission, I believe, misinterprets its true mission as set forth by the people in two statewide initiatives. The “North Star” of the agency is often reduced to a numeric or input/output calculation, instead of what it should be – can the public, as easily and simply as possible, access the information it needs to be an informed and engaged electorate?

It has a website which, even in its revised versions, is somewhat cumbersome and difficult to navigate for journalists, much less the general public. At least 20% of Commission meetings are typically spent (mostly) approving candidates/public officials request to **exempt** themselves from disclosure requirements. When a public political ad digital archive was suggested, so that the public would have access to what has become a major source of political advertising, the agency’s executive Director called it a “pipe dream”. The only time in 3 years he supported any effort by

the Commission to seek statutory modernization or reform was for the purpose of changing the law so the Commission could increase *his* salary.

When the very independence of the agency is threatened, either by direct action of the legislature (i.e., budget proviso's limiting its ability to perform its functions) or indirectly (i.e., threats and intimidation by legislators controlling its budget) the reaction of the PDC is submission and acquiescence instead of respectful and principled opposition and advocacy. The likely unconstitutional prohibition on any political involvement by Commissioners, anywhere in the country, unique amongst PDC-like agencies in the U.S., is met with mere conciliatory resignation by the Commission.

My colleagues on the Commission are smart, fair minded, people of integrity and civic duty. It is quite clear though, that my desire of a more activist PDC which boldly and aggressively plays a leading role in advocating for the public's right to know, brings forth proposals and programs which enhance the public's access to information, and takes all necessary steps to increase civic engagement, is not shared by my colleagues.

My hopes and aspirations when I joined the PDC have not subsided. It is clear to me, however, that the change and reform I believe is needed, is not likely to come from the PDC.

It is for these reasons, I hereby resign my position effective immediately.

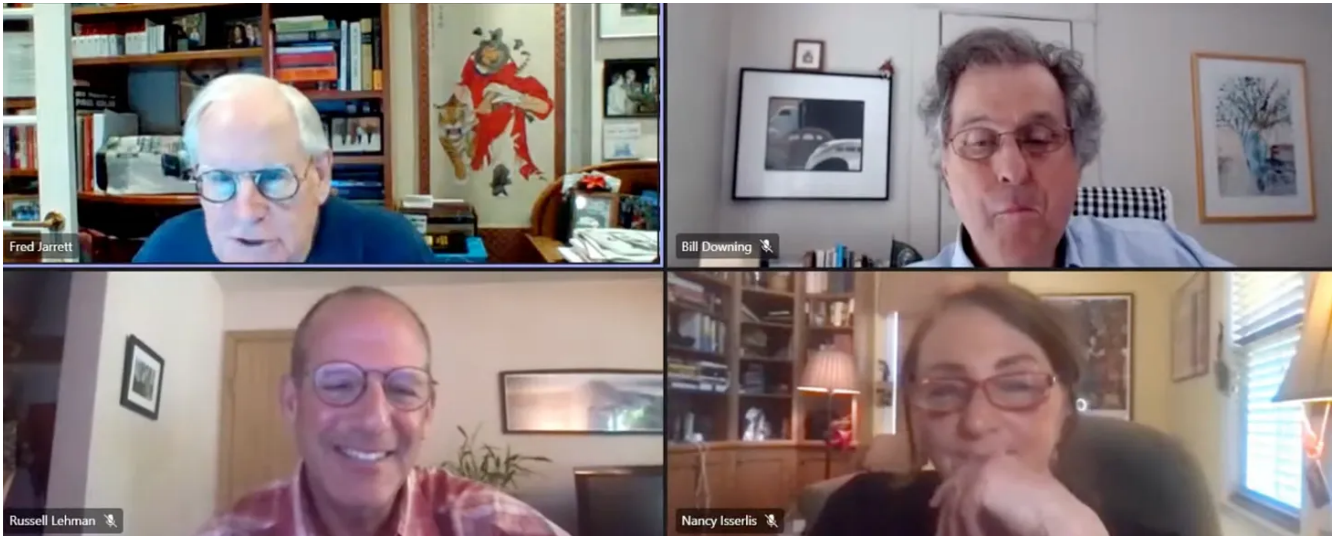
A Resignation and Warning



ELI SANDERS

JUN 28, 2021

Share



In a blunt and critical letter to his colleagues, Russell Lehman, bottom left, recently resigned from the Washington State Public Disclosure Commission.

