Respondent Names

Citizens 4 Fire Merger

Complainant Name

Danielle Franco-Malone

Complaint Description

Danielle Franco-Malone reported via the portal (Mon, 12 Apr 2021 at 3:39 PM)

See attached

2021 04 12_LTR_Franco-Malone to PDC re Complaint v Citizens 4 Fire Merger_Final.pdf 1.22 MB

What impact does the alleged violation(s) have on the public?

See attached

List of attached evidence or contact information where evidence may be found

See attached

List of potential witnesses with contact information to reach them

Certification (Complainant)

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.



18 West Mercer Street, Suite 400

Seattle WA, 98119 TEL (800) 238.4231 FAX (206) 378.4132

DANIELLE FRANCO-MALONE

Partner

DIR (206) 257.6011 franco@workerlaw.com

Sent via e-email to pdc@pdc.wa.gov and submitted online at pdc.wa.gov

April 12, 2021

Peter Lavelle Executive Director Washington State Public Disclosure Commission PO Box 40908 Olympia, WA 98504-0908

Re: Citizens 4 Fire Merger Campaign Finance Violations

Our File No. 4537-004

Dear Mr. Lavelle:

On approximately April 7, 2021, Citizens 4 Fire Merger sent out a political mailer promoting Fire Merger Proposition 1. The political advertisement failed to comply with even the most basic campaign finance requirements, including sponsor identification. It further attempted to mislead voters by making it appear that the advertisement was being sent by the Northshore and Woodinville Fire Departments, inappropriately misusing those Department's official logos and the Northshore website. Citizens 4 Fire Merger then failed to file required reports, depriving Northshore voters of any transparency around the political advertisement. Moreover, it appears that Citizens 4 Fire Merger has acted as an alter ego of the Northshore Fire Department, engaging in express political advocacy that would be prohibited if undertaken by the Department directly. We urge the PDC to promptly investigate these serious violations of the Fair Campaign Practices Act.

FACTUAL OVERVIEW

On November 17, 2020 Northshore Fire Department approved a resolution calling for a special election asking voters to approve a merger with the Woodinville Fire Department.¹ The Northshore Fire Department broadcasts its support for the ballot proposition that would authorize the merger online on its website and on Facebook. The Department's website has both a page dedicated solely to the proposed merger as well as content on its news page.² On approximately April 7, 2021, Northshore Fire Department mailed Northshore residents a political advertisement

 $^{^{1}}https://www.kingcounty.gov/\sim/media/depts/elections/how-to-vote/ballots/whats-on-the-ballot/ballot-measures/202104/kc-fire-16$

²https://www.northshorefire.com/merger-updates/; https://www.northshorefire.com/news/.

Peter Lavelle April 12, 2021 Page **2** of **9**

regarding the proposed merger, touting various supposed benefits of a merger (see Ex. A). On approximately the same date, Citizens 4 Fire Merger sent out a political advertisement encouraging voters to "Vote Yes" on the ballot proposition (see Ex. B).

David Maehren is a Commissioner of the Northshore Fire Department. Commissioner Maehren voted to recommend to voters the merger of Woodinville Fire & Rescue with the Northshore Fire Department. Commissioner Maehren has made an in-kind contribution of a GoDaddy website, valued at \$50, as well as over 200 yard signs, valued at \$1,099. Commissioner Maehren is also one of only three contributors to the PAC, having made a cash contribution of \$1,000. Commissioner Maehren's contributions of \$2,149 constitute approximately two-thirds of the total reported contributions received by the PAC.

On April 8, 2021, Commissioner Maehren was spotted placing the yard signs he purchased for the PAC across the street from the Department (see Ex. C). The yard signs have a clear promotional tone, and include a QR code that links to the Department's web page with information about the merger (http://www.northshorefire.com/merger-updates/).

ARGUMENT

1. Citizens 4 Fire Merger Failed to Comply with Basic Political Advertising Requirements.

Citizens 4 Fire Merger's mailer failed to include required sponsor identification requirements as required by RCW 42.17A.320 and WAC 390-18-010. This information is required to appear on the first page in at least ten-point type, set apart from other printed material on the ad. RCW 42.17A.320(3). The sponsor identification must clearly state that it has been paid for by the sponsor, using language such as "Paid for by the XYZ committee, mailing address, city, state, zip code." WAC 390-18-010(2).

While the mailer included "citizens4firemerger.org" on the front of the mailer, this would not apprise a recipient as to the fact that this mailer was in fact sent by a registered political committee. The mailer does not include words like "Paid for by," and while the name of the PAC is mentioned in the website printed on the front of the mailer, and an address is listed as a return address, neither of these pieces of information appears in the manner very clearly articulated in WAC 390-18-010, requiring the sponsor identification information to be set aside on its own.

Not only does the mailer fail to include lawfully required sponsor identification requirements such that a voter could quickly and easily learn who was responsible for the advertisement, the advertisement goes further and actively misleads voters by including the department logos for Northshore Fire Department and Woodinville Fire & Rescue. In addition to this use being an unlawful utilization of public resources (discussed in more detail below), it compounds the harm caused by the advertisement failing to properly identify its sponsor.

