

WASHINGTON STATE ATTORNEY GENERAL'S OFFICE



ANNUAL REPORT 2022



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BY THE NUMBERS

Major Affirmative Litigation Recoveries* in 2022

Opioid Distributors	\$518,000,000	Centene	\$18,999,999
Purdue Pharma**	\$183,000,000	Financial institutions / anti-fraud	\$18,800,000
Walgreens Opioids	\$120,300,000	Mallinckrodt Opioids	\$17,300,000
CVS Opioids	\$110,600,000	Chicken producers	\$12,300,000
Teva Opioids	\$90,700,000	Grocery Manufacturers Association	\$9,000,000
Walmart Opioids	\$62,600,000	TurboTax	\$3,753,350
Allergan Opioids	\$50,000,000	Amazon	\$2,250,000
Navient	\$45,000,000	Harris Jewelry	\$1,559,450
CA Certificate Service**	\$24,800,000	Alpha Omicron Pi	\$500,000
Facebook**	\$24,660,000	US Stemology	\$500,000
JUUL	\$22,500,000		

**Appealed or appealable

Total Recoveries ~ \$1.34 billion

*Cases brought on behalf of the people rather than a client agency. List excludes cases with less than \$500,000 in recoveries.

Mission

The Office of the Attorney General will provide excellent, independent, and ethical legal services to the State of Washington and protect the rights of its people.

Anti-Racist Commitment

The Office of the Attorney General is committed to recognizing, addressing, and eradicating all forms of racism within the scope of its work and operations. Conversations about race require courage, respect, and compassion. We recognize that when we enter into these conversations, we may not always be comfortable and may need to lean into the discomfort. As an agency that strives to be anti-racist, it is our goal to identify, discuss, and challenge racial inequity in the workplace and the impact it has on our employees, and, within our authority, combat racism that impacts the people of the State of Washington.

Vision

The Office of the Attorney General will be the best public law office in the United States.

Values

All staff in the Office of the Attorney General are guided by the following core values:

1. We will deliver high quality legal services and remember that we serve the people of Washington.
2. We will conduct ourselves with integrity, professionalism, civility and transparency.
3. We will promote a collegial, inclusive and diverse workplace that values, respects and supports our employees.



Attorney General Ferguson speaks with Patricia Whitefoot at an event on Missing and Murdered Indigenous Women and People (MMIWP). Patricia is the Co-Chair of the Washington State MMIWP Task Force.

Letter from AG Ferguson

Dear Washingtonians,

This year our attorneys and professional staff notched significant accomplishments years in the making. We continued our commitment to the health and public safety of all Washingtonians by holding powerful interests accountable for their role in the opioid crisis. We continued to seek much-needed justice for those who have waited too long for answers about their missing loved ones. And, we worked to strengthen our state's common sense gun laws.

This year we eclipsed \$1.1 billion in recoveries for Washington state and local municipalities from our office's continued efforts to hold opioid manufacturers, distributors and pharmacies accountable for their role fueling the opioid epidemic. Nearly all of those recoveries were announced in 2022, including \$518 million from the three largest distributors, more than \$300 million from the largest manufacturers and nearly \$300 million from pharmacies. And, we're not done — we filed lawsuits against three more pharmacy chains in 2022 for their role in the opioid epidemic.

We continue to make strides in seeking overdue justice for missing and murdered Indigenous women and people in Washington. Our MMIWP Task Force has quickly become a national leader on this issue. After successfully advocating for the creation of an MMIWP alert system with agency request legislation, we now turn to urging the Legislature to create and fully fund an MMIWP-focused cold case unit within the AGO. The unit, one of the first recommendations of the task force, would be staffed with investigators and staff that can assist local law enforcement agencies with cold cases involving Indigenous victims.

We also made history when agency request legislation to ban the sale of high-capacity magazines passed the Legislature and was signed into law. Washington became the tenth state to restrict high-capacity magazines. We first requested the ban in 2017.

While these highlights show the monumental achievements the Attorney General's Office is capable of, they represent a fraction of the work our office's dedicated staff do every day for Washington. The attorneys and professional staff across our office work hard to serve the people and state of Washington.

At any given time, the more than 800 attorneys and 1,000 professional staff at the Attorney General's Office are handling approximately 20,000 legal matters. We improve public safety, protect children, protect workers, fight for civil rights, defend the environment, protect consumers and provide legal counsel to state agencies.

The employees of the Attorney General's Office are dedicated to continuing the office's tradition of excellence and independence. It is a privilege to serve this team of devoted public servants. Your hard work, perseverance and integrity are an inspiration, and an example for all state agencies.



Bob Ferguson, Attorney General



Attorney General Ferguson announces that Washington state will receive the maximum \$518 million under a resolution with three companies found to have played key roles in fueling the opioid epidemic.



In the Headlines

Editorials and op-eds from newspapers around the state.

Ban high-capacity magazines and assault weapons

- Seattle Times Editorial Board – 1/3/2022

In Our View: Purdue Pharma settlement sends a message

- The Columbian Editorial Board – 3/7/2022

A step toward long-delayed justice for missing, murdered Indigenous people

- Seattle Times Editorial Board – 8/8/2022

Grocery giants' merger raises concerns for shoppers

- The (Everett) Herald Editorial Board – 11/10/2022

Albertsons wants to pay off investors at the expense of consumers

- Seattle Times Editorial Board – 11/8/2022

In the Headlines: editorials and op-eds from newspapers around the state

Legislature, turn gun-control progress into real protections

- Seattle Times Editorial Board – 2/24/2022

Playing whack-a-mole against teen use of nicotine

- The (Everett) Herald Editorial Board – 4/17/2022

Don't let Facebook off the hook for political ad transparency

- Seattle Times Editorial Board – 8/23/2022

UW's Investigation Into DIY Sexual Assault Kits Shows How Companies Benefit From Real Inequities

- South Seattle Emerald – 12/5/2022

In Our View: Meta courts secrecy in challenge to state law

- The Columbian Editorial Board – 8/26/2022

A new effort to help save local news, from WA AG Bob Ferguson

- Seattle Times Editorial Board – 9/23/2022

Google shouldn't know where you are if you don't want it to

- Seattle Times Editorial Board – 2/1/2022

Enough with the Rambo cosplay. It's time for WA to finally ban high-capacity magazines

- The News Tribune Editorial Board – 2/16/2022



Washington State Attorney General's Office Wing Luke Civil Rights Division — from left to right: Investigator Lindsey Wade, AAG Lane Polozola, Litigation & Administrative Manager Keely Tafoya, AAG Emily Nelson, AAG Yesica Hernandez, AAG Andrea Brenneke, Division Chief Colleen Melody, Investigator Supervisor Alma Poletti, Legal Assistant Anna Alfonso, AAG Mitchell Riese, AAG Marsha Chien, Investigator Jennifer Treppa, Legal Assistant Caiti Hall, AAG Alfredo González Benítez, AAG Chalia Stallings-Ala'lima, AAG Patricio Marquez, AAG Daniel Jeon.

Standing up for Civil Rights

Launched in 2015, the Wing Luke Civil Rights Division continued its work investigating discrimination in employment, housing, credit, insurance and public accommodation.

Seeking accountability for discrimination, sexual harassment

In February, the office filed a lawsuit against a Wenatchee veterans nonprofit and its founder and CEO regarding discrimination and sexual harassment. The nonprofit and CEO discriminated against and harassed at least 12 women who worked at or visited the nonprofit's two thrift stores, the Veterans Warehouse Thrift Store in Wenatchee and the Veterans Thrift Store in Kennewick.

The lawsuit asserts that Operation Veterans Assistance & Humanitarian Aid (OVAHA) and its founder and CEO, Thelbert "Thad" Lawson Jr., subjected thrift store employees to pervasive, ongoing sexual harassment, including offensive and unwanted touching, sexually charged remarks and inappropriate requests. When Lawson heard one of his employees had consulted with a lawyer about the harassment, he retaliated against her. He removed her from a desirable position as a cashier, monitored her using store cameras and isolated her from other employees.

Lawson also harassed at least two members of the public — including a store volunteer — at OVAHA's Wenatchee store. In July 2021, a jury found Lawson guilty of one count of assault for one of these incidents. OVAHA posted Lawson's appeal bond in July 2021, which has allowed him to stay out of jail after this conviction.

The lawsuit asserts this repeated, pervasive sexual harassment and retaliation violates the Washington Law Against Discrimination. The Washington State Human Rights Commission referred this matter to the Wing Luke Civil Rights Division when a former employee filed a complaint against Lawson, and the Human Rights Commission recognized that Lawson may have targeted multiple employees.