On Friday morning, a scalding resignation letter arrived in officials' in-boxes at a Washington State agency charged with regulating everything from the financial disclosures of powerful politicians to the fast-changing world of online election ads.

The sender was Russell Lehman, an attorney and political activist who'd served on the Washington State Public Disclosure Commission for two and a half years. He told colleagues he was resigning because of the commission's "institutional and bureaucratic inertia" and the agency's inclination toward, in Lehman's words, "submission and acquiescence" when faced with pushback from outside critics, "instead of respectful and principled opposition and advocacy."

Lehman was [appointed](#) as an agency Commissioner by Washington State Governor Jay Inslee in January 2019, and in his resignation letter he also took a shot at the governor for having left a seat on the five-member body empty for the last six months. With this

resignation, Inslee now has two seats to fill and the Public Disclosure Commission is [down to three](#) members.

The PDC, Lehman wrote in his letter, “misinterprets its true mission as set forth by the people in [two](#) statewide initiatives.” He said the agency now spends “at least 20 percent” of most meetings on actions to exempt officials from disclosure requirements. He also took specific aim at the agency’s executive director, [Peter Frey Lavallee](#). “The only time in 3 years he supported any effort by the Commission to seek statutory modernization or reform,” Lehman wrote, “was for the purpose of changing the law so the Commission could increase *his* salary.”

In a statement, the agency’s spokesperson, Kim Bradford, wished Lehman well and said his “passion for the mission of the PDC was obvious.” But Bradford disputed Lehman’s characterization of the agency and Lavallee, saying the PDC “has transformed itself” in recent years and that “many of those changes were the result of significant statutory reform that Executive Director Peter Frey Lavallee championed.”

Bradford continued: “Based on that record, Peter has requested a raise during performance reviews.” Due to salary caps connected to state law, she said, “Peter noted in discussions with the Commission that one approach would be to amend that law, but the agency has not developed a proposal to do so.” Lehman disputes this take.

In his resignation letter, Lehman wrote that it’s “quite clear” his former colleagues on the commission do not share “my desire of a more activist PDC which boldly and aggressively plays a leading role in advocating for the public’s right to know.” After resigning, he went into more detail about his wide-ranging criticisms of the agency in an interview with *Wild West*, saying he’s come to believe necessary change at the PDC will only come from outside agitation, perhaps through another citizens initiative like the one in the 1970s that created the agency. He also accused the PDC of harboring an “implicit bias” that favors “those with wealth and power,” including deep-pocketed corporations like Google and Facebook.

The following interview with Lehman has been condensed in the interest of (relative) brevity.

ELI SANDERS: In your resignation letter, you write that you didn't arrive at the Public Disclosure Commission by the normal route. How'd you end up a Commissioner?

RUSSELL LEHMAN: The commission didn't come to me. I came to the commission. I'm the only one I know of who approached to the commission in this way. Everyone else was recruited. I decided I wanted to get involved because I had worked, pro bono, on the Soda Tax measure in 2018. That's the one where Coke and Pepsi put up about \$20 million to run a statewide initiative campaign that **ended up preventing** all other cities in Washington State from following Seattle's lead on taxing **sweetened beverages** to fund health and education initiatives.

I worked as a spokesperson for the "No" campaign, assisting my friends in the public health community. In contrast to the millions from Coke and Pepsi, the public health community had about \$50,000. And even though polls showed a majority of the public was in favor of a "No" vote, the sides were not evenly matched financially and so we couldn't beat their "**Yes! To Affordable Groceries**" messaging.

I was just amazed at how little a chance people have when corporations are on the other side. I was compelled by that experience. And when I found out there was an opening on the Public Disclosure Commission, I started thinking: *I wonder if I could have an impact that way, and help level the playing field...* So I applied. I sent an application to the governor's office.

I ended up being appointed to the commission, and I was excited to be working under the leadership of then-Chair Anne Levinson, who wanted to do big things. But before too long I got the Politics 101 lesson from some of my other colleagues at the agency. They told me, "We're not really independent. We're controlled completely by the legislature—our budget, our staff, everything is controlled by the legislature. That's the way it is." And that was my first indication that I just had a very different outlook on the role and the mission of the PDC.

