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6 **STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

7 STATE OF WASHINGTON,

NO.

8 Plaintiff,

COMPLAINT FOR CIVIL
PENALTIES AND FOR INJUNCTIVE
RELIEF FOR VIOLATIONS OF
RCW 42.17A

9 v.

10 FACEBOOK, INC.,

11 Defendant.

12 **I. NATURE OF ACTION**

13 The State of Washington (State) brings this action to enforce the state's campaign
14 finance and disclosure law, RCW 42.17A. Defendant Facebook, Inc. (Facebook), an online
15 social media corporation, failed to maintain and make available for public inspection documents
16 and books of account specifying statutorily required information concerning political
17 advertising sponsored through Facebook's online platform. On at least two occasions,
18 Facebook failed to provide access to information required by law to members of the public. As
19 a result, the State seeks relief under RCW 42.17A.765, RCW 42.17A.345, and WAC 390-18-
20 050, including civil penalties, costs and fees, and injunctive relief.

21 **II. PARTIES**

22 2.1 Plaintiff is the State of Washington. Acting through the Washington State
23 Attorney General, the State enforces the state campaign finance disclosure laws contained in
24 RCW 42.17A.

25 2.2 Facebook is an online social media corporation and social networking service
26 headquartered in Menlo Park, California. As the term is defined in RCW 42.17A.005(9),

1 Facebook is a commercial advertiser operating in the State of Washington. It accepted
2 compensation for the placement of political advertising on its platform.

3 **III. JURISDICTION AND VENUE**

4 3.1 This Court has subject matter jurisdiction over the present case, in accordance
5 with RCW 42.17A. The Attorney General has authority to bring this action pursuant to
6 RCW 42.17A.765.

7 3.2 This Court has jurisdiction over Facebook, a commercial advertiser conducting
8 business in the State of Washington. Facebook offered services and received payment from
9 persons placing political ads in Washington during each election year since 2013. The acts and
10 omissions complained of in this complaint took place, in whole or in part, in King County.

11 3.3 Venue is proper in this Court pursuant to RCW 4.12.

12 **IV. FACTUAL ALLEGATIONS**

13 4.1 RCW 42.17A declares as a matter of public policy “[t]hat political campaign
14 and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is
15 to be avoided.” RCW 42.17A.001(1). The statute further provides that the state’s campaign
16 finance and disclosure law “shall be liberally construed to promote complete disclosure of all
17 information respecting the financing of political campaigns” RCW 42.17A.001.

18 4.2 RCW 42.17A.005(9) defines a “commercial advertiser” as “any person who
19 sells the service of communicating messages or producing printed material for broadcast or
20 distribution to the general public or segments of the general public whether through the use of
21 newspapers, magazines, television and radio stations, billboard companies, direct mail
22 advertising companies, printing companies, or otherwise.”

23 4.3 RCW 42.17A.005(36) defines “political advertising” to include “any advertising
24 displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or
25 television presentations, or other means of mass communication, used for the purpose of
26 appealing, directly or indirectly, for votes or for financial or other support or opposition in any

1 | election campaign.”

2 | 4.4 RCW 42.17A.005(42)(a) defines “sponsor” for the “purposes of an
3 | electioneering communications, independent expenditures, or political advertising means the
4 | person paying for the electioneering communication, independent expenditure, or political
5 | advertising. If a person acts as an agent for another or is reimbursed by another for the
6 | payment, the original source of the payment is the sponsor.”

7 | 4.5 RCW 42.17A.005(35) defines “person” as “an individual, partnership, joint
8 | venture, public or private corporation, association, federal, state, or local governmental entity
9 | or agency however constituted, candidate, committee, political committee, political party,
10 | executive committee thereof, or any other organization or group of persons, however
11 | organized.”

12 | 4.6 RCW 42.17A.345 requires each commercial advertiser who has accepted or
13 | provided political advertising or electioneering communications during an election campaign
14 | to maintain documents and books of account that shall be open to the public for their
15 | inspection during normal business hours during the campaign and for a period of no less than
16 | three years after the date of the applicable election. The law entitles any person, without
17 | reference to or permission from the Public Disclosure Commission, to inspect a commercial
18 | advertiser's political advertising or electioneering communications documents and books of
19 | account. Pursuant to WAC 390-18-050, the documents and books of account shall specify:

20 | (a) The name of the candidate or ballot measure supported or opposed or the name of
21 | the candidate otherwise identified;

22 | (b) The name and address of the person who sponsored the advertising or
23 | electioneering communication;

24 | (c) The total cost of the advertising or electioneering communication, how much of that
25 | amount has been paid, who made the payment, when it was paid, and what method of payment
26 | was used;

1 (d) Date(s) the commercial advertiser rendered service; and

2 (e) A description of the major work components or tasks that were required to provide
3 the advertising or communications services.

4 4.7 Facebook sells advertising through its advertising platform, including political
5 advertising. Accordingly, Facebook is a commercial advertiser as the term is used in RCW
6 42.17A. As such, Facebook is required to comply with RCW 42.17A.345.