The lawsuit asks the court to permanently prohibit Lawson from working at OVAHA and its stores. Additionally, it requests that Lawson pay damages to the people affected by his unlawful conduct.

Standing up against discrimination and retaliation at an Eastern Washington mushroom farm

In August, the Attorney General's Office filed a civil rights lawsuit against Ostrom Mushroom Farms in Sunnyside for discriminating against U.S. residents and women, and retaliating against workers who spoke out. Ostrom abused the H-2A system by systematically firing its majority female mushroom pickers in Washington and replacing them with H-2A foreign agricultural workers who were mostly male. Foreign H-2A workers have fewer rights than U.S.-based workers.

From January 2021 to May 2022, the company fired over 140 of its U.S.-based mushroom pickers, most of whom were women. Many of them already had years of experience working at the farm. During the same period, Ostrom hired 65 temporary, foreign agricultural workers under the federal H-2A program — all but two of whom were men. In addition, as the company was firing its majority female workers, it posted a job advertisement on Facebook seeking "only males" to work at the farm.

Ostrom also disciplined its female workers at higher rates than its male workers. The company pressured many of its workers to quit by abruptly raising its production goals and harshly punishing workers who didn't meet them. Ostrom hid the real production numbers from its workers and fired workers it claimed didn't meet the goal.

When a group of Ostrom workers came forward with their concerns about the discrimination, Ostrom's management retaliated against workers who tried to assert their rights, including through warnings, discipline, and one case of physical assault.

The lawsuit, filed in Yakima County Superior Court, asserts that Ostrom discriminated against its workers on the basis of gender, citizenship and immigration status, in violation of the Washington Law Against Discrimination.



Ostrom employee Maria Toscano details the harsh working conditions and discrimination she and other workers faced at the mushroom farm.

Combating immigration services fraud

In September, the office filed a lawsuit against a Seattle business and its owner for preying on new immigrants by making deceptive promises to help them with legal assistance for immigration needs then later abandoning them in courtrooms after charging thousands of dollars.

Ana Caroline Pinto do Nascimento, who owns ACN & Associates, LLC, targets Portuguese-speaking immigrants from Brazil. Nascimento is not a licensed attorney in Washington state nor does she have an educational background in the law. According to consumer complaints, Nascimento tells families she will represent them in immigration courts, but she has never appeared in any courts because she is not an attorney. When families ask for their money back, Nascimento refuses or delays.

The Attorney General's Office received four complaints about Nascimento's conduct. The office estimates approximately two dozen individuals sought her assistance for them and their families and most agreed to pay her between a few hundred to a few thousand dollars. According to the lawsuit, she charges up to \$6,000 for asylum petitions.

The lawsuit seeks civil penalties and restitution for the families who paid Nascimento and her business money.

Investigating discriminatory insurance practices

In November, a Thurston County Superior Court judge rejected an attempt by PEMCO Mutual Insurance Company and subsidiaries of the Progressive Corp. to stop an Attorney General's Office investigation into potential race discrimination against Washington drivers. The companies use consumer credit histories or "credit-based insurance scores" derived from their credit history to decide whether to sell and at what price to sell their auto insurance products. Analysis from consumer groups show this practice disproportionately harms people of color.

PEMCO issued approximately 160,000 private passenger auto insurance policies to Washingtonians and Progressive likewise insures a significant portion of Washington drivers. Both companies openly use credit history and/or credit-based insurance scores to decide who they will cover and at what price.

Publicly available information indicates PEMCO charges people with low credit scores as much as triple those with high credit scores and Progressive also significantly increases premiums for individuals with negative credit histories.

The companies took their case into court to fight the office's investigation, which made the investigation public.

Investigating Seattle Pacific University's employee policies

In October, a federal judge dismissed Seattle Pacific University's attempt to stop an Attorney General's Office investigation into potential illegal discrimination by the university's administration. Judge Robert Bryan ruled that the university asked for a change in state law that the federal court cannot grant and that it must bring any First Amendment arguments in state court.

Earlier in the year, Seattle Pacific University students and staff staged a sit-in and called for the removal of the university's board of trustees after they voted to keep in place the portion of the school's policies that prohibit employees from engaging in "same-sex sexual activity." Numerous students and faculty complained to the Attorney General's Office about the university's policies with concerns that they violate Washingtonians' civil rights.

Attorney General Ferguson sent the university a letter with four basic questions about its policies. In response to the inquiry, Seattle Pacific University filed a federal lawsuit in the U.S. District Court for the Western District of Washington seeking to block the office from investigating its hiring practices.

Getting money back to college students

In July, the Attorney General's Office announced that Alpha Omicron Pi, a national sorority, would refund or waive the housing fees it unlawfully charged dozens of University of Washington students during the COVID-19 pandemic. The sorority charged thousands of dollars in housing fees in 2020 and 2021, even though COVID-19 prevented the students from accessing sorority housing — a violation of Gov. Jay Inslee's emergency eviction moratorium.

Alpha Omicron Pi charged at least 68 students the unlawful housing fees. If a student paid any amount of the unlawful charges, they received full reimbursements or waivers for any unlawful housing fees the sorority assessed against them from spring quarter 2020 through the 2021 school year — a total of more than \$500,000 in relief.

The Attorney General's Office learned of the case after 13 UW students complained to Ferguson's COVID-19 eviction moratorium enforcement team.

Under the consent decree, Alpha Omicron Pi will refund or waive the unlawful housing fees and notify affected students within 30 days that they no longer owe unlawful housing fees charged during the 2020-21 academic year.

Ending illegal non-compete agreements

In July, Tradesmen International LLC ended its existing non-compete agreements that restricted the job mobility of thousands of workers in Washington. Its decision came after the office investigated unfair and deceptive use of non-compete agreements that the company never disclosed to its affected workers, which violated Washington law.

A court order required Tradesmen to pay \$287,100, which the Attorney General's Office used for restitution to approximately 1,200 current and former Washington state employees.

Tradesmen is an Ohio-based company that provides staffing services throughout the U.S. It operates seven offices throughout Washington state: Bremerton, Burlington, Fife, Kennewick, Lynnwood, Spokane and Vancouver. Tradesmen recruits and sources workers and places them with employers needing staffing services.

A Tacoma-based employer filed a complaint about Tradesmen's non-compete agreements in July 2021. The employer wanted to hire a worker who Tradesmen placed with his company, but Tradesmen responded by threatening legal action to enforce its non-compete agreement with the employer. The complaint led to the Attorney General's Office investigation.

The investigation showed that Tradesmen illegally entered into non-compete agreements with the employers. These illegal agreements prevented workers that Tradesmen provided to worksites from finding permanent positions with those employers. However, state law prohibits Tradesmen from having any contractual agreement that limits the job mobility of any worker who makes less than \$107,301.04 per year.

Under the terms of the consent decree, Tradesmen must inform workers it employed since Jan. 1, 2020 — the date Washington's law banning non-compete agreements went into effect — that its non-compete agreements were unenforceable and Tradesmen cannot require them in the future. Former workers who were subject to non-compete agreements also received notification that the non-compete agreements were no longer valid.



Attorney General Ferguson announces the formation of an Organized Retail Crime Task Force.

Crime & Public Safety

The Attorney General's Office continued its commitment to improve public safety and protect Washingtonians from crime. This effort included a series of measures from combating organized retail crime to prosecuting wage theft cases.

The office also began its enforcement of a new law that bans the sale of high-capacity magazines in Washington state.

Enforcing Washington's high-capacity magazine law

As of July 2022, it is illegal under Washington state law to manufacture, distribute, sell or offer for sale magazines that hold more than 10 rounds. Any violation of the high-capacity magazine ban also constitutes a violation of the Consumer Protection Act.

Investigators from the Attorney General's Office visited 25 firearms retailers across Washington to confirm that the retailers were complying with the new law by attempting to purchase the unlawful magazines. The investigators visited a variety of gun retailers in counties across the state: King, Pierce, Snohomish, Thurston, Yakima, Kittitas, Benton and Spokane.

During this sweep, only two retailers did not comply with the law: Federal Way Discount Guns and WGS Guns.

In December, the Attorney General's Office announced that Lakewood-based WGS Guns will pay \$15,000 for intentionally violating Washington's high-capacity magazine sales ban.

This was the office's second enforcement of the ban. Earlier the same month, the office filed a lawsuit against Federal Way Discount Guns. That case is ongoing. These enforcement actions are the result of a statewide sweep of gun dealers conducted by investigators.