ES: How did these other outlooks on the PDC differ from yours?

RL: In light of the racial reckoning that's been going over the last year and a half, I'd say what's going on at the PDC is a really interesting case of implicit bias on the part of a

state agency. I think the commission has a really strong implicit bias towards institutions, and towards those with wealth and power, and not toward the public interest—which is exactly where I think we *should* have a bias.

The law directs that, and it's no coincidence that the agency was created by the people, through a citizens initiative. The legislature probably never would have created a PDC. And while there are good people in the legislature, no question, generally speaking they've been completely unsympathetic to the public's right to know.

ES: You wrote in your letter that a colleague at the agency once warned you: “There is more than a supermajority in both chambers who would be happy to see the PDC go away.” This will sound like an obvious question to you, but for the many, many people who don't track the bureaucratic dramas and consequential deliberations of the PDC, much less know it exists: Why would the legislature want the PDC to go away?

RL: I think that's easy. It's the old saying, “Power tends to corrupt and absolute power corrupts absolutely.” Generally, people in power don't like transparency and disclosure about things they're involved in. I think that's more human than it is political.

They don't want the public to know about their financial matters. They don't want the public to know about where potential conflicts might arise. Sometimes there are not conflicts, but they don't want to have to explain that to the public. And I get that. But that's the price you pay, I believe, for serving the public. Because to have an informed public, which is the basis of our democracy, we need to have transparency and disclosure. And there is no compromise on that, as far as I'm concerned.

ES: You point out that, as of the writing of your resignation letter, the governor's office still had not filled a vacant commissioner seat that's been sitting open for six months. Now there's a second vacancy on the commission and only three active commissioners. Why do you think it's been taking the governor's office so long to fill that other seat? And do you worry, given the institutional bias you're alleging here, that now, with a second empty seat to fill, the commission might end up swinging even further away from the more populist, activist orientation you'd like it to have?

RL: That's a great question, and I can't answer that because I don't know who the governor is going to put on. I don't assume that the governor will appoint people whose

views are antithetical to disclosure and transparency. I really don't believe he would do that. At the same time, that implicit bias is dramatic throughout government generally.

For instance, our last chair, David Ammons, is a former journalist and self-fashioned First Amendment zealot. But he was anything but on the Public Disclosure Commission. We literally didn't do anything to move the ball forward at all during his tenure. *[Eds note: Bradford, in her statement responding to Lehman's resignation letter, specifically praised Ammons—along with former PDC Chair Anne Levinson and current Chair Fred Jarrett—for creating a “transformed” agency in recent years.]* And he actually caved when a legislator threw a fit. He got a [hair-on-fire email](#) from Sam Hunt, who happens to be the chair of the state senate committee with jurisdiction over the PDC. Hunt threatened and intimidated the agency to take down financial disclosure documents that were available online. And it was all based on a lie by another senator and fictions about supposed hacking of the PDC web site. Which, by the way, it's important to note: You can't hack the PDC web site. It's open. You can't hack it.

Now, Senator Hunt, he can do whatever he wants. My problem is that the PDC gave in to that. And that's just one example. And Governor Inslee put Ammons on the commission. So the governor puts on people who are good people, I just think that they have a blind spot. And it's compounded by the fact that not many people care. Not many people follow this.

ES: You say in your resignation letter that at least 20 percent of PDC committee meetings now get spent mostly approving requests from candidates and public officials “to exempt themselves from disclosure requirements.” This criticism connects to financial disclosure documents, or “F1s.” For people who don't know what an F1 is, what's going on here?

RL: All public officials in Washington State need to file what's called an F1 report, which discloses a number of personal and financial matters so that the public has an opportunity to determine whether or not a conflict might exist. The legislature, some time ago, wrote into law the opportunity to apply for what's called a modification. So now people file a modification request with the PDC, and they ask the PDC to permit them *not* to disclose certain things that are otherwise required.