7 4.8 Since January 2008, candidates and political committees required to file
8 campaign disclosure reports with the Public Disclosure Commission have reported \$3.1 million
9 in payments related to political advertising on Facebook's online platform. These payments
10 included approximately \$2.5 million paid through political consultants and other agents or
11 intermediaries, and \$619,861 paid directly to Facebook.

12 4.9 As an example, during election year 2017, candidates and political committees
13 reported making \$857,893 in payments related to political advertising on Facebook's online
14 platform.

15 4.10 Facebook did not obtain or maintain all information required under
16 RCW 42.17A.345 of commercial advertisers.

17 4.11 For example, Facebook did not obtain or maintain the names and addresses of
18 all persons from whom it accepted political advertising.

19 4.12 Additionally, as an example, Facebook did not maintain the total cost and
20 manner of payment for services it provided for political advertising.

21 4.13 Facebook did not make open for public inspection during its normal business
22 hours during any campaign from 2013 through the present documents and books of account
23 containing information on political advertising for which it accepted payment and ran on its
24 platform.

25 4.14 For example, on November 30, 2017, Eli Sanders, Associate Editor of the
26 biweekly Seattle newspaper *The Stranger*, hand-delivered a letter to Facebook at its Seattle

1 office, seeking information concerning all political advertising Facebook accepted for the
2 August 1, 2017 primary election and November 7, 2017 general election in the City of Seattle.
3 Mr. Sanders' request cited a Seattle municipal law requiring commercial advertisers to produce
4 information that is also required to be produced under RCW 42.17A.345.

5 4.15 Mr. Sanders corresponded with Facebook seeking information, including a
6 December 27, 2017 email from Mr. Sanders to Facebook, copied to Facebook's outside
7 counsel, in which Mr. Sanders noted that Washington law imposes requirements on
8 commercial advertisers similar to the relevant Seattle ordinance. Mr. Sanders noted that these
9 requirements apply to advertising sponsored in all state and local campaigns in Washington.

10 4.16 At no point did Facebook provide information concerning political advertising
11 in Seattle municipal elections to Mr. Sanders in response to his November 30, 2017 request.

12 4.17 Facebook states that prior to May 2018, it did not collect the physical mailing
13 address of persons who paid to advertise on Facebook.

14 4.18 On April 8, 2018, Conner Edwards contacted Facebook's outside counsel via
15 email and requested an appointment on April 12, 2018 to inspect Facebook's documents and
16 books of account related to political advertising. Mr. Edwards cited RCW 42.17A.345 as the
17 basis of his request. Facebook's counsel acknowledged Mr. Edwards' email on April 10, 2018,
18 but did not promise that his request for an inspection on April 12, 2018 would be honored.

19 4.19 On April 12, 2018, Mr. Edwards visited Facebook's Seattle office as intended.
20 Facebook did not provide Mr. Edwards access to any documents and books of account
21 concerning political advertising placed on Facebook's online platform.

22 4.20 On April 11, 2018, the Attorney General received a citizen action notice from
23 Mr. Edwards concerning Facebook's failure to provide public access to the information
24 required under RCW 42.17A.345.

25 4.21 In reports filed with the Public Disclosure Commission, candidates and political
26 committees reported payments to Facebook for political advertising supporting or opposing

1 selected state and local candidates.

2 4.22 During the 2013 election, sponsors of political advertising confirmed a total of
3 \$129,099 in payments to Facebook for political advertising.

4 4.23 During the 2014 election, sponsors of political advertising confirmed a total of
5 \$310,165 in payments to Facebook for political advertising.

6 4.24 During the 2015 election, sponsors of political advertising confirmed a total of
7 \$147,689 in payments to Facebook for political advertising.

8 4.25 During the 2016 election, sponsors of political advertising confirmed a total of
9 \$1,153,688 in payments to Facebook for political advertising.

10 4.26 During the 2017 election, sponsors of political advertising confirmed a total of
11 \$857,893 in payments to Facebook for political advertising.

12 4.27 To date, during the 2018 election, sponsors of political advertising confirmed a
13 total of \$74,687 in payments to Facebook for political advertising.

14 V. CLAIMS

15 The State re-alleges and incorporates by reference all the factual allegations contained
16 in the preceding paragraphs, and based on those allegations, makes the following claims:

17 5.1 First Claim: The State reasserts the factual allegations made above and further
18 asserts that Defendant Facebook Inc., in violation of RCW 42.17A.345, failed to maintain
19 documents and books of account with the statutorily required information for political
20 advertising sponsored in Washington state elections from 2013 through 2018. The State further
21 alleges that Defendant Facebook Inc. failed to make such documents and books of account
22 open for public inspection during normal business hours for a period of three years following
23 the applicable election.

24 5.2 Second Claim: The State reasserts the factual allegations made above and
25 further asserts that the actions of Defendant Facebook, Inc. stated in the above claims were
26 negligent and/or intentional.