WGS Guns violated the law approximately two months after the ban took effect, then complied with the law later in the investigation. The office filed an assurance of discontinuance in King County Superior Court that requires WGS Guns to pay \$15,000 to the Attorney General's Office for violating the Consumer Protection Act and attorney's costs and fees. The maximum penalty for a violation of the Consumer Protection Act is \$7,500.

The resolution also requires the store to comply with the law and stop offering high-capacity magazines for sale on its website.

The separate lawsuit against Federal Way Discount Guns and its owner, Mohammed Reza Baghai, accuses the store of illegally selling high-capacity magazines despite the ban on such products in our state. The Attorney General's Office is also seeking an injunction that would block the store from selling high-capacity magazines. The defendants face a maximum penalty of \$7,500 every time the store offered a high-capacity magazine for sale and \$7,500 every time it illegally sold a high-capacity magazine.

From August to November of 2022, investigators visited Federal Way Discount Guns four separate

times to purchase high-capacity magazines. The investigators found a wall of dozens of high-capacity magazines openly displayed for sale. During each sale made to Attorney General staff, the sales clerk destroyed the record of the sale or made comments to the investigator indicating they knew the sale of the magazines was unlawful.

In one instance, a sales clerk told an investigator that "it's the nature of the beast" but that he couldn't provide a receipt because the magazines held "more than 10 rounds." The sales clerk then crumpled up the sales receipt that was automatically generated from the cash register and threw it in the garbage.

During another visit, the store's owner, Baghai, personally sold a 30-round magazine for an AR-15 style rifle and a 33-round magazine for a Glock 17 pistol to the investigator and threw the store copy of the receipt into the garbage.

The lawsuit against Federal Way Discount Guns and its owner asserts the company violated the Consumer Protection Act when it sold these magazines, knowing that the sales were unlawful. The lawsuit asks the court to:

- Permanently block the store from selling high-capacity magazines
- Require the store to destroy its high-capacity magazine inventory or return them to the manufacturer
- Forfeit all profits it made from unlawfully selling high-capacity magazines
- Pay penalties under the Consumer Protection Act — up to \$7,500 per violation

Standing up against theft of public funds

In October, the Attorney General's Office announced that former Spokane County worker Rhonda Sue Ackerman pleaded guilty to one count of first-degree theft, after accusations the former liability claims technician stole \$1.38 million over the course of a decade from Spokane County by filing fake claims.

Ackerman filed fake claims on behalf of 45 different claimants and requested claim payments from her office. She then directed the claimants, many of whom were relatives or friends of her son, to cash the checks and deliver the bulk of the funds back to Ackerman. According to the state's charging documents, Ackerman spent the money on frequent gambling, new cars and lavish gifts.

The Attorney General's Office recommended that the court sentence Ackerman to one year and one day of prison, restitution of \$1.38 million and a mandatory \$500 victim penalty assessment.

Prosecuting a former judge for sexual assault

In July, the Attorney General's Office announced that former Asotin County Superior Court judge Scott Gallina pleaded guilty to two counts of assault with sexual motivation — one count in the third degree and one in the fourth degree — in the wake of 2019 allegations that the former judge sexually assaulted two court employees. The plea deal, offered with the support of the victims, avoided a trial against the former judge.

As a result of the plea, Gallina was sentenced to 15 months in prison, and must register as a sex offender on his release.

Standing up against wage theft

As a result of an Attorney General's Office prosecution, two business owners pleaded guilty to felony theft, and will repay more than \$33,000 in stolen wages to 24 employees of their house cleaning businesses.

Travis Jackson pleaded guilty to first-degree theft and attempted failure to pay industrial insurance premiums, and Marissa Bond pleaded guilty to first-degree theft, for knowingly withholding earned wages from their employees.

A King County Superior Court judge sentenced Jackson to 120 days in jail, converted to electronic home monitoring; an additional 244 days in jail suspended for two years on the condition that Jackson complies with all conditions of his sentence and has no further criminal violations; and \$600 in fees. Bond was sentenced to 200 hours of community service and \$600 in fees. They are both required to repay their victims \$33,298, and pay \$12,648.56 to the Washington State Department of Labor & Industries for unpaid industrial insurance premiums.

Jackson and Bond co-owned Advanced Cleaning Solutions, created in March 2017, and Washington Cleaning Solutions, formed in April the following year. The companies provided cleaning services to residents along the I-5 corridor in King County. Homeowners purchased cleaning services from the companies, which in turn hired house cleaners to perform the work at an hourly rate. However, they failed to pay 24 employees for their services.

L&I began receiving wage complaints from the companies' workers in June 2017. After receiving multiple wage claims, L&I referred the matter to the Attorney General's Office for a joint investigation.

The couple failed to pay workers their wages and, at times, gave workers checks that could not be cashed.

Employment agreements provided to investigators by workers stated that employees were prohibited from asking about their checks, and would be terminated immediately if they refused to work because they had not been paid.

At times, when workers complained about late payment, Bond and Jackson would invoke the threatening language in their employee agreements, saying they would sue for \$5,000.

Charging individuals for attempting sex crimes against children

In 2022, the Attorney General's Office charged six individuals nabbed in a "Net Nanny" operation in Yakima targeting individuals seeking to rape children.

Bradley V. Tschauner, a 32-year-old, pleaded guilty in April to one count of conspiracy to commit rape of a child in the first degree. The Attorney General's Office had earlier recommended a prison sentence of 69.75 months — nearly six years. When released from prison, Tschauner must register as a sex offender for 15 years and will be under community supervision for three years.

Benjamin Cool, a 27-year-old from Nampa, Idaho, pleaded guilty on May 24 to one count of attempted child molestation in the second degree, one count of attempted sexual exploitation of a minor and one count of communication with a minor for immoral purposes. The Attorney General's Office recommended a prison sentence of 58.5 months — nearly five years. When released from prison, Cool must register as a sex offender for 10 years.

Trials are also scheduled against four additional individuals

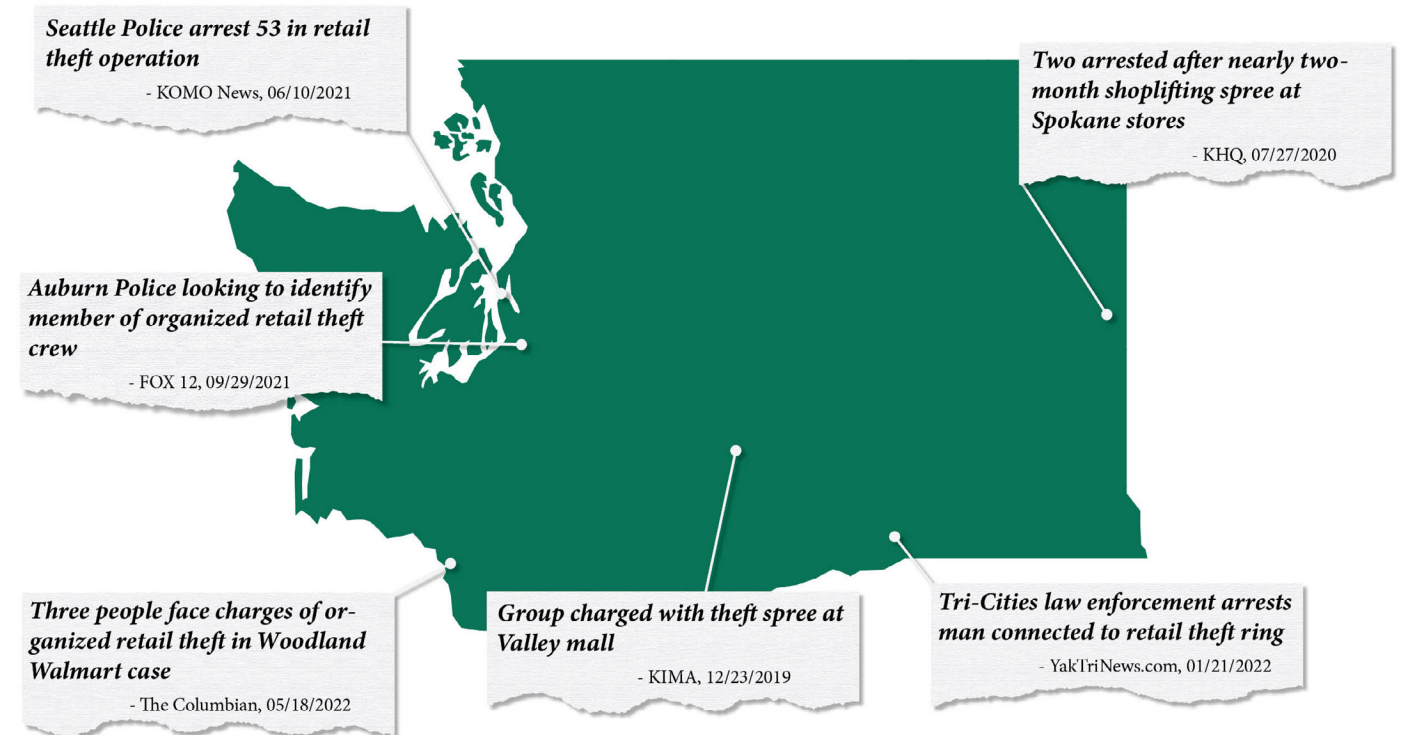
The charges against all of the men are only allegations. A person is presumed innocent unless and until he or she is proven guilty beyond a reasonable doubt in a court of law.