Two years ago, the legislature passed a law that actually exempted judges and judicial officers from disclosing their personal addresses because of so many issues that came about with regard to threats to the safety and security of those judicial officers, allegedly because their addresses were on an F1 form. I say allegedly, because there's a number of ways to get people's addresses, and just speaking for myself I have seen little evidence that the F1 form was a source of people getting addresses that didn't otherwise have them. But the legislature passed that law, and now what we see, just in the last couple years since they've done that, county clerks, people in clerks' offices all around the state, election officials, lots of others are asking to not disclose their personal addresses.

The law does allow the PDC fairly wide latitude to do this. I'm guessing here, but probably 90 percent of the modification requests are approved. And this is now not just about street addresses. What it's about, very often, is financial matters. People who claim that to expose the business connections they have in their lawfirms would expose them to other liability, or would damage their business. Car dealers. People on boards. We get it from everybody. They want to shield their business connections.

Again, as a filer and as a human I understand that. My answer is that they shouldn't run for office if that's the case. I know, being involved in politics for many years, that people make important policy decisions based on all kinds of things, and often based on things that the public doesn't know about—because they have a connection to somebody that the people aren't able to find out about, or because their spouse does.

ES: You've lobbed a pretty heavy charge against the current PDC Executive Director, Peter Frey Lavallee, writing that "The only time in 3 years he supported any effort by the Commission to seek statutory modernization or reform was for the purpose of changing the law so the Commission could increase *his* salary." The PDC disputes this. But beyond this specific issue, I want to know whether you're suggesting something more broadly here. Are you saying you lack confidence in Lavallee's leadership? And if so, what change do you suggest?

RL: I do lack confidence in his leadership. With that said, he clearly has created a work environment where the employees of the PDC appear to be happy and content and comfortable. My problem is, that's the floor not the ceiling. That's what any leader should be doing. But to really be a leader also involves advocacy, communication, bold

reform efforts, and bringing to us ideas about how we can move forward in this changing world.

You know, Washington State loves to say we are leaders in the United States on transparency and disclosure. Well, there are some things that we have done well on, no question, but there are many things we haven't. And we are behind many, many states in some areas. And truly being a leader means taking a look and saying, "Where can we change? What do we need to do?" Especially as the world changes so quickly, and especially when it comes to political advertising.

And that sometimes involves changes to the law. And the reason I bring this up is that Peter, the current executive director, has frankly fought us on statutory changes and every year since I've been there has said, "We shouldn't ask the legislature for anything." That's completely antithetical to what I believe is a strong component of true leadership.

ES: Let's talk about online political ads, which have been an issue for your entire tenure. You began on the PDC just as Facebook and Google were banning political ads in Washington State in response to new rules adopted by the agency, and this has been a truly complex, high-stakes issue that's generated a lot of outside lobbying and pushback. How do you think the PDC has handled this?

RL: I thought it was a mistake last year to propose a settlement with Facebook that required no liability for the company's repeated breaking of our political ad rules. And I was glad that proposal was [summarily rejected](#) by the commission and sent to the attorney general for prosecution. Since then, Facebook is being told by the agency that the rules around political ad disclosure can be changed to accommodate their needs. *[Eds note: See [last week's newsletter](#) for more on this allegation and the PDC's response.]*

That accepts the violators' argument that the rules are the problem, rather than the problem being the companies that are selling online political ads—despite the bans they've announced—while also failing to follow our disclosure rules. We can't have it both ways. We can't take credit for leading the country on rules for digital ads and, at the same time, whenever tech giants say, "Wait a minute, this has gone too far, we can't

work with that,” start to capitulate, or be willing to capitulate and say to them, “Well, we could change the rules if it’s not working for you.” You can’t have it both ways.

And I think right now, the state is trying to have it both ways. And at the same time, leaders at the PDC are offering to both Facebook and Google at least the possibility, and I would say the likelihood, that the rules will change in their favor.

These rules meet our mission, and contrary to what Facebook and Google will say, they are constitutionally sound. So what should we be afraid of? Why not let it be tested in court?

ES: Are you saying that when it comes to the current case of *Washington State vs. Facebook*, this would be your preferred option—for the AG to follow the case through to a courtroom conclusion rather than seek another settlement?