³ While the PAC's sole-filed C-4 indicates a total of \$4,100 cash received, only \$2,200 in cash has been reported on the committee's C-3s, plus \$1,149 in in-kind contributions, for a total received of \$3,349. It thus appears that the Committee has either failed to report \$751 in contributions, or reported an inaccurate amount of total cash received on its April 6, 2021, C-4 report.

The advertisement also failed to disclose the top five contributors, as required by RCW 42.17A.350(1) and WAC 390-18-010. Citizens 4 Fire Merger's mailer utterly failed to comply with this requirement depriving citizens of the information of who is behind Citizens 4 Fire Merger's political propaganda.

2. Citizens 4 Fire Merger Has Made False and Misleading Statements In Its Political Advertisements.

Washington's Fair Campaign Practices Act makes it unlawful to sponsor political advertising or political communication that "makes either directly or indirectly, a false claim stating or implying the support or endorsement of any person or organization when in fact the candidate does not have such support or endorsement." RCW 42.17A.335(c).

Here, Citizens 4 Fire Merger has created the false impression that Woodinville Fire & Rescue and the Northshore Fire Department have endorsed the statements in the promotional mailers both by using the logos for each of those departments and through republishing the Northshore Fire Department's web page URL. A reasonable voter would assume that the messages in the mailer were being communicated by the Departments themselves. This false and misleading use of the Departments' logos violates RCW 42.17A.335. Citizen 4 Fire Merger's actions were undertaken with "actual malice" as defined in the FCPA, RCW 42.17A.005(1) ("to act with knowledge of falsity or with reckless disregard as to truth or falsity."). The officers of the PAC should have known that they did not have authorization to use the Departments' logos in a way that made it appear that the mailer was coming from the Departments.

In addition to including misleading information about who was sending the political advertisements, the advertisements also contain misleading and inaccurate information that is likely to confuse and deceive voters. Specifically, the mailers state that a merger would result in an 8.5% tax decrease due to reduced administrative costs and economies of scale. This assertion is presumably based on the financial projections included on the website that the QR code on the mailer links to: https://www.northshorefire.com/merger-updates/. That website contains the same assertions, as well as claiming that \$1.7 million would have been saved in 2021 if the two districts were merged, linking to a page with financial projections to allegedly support these assertions. https://2ci8oq11wst615ry1rwahoto-wpengine.netdna-ssl.com/wpcontent/uploads/2021/01/Future-Costs_01_20_21.pdf. However, the financial included in the mailer and on the Northshore Fire Department's website rely on underfunding the budget of the combined agency by \$1.04 million in 2021, which results in expenses greater than revenues to attain the stated 8.5% savings. Furthermore, the District links to a webpage containing a seven-year projection showing future budgetary projections based on the initial projections for 2021, including the underfunded 2021 projections. https://2ci8oq11wst615ry1rwahoto-wpengine.netdna-ssl.com/wp-content/uploads/2021/04/7-Year-Budget-Projection.pdf. However, since the time this information was assembled in August 2020, the 2021 adopted budget numbers have changed significantly, as reflected in the Department's budget. See https://2ci8oq11wst615ry1rwahoto-wpengine.netdna-ssl.com/wpcontent/uploads/2020/10/2021-BoFC-Packet-for-website.pdf. The updated financial information is incongruent with the outdated figures in the District's seven-year projection, and makes clear Peter Lavelle April 12, 2021 Page **4** of **9**

that the savings that Citizens 4 Fire Merger and the Department continue to tout are misleading and unsustainable.

3. Citizens 4 Fire Merger, Acting as an Agent for Northshore Fire Department, Has Unlawfully Used Public Facilities to Promote a Ballot Proposition.

The Committee's misleading mailers are also inappropriate because it appears that they were sent in order to help to circumvent restrictions on what type of messages the Departments could have undertaken themselves. Citizens 4 Fire Merger received two-thirds of its publicly reported financing from a Commissioner of the Northshore Fire Department who voted to approve the merger. The PAC has sent out mailers that are clearly promotional in tone such that they could not have been sent by the District itself. According to PDC Interpretation 04-02, "Guidelines for Local Government Agencies in Election Campaigns, Basic Principles," Northshore Fire Department would be allowed to send "one jurisdiction-wide objective and fair presentation of the facts per ballot measure" without violating RCW 42.17A.555. "If the agency distributes more than this jurisdiction-wide single publication, the agency must be able to demonstrate to the PDC that this conduct is normal and regular for that agency." PDC Interpretation 04-02, Question 7b. Citizens 4 Fire Merger effectively allowed Northshore Fire Department to eschew this limitation by sending a campaign mailer on its behalf and as an alter ego of the Department, using its logo in a way that was clearly designed to cause voters to believe the advertisement was coming from the Department.