Recovering stolen funds for the state

In May, the office announced that it recovered another \$6.6 million stolen as part of a massive fraud perpetrated against states across the country to unlawfully obtain employment security payments. The money had been deposited by fraudsters into JPMorgan Chase Bank accounts, and a King County Superior Court judge ordered JPMorgan Chase Bank to return the stolen funds to Washington state.

The office's Complex Litigation Division has now used forfeiture laws to recover \$18.8 million stolen from the Employment Security

Organized Retail Crime Incidents Around the State



Department. Essentially, the Attorney General's Office is recovering stolen money sitting in accounts at banks and other institutions such as PayPal. While multiple states suffered substantial losses, Washington remains the only state to exercise state asset forfeiture powers to recover these taxpayer dollars.

During the pandemic, sophisticated fraud rings used identity data harvested from data breaches to steal billions of dollars from at least 11 states, including Washington. While the exact extent of the fraud is still unknown, a recent watchdog report estimated it totaled at least \$163 billion nationwide.

The Attorney General's Office initiated a unique investigation searching for bank accounts where fraudsters had not yet withdrawn all stolen funds, and launched a legal effort to reclaim these funds for the state. To date, financial institutions across the country have cooperated with the Attorney General's investigation. The Attorney General's Office anticipates additional recoveries from other financial institutions in 2023. The recovered resources go back to the state unemployment system.

Leading a task force to combat organized retail crime

In 2022, the Attorney General's Office convened an Organized Retail Crime Task Force to improve coordination and collaboration among law enforcement agencies to address these multi-jurisdictional crimes that endanger employees and cause significant economic harm to our state. The Task Force is focused on sophisticated, organized crime rings that account for almost \$70 billion in retail losses across the country. More than 100 individuals attended the first Task Force meeting, including retailers, workers, small business owners and state, local and federal law enforcement. A consistent message at the meeting was the need for additional resources to address these sophisticated crimes, including the creation and full funding of an Organized Retail Crime Unit within the Attorney General's Office. The office will ask the Legislature to fund the unit in 2023.

An Organized Retail Crime Unit will be able to assist with investigations — including coordinating them across multiple jurisdictions — and deploy resources where they are most needed. The unit will also be able to prosecute cases referred to the office by county prosecutors. Without such a referral, the Attorney General's Office has no jurisdiction over criminal matters.

Addressing the Missing and Murdered Indigenous Women and People Crisis



Attorney General Ferguson and Missing and Murdered Indigenous Women and People (MMIWP) Task Force Executive Committee Co-Chair Patricia Whitefoot at a bill signing event for legislation that created an alert system for MMIWP.

MMIWP Task Force

The Attorney General's Office facilitates the 25-member Missing and Murdered Indigenous Women and People Task Force. It coordinates a statewide response to the urgent crisis of Indigenous people who go missing, are the victims of homicide, or experience other types of gender-based violence in urban and tribal communities. Building on the foundational work of tribes, activists, grassroots advocates, families, and survivors, the Task Force has met quarterly and in bi-weekly subcommittee meetings to understand the scope of violence against Indigenous people and to identify how to address that through systemic and institutional changes.

The Task Force has led the nation in its approach and response to the MMIWP epidemic.

Indigenous women and people go missing or are murdered at rates higher than any other ethnic group in the United States. In Washington, more than four times as many Indigenous women go missing than white women, according to research from the Urban Indian Health Institute in Seattle.

The Task Force began meeting in December 2021, and has held 100 total meetings since then. In addition to full Task Force meetings, it has formed five subcommittees that meet separately, covering everything from MMIWP families to data and research to criminal justice to community services.



2022 Interim Report of the Washington State Missing and Murdered Indigenous Women and People (MMIWP) Task Force

In 2022, the MMIWP Task Force released its interim report. The report included recommendations to begin addressing the MMIWP crisis. Cover art by Salish artist Malynn Wilbur-Foster

Beginning in March 2022, the Task Force also began hosting monthly family talking circles to provide a space for survivors, family members and impacted community members to gather to share their experiences, find support and build community.

The family talking circles were an important addition, identified by Task Force members as a cultural practice that creates a meaningful space specifically for impacted family and community members to join and share their stories together with others who are also impacted by the MMIWP crisis.

The talking circles are held prior to task force meetings as a way of centering families and survivors in the work.

MMIWP Alerts

One of the Task Force's early accomplishments was helping with the creation of a first-in-the-nation MMIWP Alert system, similar to so-called "Silver Alerts" for vulnerable adults.

The agency request legislation, sponsored by Task Force member Rep. Debra Lekanoff, D-Anacortes, created the alert in Washington state to help identify and locate missing Indigenous women and people.



AGO Policy Analyst Annie Forsman-Adams speaks at an event announcing the Task Force's 2022 Interim Report.



Annie Forsman-Adams and Rep. Debra Lekanoff present MMIWP Task Force Executive Committee Member Anna Bean with a blanket at the 2022 MMIWP Summit in Puyallup.

Interim Report

In August, the Task Force issued its first report, including 10 unanimously adopted recommendations to begin addressing gaps in services and response to violence against Indigenous people.

Among the recommendations, the Task Force called on the Legislature to create and fully fund an MMIWP-focused cold case unit within the Attorney General's Office. Attorney General Ferguson endorsed the recommendation, and announced agency request legislation to create the unit in the 2023 session.

The report also recognizes the scope of the issue by calling on the Legislature to extend the Task Force through 2025. The state Legislature originally funded the Task Force through 2023.

Inaugural MMIWP Summit

In December, the Task Force marked its first year with an inaugural MMIWP Summit at the Emerald Queen Hotel and Casino in Tacoma. The summit, presented by the Puyallup Tribe of Indians and the Attorney General's Office, highlighted the Task Force's first year of work, while also charting its course going forward.



Attorney General Ferguson and members of Citizens of Ebey's Reserve pose for a photo after a press conference on Navy growler jets.

Protecting the Environment

Protecting Washington's environment continued to be a top priority of the office. The office engaged in a range of actions to protect the environment and hold accountable those who commit environmental crimes. This work is handled by multiple divisions and units, including the Environmental Protection Division, Ecology, Public Lands & Conservation, and Complex Litigation.

“Here, despite a gargantuan administrative record, covering nearly 200,000 pages of studies, reports, comments, and the like, the Navy selected methods of evaluating the data that supported its goal of increasing Growler operations. The Navy did this at the expense of the public and the environment, turning a blind eye to data that would not support this intended result. Or, to borrow the words of noted sports analyst Vin Scully, the Navy appears to have used certain statistics ‘much like a drunk uses a lamppost: for support, not illumination.’”

- Chief Magistrate Judge J. Richard Creatura

Stopping the Growler jet expansion on Whidbey Island

In August, a federal judge ruled that the U.S. Navy's environmental review process for the Growler jet program expansion on Whidbey Island illegally failed to analyze the impacts of the noisy, often low-flying jets on classroom learning and local birds — a violation of the National Environmental Policy Act. This marked another legal setback for the Navy in the lawsuit challenging its desired Whidbey Island jet expansion.

The training regimen for Growler jets requires frequent takeoffs and landings, and the expansion would increase Navy flight operations on Whidbey Island to more than 110,000 per year. The court ruled in favor of the state's claims that the Navy failed to consider the impacts of the noisy jets on local classrooms and on various bird species, including tufted puffins, which the state lists as endangered.

The court also ruled in favor of two claims in a related lawsuit filed by the Citizens of Ebey's Reserve: the Navy did not properly consider other locations for the Growler expansion, nor did it properly consider the greenhouse gas impacts of Growler fuel use.