RL: That would be my preferred option, knowing what I know. And I say that only because I haven’t done discovery in this case. That’s the AG’s job, and the AG’s office doesn’t talk to us about cases we’ve sent them. So I just don’t know, but unless they’ve found out something that we are totally unaware of, my own analysis—and much more importantly, the opinions of people who are much smarter than me—say we are on sound legal footing. So yes, I would say based on what I know that would be my preferred course.

Look, we just saw the AG agree to [a settlement with Google](#) that went the opposite direction. My problem with just settling and letting companies like Facebook and Google constantly pay fines for violating the law, without any admission that the law even applies to them, is that those violations of law will just keep on continuing. Because these are very deep pockets, so they just consider it a cost of doing business. So they’ll do it again. I don’t see how this all doesn’t play out again next year.

I believe these companies can go as fast as they want, but one thing they can’t break is our law. I think it’s pretty clear that they get a different message, however, from the PDC and from the AG’s office. The fines are a cost of doing business and the underlying violations just continue.

ES: You [blew the whistle](#) about what you saw as a too-cozy relationship between the PDC leadership and Facebook and Google regarding potential changes to the current political advertising rules. But at [last week's](#) commission meeting—your last meeting, as it turned out—you voted to open a process that could lead to changing those rules. That's one of your last acts as a PDC Commissioner. How do you explain that?

Frankly, I labored with that vote. It was a pro-forma vote, but I labored with it. But the other three commissioners supported it and were going to do it anyway. Also, it's just setting a six-month plan for potential rule revisions, which we have to do under the law, but there's no requirement about what those rule revisions will be or whether they'll even happen.

During the meeting, [I did ask](#) our counsel to what extent these suggested changes come from the regulated community, and to what extent they come from others. And clearly, they were very evasive about that. And my sense is, it's to cover themselves, in the sense that the input for changes—my sense is they're coming only from the large platforms that sell digital ads. My concern is that the PDC will capitulate to that. But I also believe that we should always be willing to go back and look at rules, and statutes on the books, and say, "How can we make this better?" So that's why I voted for it.

ES: You and I could talk about all this stuff for a long time, but we've already had a pretty long conversation so...

RL: Just one more thing: We unfortunately expect those in the political establishment to erect obstacles and impair transparency and disclosure. But we need agencies to be different.

We need them to forcefully, aggressively protect and enhance the public's access to information. Frankly, if not them, who? That's where we are right now. If it's not going to be done by the PDC, who's going to do it?

And I'm afraid that one could easily look at our situation now and say there are some similarities to the 1970s, when voters felt the need to create the PDC in the first place. Now, obviously we've made many strides forward since then. But I do think that fundamental change will only come from the outside. And maybe we need another initiative. Maybe we need the citizens to be able to have a say directly. You know, the

[uproar](#) after the legislature [tried to exempt](#) their own public records is a great example of what lies dormant among the public.

ES: People are going to read that and, given your background working on a statewide initiative battle, ask: Is Russell Lehman planning to run his own citizens initiative, like the one [Jolene Unsoeld](#) was part of back in the 1970s that created the PDC?

I have no plans right now. But I am absolutely talking to people with experience and money and interest to see if we could. Because I think, unfortunately, that is likely the only way we are now going to see fundamental change and reform.

Some of the things I've been reading this week:

- **A plague of deceptive fundraising emails** — “Older Americans, a critical source of political donations, often fall victim to aggressive and misleading digital practices,” a [New York Times investigation](#) finds.
- **“How Amazon Bullies, Manipulates, and Lies to Reporters”** — A look at the company’s PR practices by [Mother Jones](#).
- **The anti-anti-trust blitz begins** — “Executives, lobbyists, and more than a dozen groups paid by Big Tech have [tried to head off](#) bipartisan support for six bills meant to undo the dominance of Amazon, Apple, Facebook and Google.”
- **And the discontent with creator economy pay continues:**



Taylor Lorenz
@TaylorLorenz

“These millions of likes, that should all translate to something. How do we get real money, power and proper compensation we deserve?”



nytimes.com

Are Black Creators Really on 'Strike' From TikTok?

A viral campaign aims to draw attention to the ways social platforms compensate users.

3:13 PM · Jun 25, 2021

74 Likes 14 Retweets

Questions? Tips? Comments? wildwestnewsletter@gmail.com