Moreover, even if Citizen 4 Fire Merger's mailer were not unlawful because it was sent as an alter ego of the District, it should be found unlawful in its own right because the advertisements utilize public facilities in order to promote the ballot proposition (specifically, by using the Departments' official logos). The Fair Campaign Practices Act expressly forbids this sort of appropriation of public resources. RCW 42.17A.555. Accordingly, the PDC has routinely found violations of this statute when a candidate uses public resources, e.g. a publicly financed uniform, in political advertising. *See e.g.* PDC Case No. 16468. Here, Citizens 4 Fire Merger has violated the law by using a public resource – the Northshore Fire Department's and Woodinville Fire and Rescue's official logos – to support a ballot proposition. The political advertisements further misused a public resource in support of a ballot proposition by including a link to Northshore Fire Department's web page. The PAC's use of both of these public resources in order to support the ballot proposition is inappropriate and violates RCW 42.17A.555.

4. Citizens 4 Fire Merger Failed to File Timely, Accurate Reports.

In addition to violations related to its mailings, Citizens 4 Fire Merger has failed to comply with basic reporting requirements. The Committee was required to file a C-6 report within 24 hours of the date the mailer was mailed, assuming that occurred on or after April 6, 2021 (21 days before the April 27 special election). RCW 42.17A.305(2). If the mailer was sent on April 5 or earlier (more than 21 days before the April 27 special election), a C-6 report would have been due within five days, i.e. on April 11 or earlier. Regardless of what date the mailer was sent, it is apparent that a timely C-6 report was not filed.

Peter Lavelle April 12, 2021 Page **5** of **9**

Further, the C-4 report filed by Citizens 4 Fire Merger on April 6, 2021, reported that the only money spent by the PAC as of that date was \$162.60 on 5900 labels and mailing list. Regarding that expenditure, alone, a C-6 should have been filed, but clearly wasn't. Moreover, given that the PAC's political advertisement was received by voters on approximately April 9, 2021, and that production and mailing of the advertisement must necessarily have cost some substantial amount of money in production and postage expenses, it is clear that the PAC incurred expenditures beyond the \$162.60 reported as having been paid of that date. Such additional expenditures should therefore have been reported on a C-6. This is true even if the PAC had not yet paid for those mailers as of the date they were mailed, because clearly, the PAC had made a commitment to make such a payment. *See* RCW 42.17A.005(22) ("expenditure" includes a "contract, promise, or agreement ... to make an expenditure).

Finally, the discrepancy in total cash received reported on the Committee's April 6, 2021 C-4 report (\$4,100) varies from the aggregate amount of cash contributions plus in-kind contributions reported on C-3 and C-4 reports (\$3,349), suggesting that the Committee has either failed to timely file a C-3 report showing \$751 in contributions, or its April 6 C-4 report was inaccurate.

5. Citizens 4 Fire Merger PAC Likely Failed to List Officers on Its C-1pc Form.

It appears that Citizens 4 Fire Merger has improperly failed to list at least one officer on its C-1pc form. WAC 390-05-245 defines a committee officer as a person who "makes, directs, or authorizes contribution, expenditure, strategic or policy decisions on behalf of the committee." Two thirds of the PAC's funding came from David Maehren, who is also a Commissioner of the Northshore Fire Department. If Mr. Maehren had anything to do with deciding how Citizens 4 Fire Merger's funds were to be spent, he should have been listed as an officer. This seems overwhelmingly likely given his role as an elected official with Northshore Fire Department and his direct involvement in and support of the proposed merger as one of the proponents for the merger on the Northshore Commission.

We urge the PDC to conduct an immediate review into these allegations. The serious nature of these actions warrants referral to the Attorney General, pursuant to RCW 42.17A.755(4). See RCW 42.17A.755 (PDC Commissioner can refer a matter to attorney general when the commissioner believes that "an apparent violation potentially warrants a penalty greater than the commission's penalty authority" or "the maximum penalty the commission is able to levy is not enough to address the severity of the violation."). The severity of the FCPA violations committed by Citizens 4 Fire Merger warrant penalties greater than the maximum the PDC is authorized to impose.

Sincerely,

Danielle Franco-Malone Counsel for IAFF Local 2459 Peter Lavelle April 12, 2021 Page **6** of **9**

cc: Jeremiah Ingersoll Jeremy Jamerson

Citizens 4 Fire Merger (<u>paulrhess@comcast.net</u>)

Exhibit A





Exhibit B

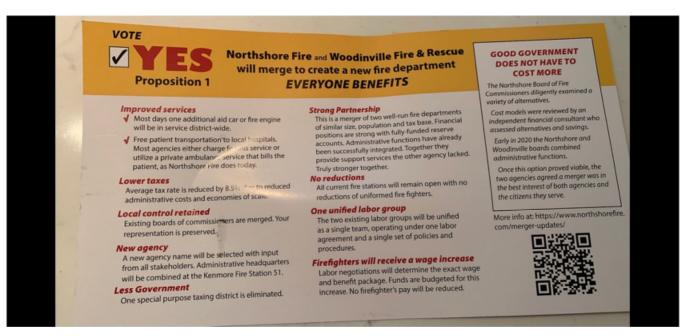




Exhibit C