The ruling adopted the recommendation of a U.S. federal magistrate, who issued a report and recommendation in December 2021 in favor of the office's lawsuit.

Opposing the expansion of a gas pipeline

In August, the office filed a motion to intervene and oppose an expansion to the Gas Transmission Northwest pipeline that runs through Washington state. The lawsuit asserted the company's requested expansion would hurt Washingtonians and increase greenhouse gases that the state wants to reduce over the coming decades.

The pipeline expansion would transport approximately 150 million cubic feet per day of additional methane gas from Canada for sale in Washington, Idaho, Oregon and California. The project would emit approximately 3.47 million metric tons of carbon dioxide equivalent per year, for at least the next 30 years. This is equivalent to adding 754,000 cars on the road each year until 2052.

The company asked the Federal Energy Regulatory Commission to allow it to expand its capacity for methane gas running through the pipeline that crosses the Pacific Northwest.

The Attorney General's Office led the motion to protest and intervene against the pipeline expansion. Oregon and California also joined the motion.



Filing criminal charges against the Electron Hydro dam and its COO

In January, the Attorney General's Office filed 36 gross misdemeanor charges against Electron Hydro, LLC and its Chief Operating Officer Thom A. Fischer. Electron Hydro operates a hydroelectric dam on the Puyallup River. Each of the 36 charges, filed in Pierce County Superior Court, were against both Fischer and the business. The charges included violations of the state's Water Pollution Control Act, Shoreline Management Act and Pierce County Code.

If convicted, Fischer faces a maximum penalty of 90 or 364 days in jail for each count, depending upon the charge. Additionally, Fischer faces fines of up to \$1,000, \$5,000, or \$10,000 for each count, depending upon the charge. As a business entity, Electron Hydro faces a maximum penalty of \$250,000 for each of the 36 counts.

The criminal charges stemmed from a construction project updating the Electron Dam during the summer of 2020. Electron Hydro, under the supervision of Fischer, placed artificial field turf containing crumb rubber onto the riverbed and dam as part of a temporary bypass channel during the construction. By its own admission, Electron Hydro estimated it placed approximately 2,400 square yards of turf material that contained 16 to 18 cubic yards of crumb rubber in the bypass channel. The company then covered the field turf with a plastic liner and diverted the Puyallup River over it. The company did not receive permission to use the field turf or crumb rubber on the project.

Days later, the liner ruptured and artificial turf and crumb rubber were discharged into the Puyallup River. In early August 2020, the company received a stop work order from Pierce County and the Army Corps of Engineers. The river remained diverted until the end of October 2020.

Securing penalties for a fraudulent asbestos removal business

In July, the owner of Above and Beyond Asbestos Removal in Bothell was sentenced to 105 days in jail and ordered to pay full restitution to his victims for environmental crimes he committed in his asbestos abatement business.

Derrick Boss duped his clients by posing as a properly licensed and trained asbestos removal expert. In fact, he was unlicensed and unqualified — and repeatedly exposed his customers and workers to asbestos. Boss must pay full restitution to four people who paid him for his services, a total of \$13,350.

Boss left 10 gallons of asbestos material on one customer's floor. The customer had to hire another company to complete the work.

When microscopic asbestos fibers are released into the air, they can cause damage to the lungs and cause serious health problems, like lung cancer, mesothelioma and asbestosis. Asbestos fibers are slow to break down — when released into the air, water or soil, they can cause damage to both human health and the health of wildlife.

Boss's criminal conduct included operating



his business without a license, forging his former partner's signature on asbestos abatement certification documents, and exposing his workers — including his own son — to asbestos without adequate protective equipment.

Boss pleaded guilty in June to two felonies (forgery and second-degree theft) and four gross misdemeanors (two violations of the Washington Clean Air Act and two counts of contracting without a license).

Holding a mining company accountable for thousands of clean water violations

In October, a federal judge ruled that Crown Resources committed thousands of violations of the Clean Water Act in its operation of the Buckhorn Mountain gold mine in Okanogan County. The order comes as part of an ongoing environmental citizen lawsuit against Crown Resources and Kinross Gold.

Despite public assertions that "Crown adhered to the highest environmental standards during operation and closure of the Buckhorn Mine," Crown stipulated to more than 3,000 violations of the Clean Water Act.

Judge Mary K. Dimke issued the order finding partial liability in U.S. District Court for the Eastern District of Washington.

Crown faces penalties for its violations, which

will be determined during a later phase of the case. Kinross was not part of the judge's order, and the case against that company is ongoing.

A different judge previously dismissed the companies' main defenses, writing in a ruling that there was "no support" for their claims that the Attorney General's Office cannot enforce all of the mine's Clean Water Act permit.

The lawsuit was filed with consultation from the Washington State Department of Ecology. Okanogan Highlands Alliance, a citizen group that has long monitored water quality issues at the Buckhorn mine, filed a similar lawsuit in April 2020.

Challenging the Postal Service's choices for new delivery vehicles

In April, the office announced a lawsuit against Postmaster General Louis DeJoy and the U.S. Postal Service asserting that they violated federal environmental law when deciding to replace up to 165,000 vehicles with primarily gas-powered models rather than making a larger switch to electric vehicles.

The lawsuit asserts the Postal Service and Postmaster General Louis DeJoy violated the National Environmental Policy Act, often referred to as the "Magna Carta of environmental law," during a deficient review process. For example, the Postal Service chose a manufacturer, signed a contract and put down a substantial down payment for new vehicles months before it released any environmental review of a decision. When the Postal Service published its environmental review, it did not consider reasonable alternatives, like buying a majority of electric vehicles and opting for gas vehicles where electric vehicles were infeasible.

The Postal Service also ignored key environmental impacts, like the effect of continued poor air quality in already-polluted communities. It also did not consider whether purchasing a majority of gas-powered vehicles was consistent with climate policies in states like Washington.

Instead, the Postal Service's environmental review depended on using a contractor with no experience making electric vehicles, ignored reasonable alternatives, discounted the air quality and climate effects of a new fleet of gas-powered trucks, and relied on an assumption that any upgrades to its vehicle fleet would be environmentally beneficial.



AGO employees who helped garner a \$22.5 million resolution with JUUL. From left to right — Paralegal Sara Cearley, AAG July Simpson, Senior Counsel Rene Tomisser, Legal Assistant Christine Truong, AAG Joshua Weissman.

Protecting Washingtonians' Health & Safety



Protecting the safety and health of Washingtonians continued to be a priority for the office in 2022. The office also continued its efforts to combat the opioid epidemic, protect Washington youth from the harmful effects of tobacco and vapor products, and stand up against Medicaid fraud.

The office also worked to ensure the most vulnerable Washingtonians have access to affordable health care by enforcing Washington's charity care laws and informing Washingtonians of their rights regarding these laws.

Holding a major e-cigarette company accountable

In April, the office announced that e-cigarette company JUUL would pay \$22.5 million to resolve a lawsuit. The lawsuit asserted that JUUL violated the law when it designed and marketed its products to appeal to underage consumers and deceived consumers about the addictiveness of its product.

In addition to the payment, JUUL must stop its unlawful conduct and implement a slate of reforms, including:

- Stopping all its advertising that appeals to youth
- Stopping most social media promotion
- Accurately marketing the content and effects of the nicotine in its products
- Confirming the age of consumers who purchase JUUL products — including a robust secret shopper program and online purchase age verification

This is the strictest secret shopper program in the company's history. The Attorney General's Office believes this is likely amongst the strictest secret shopper programs implemented by vapor products sellers anywhere in the country.

These reforms are legally enforceable. If JUUL violates these terms, the Washington Attorney General's Office can go directly to King County Superior Court to enforce them.

The Attorney General's Office will establish a new Health Equity Unit using resources from the JUUL case. The unit will work at the intersection of multiple legal divisions in the Attorney General's Office, including Civil Rights, Consumer Protection, and Complex Litigation, and respond to deceptive and discriminatory health care practices that disproportionately impact vulnerable communities and communities of color. For the next four years, the unit will focus on enforcement, outreach and education.

The resolution stems from a 2020 lawsuit that alleged JUUL's unlawful conduct fueled a pervasive and staggering rise in e-cigarette use and nicotine addiction among youth. Upon the launch of the device, the company flooded social media with colorful ads of young-looking models in fun poses that mimicked many of Big Tobacco's ad campaigns. At the same time, JUUL pushed fruit and dessert flavored products such as mango and crème brûlée. Nonetheless, JUUL vehemently denied it marketed to underage users — all of which echoed unlawful strategies used by major cigarette corporations in decades past.



Attorney General Ferguson announces the \$22.5 million resolution that resulted due to the office's lawsuit against JUUL.

JUUL's tactics were wildly successful. From the product's launch in 2015 to the end of 2018, JUUL gained control of more than 70 percent of the market share for e-cigarettes. Much of this was due to its popularity with teens, evidenced by the skyrocketing use of e-cigarettes among teenagers.

Suing Providence, Swedish hospitals for failures to financially assist low-income patients

In February, the office filed a consumer protection lawsuit against five Swedish hospitals and nine Providence-affiliated facilities for failing to ensure that eligible low-income Washingtonians receive the discounts to which they are legally entitled, and aggressively collecting money from charity care-eligible, low-income Washingtonians.

Washington's charity care law protects low-income Washingtonians from out-of-pocket hospital costs. The protections apply to both insured and uninsured patients.

The hospitals are located around the state, from Seattle to Spokane and Walla Walla to Everett. In their communities, many of the hospitals are either the largest, or the only hospital in their area. Swedish's location at First Hill is the largest hospital in the state with over 800 beds. Together, these hospitals reported more than \$18 billion in patient service revenues in 2020.

The lawsuit asserts that these hospitals committed thousands of Consumer Protection Act violations, including:

- Training employees to aggressively collect payment without regard for a patient's eligibility for financial assistance, instructing them to use a specific script when communicating with patients that gives patients the impression that they are expected to pay for their care. Providence instructed employees: "don't accept the first no"
- Failing to notify patients they were eligible for charity care financial assistance when the providers determined they qualified for assistance
- Sending more than 54,000 patient accounts to debt collection, despite knowing the patients were eligible for financial assistance. These 54,000 patient accounts totaled more than \$70 million. Under Washington's current charity care law, those patients were eligible for discounts on their bills. Moreover, under its own charity care policies that Providence promoted, these patients should have been eligible for full write-offs of their medical debt

The lawsuit seeks restitution in the form of full write-off of medical debts and refunds, plus interest, for patients who did not receive financial assistance. In addition to the \$70 million in debt relief and refunds, the lawsuit is also seeking millions of dollars in civil penalties.

Seeking accountability for fraudulent COVID-19 testing

In January, the office filed a lawsuit against Center for COVID Control, an Illinois-based company that ran several testing centers in Washington state, for providing invalid, false and delayed COVID-19 test results to Washingtonians, or sometimes providing no results at all.

The company's unlawful practices included storing tests in garbage bags for over a week rather than properly refrigerating them, and backdating sample collection dates so that stale samples would still be processed. Employees reported that the company instructed them to "lie to patients on a daily basis" when Washingtonians complained about their delayed results.

The lawsuit asserts the company violated the Consumer Protection Act when it deliberately failed to deliver prompt, valid and accurate results. Moreover, the company also violated the Consumer Protection Act when it made deceptive promises that it could deliver results within 48 hours.

Center for COVID Control operated about 300 testing sites nationwide. The company had at least 13 testing sites in Washington, located in Lakewood, Tacoma, University Place, Seattle, Bellevue, Auburn, Lynnwood, Everett, Port Orchard and Yakima. The company provided COVID-19 tests to thousands of Washingtonians.

Shutting down unproven stem cell treatments

In June, the office announced that, as a result of its lawsuit against the company, Seattle-based US Stemology and its owner, Dr. Tami Meraglia, cannot advertise, market or receive any payment for unproven stem cell treatments. US Stemology also must pay \$500,000 to the Attorney General's Office, which will go toward restitution for more than 100 individuals who paid for stem cell procedures.

In March, the office filed a lawsuit against the company, asserting it claimed in its marketing that stem cell injections could treat COVID-19 and dozens of other serious medical conditions, including asthma, lupus, Parkinson's disease, congestive heart failure and multiple sclerosis. There is no reliable clinical evidence stem cell therapy can effectively treat these conditions. Some people paid up to \$10,000 for the unproven treatments.

After the Attorney General's Office began its investigation, US Stemology stopped performing stem cell procedures in June 2021, and has not performed any procedures since.

Under the consent decree, the company also cannot claim its treatments are part of a "clinical trial" without proper FDA approval. In its marketing to consumers, the company claimed it was treating patients as part of clinical trials. In reality, the "trials" did not follow generally accepted standards of scientific research — and the researchers themselves led the "independent review" of the trials.

Winning the second-largest Medicaid fraud recovery in state history

In August, the office and the Washington State Health Care Authority announced that managed health care giant Centene paid \$19 million to Washington state. The payment resolved allegations that the Fortune 50 company overcharged the state Medicaid program for pharmacy benefit management services.

The resolution is the second-largest Medicaid fraud recovery for Washington state.

“ We commend the AG for their continued partnership in stewarding state resources. Controlling health care expenditures, especially prescription drug costs, remains a top priority for HCA.”

- Sue Birch, Director, Washington State Health Care Authority

The Health Care Authority contracts with managed care organizations like Coordinated Care of Washington, a Centene subsidiary, to manage its Medicaid program. Coordinated Care of Washington in turn contracts with pharmacy benefit managers, or PBMs, that negotiate prescription drug prices and other pharmacy related costs, including negotiating rebates and discounts on the cost of drugs.

A 2019 joint investigation into Centene began after a whistleblower provided information that managers failed to disclose true pharmacy benefits and services costs. Centene allegedly failed to pass on discounts it received to the state Medicaid program and inflated dispensing fees. The whistleblower later filed a separate claim against Centene.

As part of the resolution, Washington recovered a total of nearly \$19 million. Like all recoveries by the Medicaid Fraud Control Division, the amount goes back to the state through the state Medicaid Fraud Penalty Account.

As part of the resolution, Centene paid an additional \$13 million to the federal government for administration of Medicaid programs in Washington state.

Filing criminal charges against a Spokane-based health care company

In December, the office announced it filed numerous felony charges in Spokane County Superior Court against Paul Means and his business, Abilia Healthcare.

The office charged Means with:

- One count of Leading Organized Crime, RCW 9A.82.060(1)(a), a Class A felony
- One count of Theft in First Degree, RCW 9A.56.020(1)(b) and RCW 9A.56.030(1)(a), a Class B felony

- Two counts of Use of Proceeds of Criminal Profiteering, RCW 9A.82.080(1)(a), a Class B felony
- Twenty counts of Money Laundering, RCW 9A.83.020(1)(a), a Class B felony
- Forty-three counts of Medicaid False Statement, RCW 74.09.230(1), a Class C felony
- One count of Witness Tampering, under RCW 9A.72.130, a Class C Felony

The office charged Abilia Healthcare with:

- One count of Leading Organized Crime, RCW 9A.82.060(1)(a), a Class A felony
- One count of Theft in First Degree, RCW 9A.56.020(1)(b) and RCW 9A.56.030(1)(a), a Class B felony

The charging documents allege that between 2017 and November 2020, Means and Abilia Healthcare billed Washington Medicaid for more than \$5 million in services he falsely claimed he and his employees had rendered. The documents allege nearly every claim filed during this period contained at least one fraudulent assertion, including instances of fabricating diagnoses for patients and billing for psychotherapy that never occurred.

Due to the high degree of sophistication, lengthy period of time and scale of the monetary loss, the office also notified the court it will be seeking a sentence above the standard range, if Means and his business are ultimately convicted.

The Washington State Health Care Authority referred the matter to the Medicaid Fraud Control Division of the Attorney General's Office. The Spokane County prosecuting attorney granted concurrent authority. The Medicaid Fraud Control Division has the power to investigate crimes of Medicaid fraud and resident abuse and to initiate and conduct prosecutions of Medicaid fraud and resident abuse.

Holding drug companies accountable for fueling the opioid epidemic

2022 opioid recoveries total more than \$1 billion

By the end of 2022, the office announced recoveries from opioid manufacturers and distributors totaling more than \$1.1 billion. This money will fund opioid abatement and treatment programs throughout the state.

State, county and city governments will split half of the funds according to the state opioid distributor resolution. The other half of the funds go toward state funding for opioid remediation.

The \$1.1 billion comes from resolutions with various types of companies involved in fueling the opioid epidemic. It includes:

- \$13.5 million from multinational consulting firm McKinsey
- \$183 million from opioid distributor Purdue
- \$518 million from opioid distributors McKesson Corp., Cardinal Health Inc. and AmerisourceBergen Drug Corp.
- \$165.6 million from international opioid distributors Allergan, Mallinckrodt and Teva
- \$293.5 million from pharmacy chains CVS, Walgreens and Walmart

All but one of the resolutions occurred in 2022. McKinsey, which provided marketing advice to Purdue, paid in February 2021.

Opioids trial leads to half a billion dollar resolution

In May, six months after taking them to trial, three of the largest distributors of prescription opioids signed a resolution with the Attorney General's Office to pay \$518 million to Washington for their role in Washington's opioid epidemic. McKesson Corp., Cardinal Health Inc. and AmerisourceBergen Drug Corp. will pay out the money over a period of 17 years.

The decision to take the distributors to trial resulted in Washington state receiving \$46 million more than a national settlement offer from the companies, providing more resources for substance abuse treatment and other strategies to address the opioid crisis, including housing and other wrap-around services.



Rose Dennis, who lost her son Matthew to opioid addiction, speaks at a press conference on the office's lawsuit against Purdue Pharma.

The money will go toward combating the opioid epidemic through a range of approved strategies consistent with the state's Opioid Response Plan.

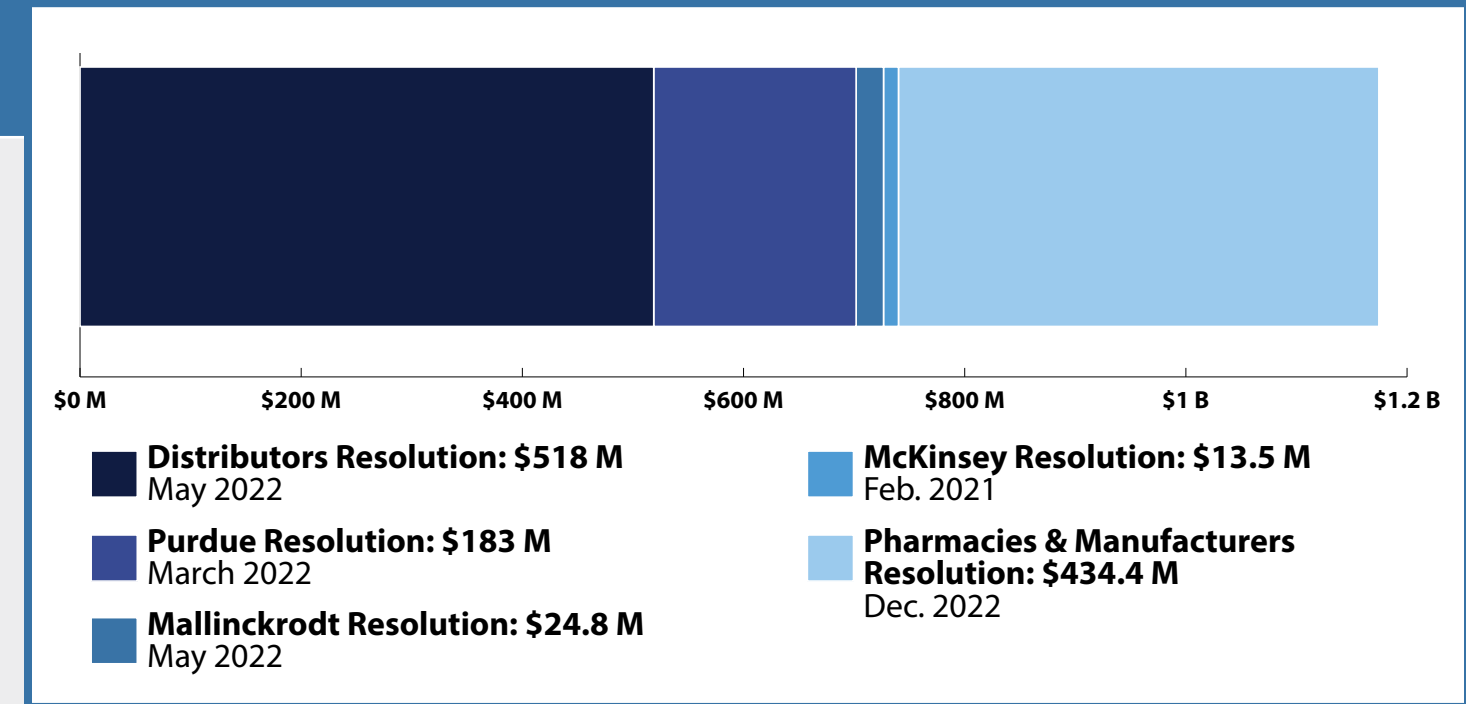
The lawsuit asserted the three Fortune 15 companies made billions of dollars feeding the opioid epidemic. They shipped huge amounts of oxycodone, fentanyl, hydrocodone and other prescription opioids into the state even when they knew or should have known those drugs were likely to end up in the hands of drug dealers and those suffering from substance use disorder.

Opioid distributors are legally required to monitor the size and frequency of prescription opioid orders to identify suspicious orders that could be diverted into the illegal drug market. Distributors are required to stop these suspicious shipments and report them to the federal Drug Enforcement Agency (DEA).

Instead, McKesson, Cardinal Health and AmerisourceBergen faced repeated actions from the DEA for continuously failing to stop and report suspicious opioid shipments, paying hundreds of millions in fines for their failure to follow the rules.

By agreeing to the resolution, the three companies avoided a ruling from the King County Superior Court judge who oversaw the trial.

The office has garnered more than **\$1.1 billion** in opioid-related recoveries



Challenging Purdue bankruptcy brings additional \$113 million

Washington state will receive an additional \$113 million from Purdue Pharma and the Sackler family as a result of the attorney general leading a challenge to the Oxycontin maker's bankruptcy plan.

The office co-led the group challenging the bankruptcy in federal court. Washington was one of three states to deliver oral arguments in U.S. District Court in New York City and Solicitor General Noah Purcell represented the state at that hearing.

By challenging the original bankruptcy plan, Ferguson and eight other attorneys general won an additional \$1.175 billion from the Sacklers to help states, cities and tribes address the harms of the opioid epidemic. Washington's share will more than double as a result of Ferguson challenging the bankruptcy plan —from \$70 million under the original plan to \$183 million. The state must use the money to tackle the opioid crisis and help Washington's recovery, a requirement that Ferguson insisted upon.

Washington was one of 48 states that originally sued Purdue. The lawsuit asserted Purdue conducted an uncontrolled experiment on the American public without any reliable clinical evidence that opioids were effective at treating chronic pain. To doctors and patients, Purdue consistently downplayed the risks of addiction from long-term use and deceptively represented opioids as safe for treating long-term chronic pain.

Facing thousands of lawsuits like this from across the country, Purdue Pharma declared bankruptcy. An audit showed that the Sackler family pulled nearly \$11 billion out of Purdue since 2008.

Suing national pharmacies for their role in fueling the opioid epidemic

The office filed a lawsuit in December against Albertsons, Kroger and Rite Aid, whose pharmacy chains helped fuel Washington state's opioid epidemic. The companies also acquired other popular pharmacy chains like Safeway, QFC, Fred Meyer and Bartell Drugs.

The lawsuit asserted the companies collectively ignored federal regulations, put profits over safety and knowingly oversupplied prescription opioids into Washington state. This oversupply led to a separate illegal market that flooded communities with highly addictive and dangerous drugs. Local governments across the state still cope with the damage these pharmacies helped cause.

The three companies illegally, recklessly and negligently filled opioid orders without adequately investigating "red flags" of fraud or overprescribing, which led to predictable failures. The pharmacies served as the last line of defense in the opioid supply chain and failed in their collective responsibility to prevent the overuse of opioid prescriptions.

The lawsuit asks the court to award penalties of \$7,500 for each violation of the Consumer Protection Act and take injunctive actions to prevent further damage to communities. This could total hundreds of millions of dollars or more.



Ending the sexual assault kit backlog & solving cold cases

The office originally launched its Sexual Assault Kit Initiative (SAKI) to work with law enforcement to get a backlog of unsubmitted and untested kits tested, get the profiles uploaded into the state to be uploaded in to the Combined DNA Index System (CODIS) and assist with cold case work. That goal is nearly complete, so the SAKI team has added other work related to sexual assault kits.

The office is working on collecting lawfully owed DNA samples from offenders in Washington. Certain offenders are required to submit DNA samples to the state to be uploaded into CODIS.

The process to collect them historically has been inconsistent, and a lot of DNA profiles have not been collected. The office originally prioritized sexual offenders and violent offenders, collecting nearly 400 DNA samples from sex offenders. The office is now working on other types of offenses.

Grants to local law enforcement

The office is providing grants to law enforcement agencies through its SAKI program. In March, the office announced it will provide 53 local law enforcement agencies across the state with funding for refrigeration units to store evidence from sexual assault investigations.

The office allocated more than \$177,000 of its federal SAKI grant funding to local law enforcement to purchase the units to store sexual assault kits. The office heard from local law enforcement that this is a major need. These resources will help ensure that sexual assault evidence, including evidence that needs to be refrigerated, does not expire due to lack of capacity. This increased storage capacity will help law enforcement agencies comply with a 2020 law, House Bill 2318, that requires “unreported” sexual assault evidence to be stored for at least 20 years.

The office, through SAKI, is also providing grants to local law enforcement agencies to do genetic genealogy investigations to try to solve cold cases. Genetic genealogy involves an expert uploading a DNA profile to a public DNA database. Investigators then use that information to construct a family tree to identify potential suspects who may not themselves have a DNA profile available.

The office budgeted over \$290,000 to help law enforcement with forensic genetic genealogy. At the end of 2022, the Attorney General’s Office provided approximately \$127,000 to local law enforcement agencies for testing.

In 2022, the office announced four cases that these grants helped solve.

Nearly 20-year-old rape case solved

In June 2020, Chief Darrin Wallace in Grays Harbor County came to the office to seek funding for forensic genetic genealogy testing for a 2003 cold case.

A 17-year-old McCleary girl was abducted near her home by an unknown man, who restrained her and forced her into her own car. He drove her somewhere, raped her, and drove her back near her home. She freed herself and drove home.

She and her family reported the assault to law enforcement, she underwent a sexual assault examination, and DNA was recovered. However, there were no matches in the database, and no suspects.

So the case went cold, until Chief Wallace reached out to the office. We funded testing through a private laboratory called DNA Labs International.

Genealogists then conducted their research comparing DNA from the crime scene to public DNA databases used by a company named GEDMatch and Family Tree. Researchers identified a relative of the suspect in the database, and eventually provided Grays Harbor investigators with the names of three brothers who could be the suspect.

One of them, Paul Bieker, lived in McCleary at the time of the crime. Law enforcement officers then worked to gather further evidence to confirm a DNA match then arrested him.

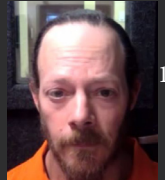
Ultimately, Paul Bieker was convicted and sentenced to 30 years in prison

The Attorney General’s Office has provided \$120,000 in grant funds for forensic genetic genealogy testing. Three cases have already identified suspects as a result.



GUILTY PLEA: July 8, Pullman

Kenneth Downing
Charges: 4 counts first-degree rape, 1 count assault with sexual motivation.
Possible sentence: 17-23 years




CONVICTED: June 3, Grays Harbor County

Paul Bieker
Charges: 1 count first-degree rape with deliberate cruelty.
Sentence: 30 years



IDENTIFIED: March 9, Kitsap County

Douglas Keith Krohne
Charges: N/A, the suspect died in 2016.



Genetic genealogy closes two cold cases

In March, Spokane police arrested Kenneth Downing in connection with a series of home invasions and rapes in Pullman in 2003 and 2004.

In 2003, a man broke into a home in Pullman and sexually assaulted a woman three times at gunpoint. Then in 2004, a man broke into an apartment with two women inside. The man, who had a gun, tied up one roommate and raped the other.

The office's genetic genealogy testing helped match Downing's DNA to the suspect in both cases.

In July, Downing pleaded guilty to four counts of rape in the first degree and one count of assault in the second degree with sexual motivation. He was sentenced to life in prison, and won't be eligible for parole for more than 23 years.

1995 killer identified

Also in March, the Kitsap County Sheriff’s Office announced a match for the DNA left behind by the killer of 61-year-old Patricia Lorraine Barnes, who was murdered in 1995.

A cigarette butt left at the scene provided a DNA sample, but no matches until genetic genealogy

testing in late 2021. Barnes was found without clothing and partially covered by a sleeping bag in the ditch in South Kitsap County, with two bullet wounds in her head. Her clothes were never recovered.

Investigators learned the suspect, Douglas Keith Krohne, died in 2016 then closed the case. However, the result provided closure to her family and the community.

Testing leads to murder arrest after three decades

The office’s genetic genealogy program also helped solve a 34-year-old cold case from Marysville.

In 1988, 19-year-old Jennifer Brinkman was found dead inside her family’s Marysville home. Despite the murder weapon — an axe — being left behind, the case went cold. The office’s program provided a little more than \$1,200 toward genetic genealogy testing to help look for new genetic evidence in the case. The City of Marysville also provided funds for testing.

As a result of that testing and continued police work, in November 2022, the Marysville Police Department announced the arrest of a 52-year-old Renton man. The man faced first-degree murder charges in Brinkman’s case but local prosecutors did not charge by the end of 2022.



Members of the antitrust team pose for a photo after announcing a resolution in the office's broiler chicken price-fixing case. From left to right — Zach Silk (President, Civic Ventures), Economic Analyst Ryne Rohla, AAG Christina Black, AAG Tyler Arnold, Paralegal Tracy Jacoby, Legal Assistant Keriann Snider, AAG Holly Williams, AAG Travis Kennedy, Antitrust Division Chief Jonathan Mark, Attorney General Bob Ferguson.

Antitrust

The Attorney General's Office Antitrust Division investigates complaints about potential anti-competitive activity and is responsible for enforcing Federal and Washington State Antitrust Laws. In 2022, the division took a stand against numerous anti-competitive practices that drove up the prices of food and other goods.

Winning millions in a chicken price-fixing conspiracy

In 2022, the Attorney General's Office won \$11.7 million from three of 19 companies the office filed lawsuits against over an alleged price-fixing scheme on chicken products.

The office asserts 19 national chicken producers drove up the price of chicken starting in at least 2008, which caused consumers to overpay by millions of dollars. The lawsuit asserts a widespread illegal conspiracy to inflate and manipulate prices, rig contract bids, illegally exchange information and coordinate industry supply reductions to maximize profits.

The conspiracy harmed an estimated 90 percent of Washingtonians, or approximately 7 million individuals. Consequently, the scheme impacted virtually everyone who consumes chicken products.

In October, the office announced Tyson Foods, the largest chicken producer in the nation with 20 percent of the market share for chickens, paid \$10.5 million as a result of the lawsuit. The Attorney General's Office reached resolutions with two other smaller producers earlier in 2022, which totaled \$1.2 million.

As part of the court order, the three companies will cooperate with the Attorney General's Office to produce information and documentation relevant to the case against the remaining co-conspirators. Moreover, the companies entered into a legally binding agreement to conduct internal training and certify that they have corporate policies that ensure compliance with state and federal antitrust laws.

Ending the anticompetitive "Sold by Amazon" program nationwide

In January, the office announced that Amazon will shut down its "Sold by Amazon" program nationwide and pay \$2.25 million to the Attorney General's Office. The money will support continued antitrust enforcement actions.

Amazon offered the "Sold by Amazon" program from 2018 through 2020 on an invitation-only basis. It invited several hundred third-party sellers with whom it had previously competed for online consumer sales on its online marketplace and other e-commerce platforms.

There are about 2.3 million third-party sellers on Amazon worldwide, according to information from a 2018 Amazon letter to its shareholders. Over the past two decades, Amazon's sales of its own branded products grew from \$1.6 billion in 1999 to \$117 billion in 2018. Over that same period, third-party sales grew exponentially from \$100 million in 1999 to \$160 billion in 2018. Third-party sales account for over half the sales on Amazon.

Amazon targeted a small fraction of the millions of third-party sellers on its platform to join the "Sold by Amazon" program. The lawsuit asserted Amazon enticed sellers into the "Sold by Amazon" program by guaranteeing that they would receive at least an agreed upon minimum payment for sales of their consumer goods in exchange for their agreement to stop competing with Amazon for the pricing of their products. Consequently, if sales exceeded the negotiated minimum payment, Amazon and its competitors split the surplus proceeds amongst themselves.

The "Sold by Amazon" program resulted in prices for some products increasing when Amazon programmed its pricing algorithm to match the prices that certain external retailers offer to online consumers.

As a result, when prices increased, some sellers experienced a marked decline in the sales and resulting profits from products enrolled in the program. Faced with price increases, online customers sometimes opted to buy Amazon's own branded products. This resulted in Amazon maximizing its own profits regardless of whether consumers paid a higher price for sales of products enrolled in the "Sold by Amazon" program or settled for buying the same or similar product offered through Amazon.

Participating sellers had limited, if any, ability to lower the price of their products without withdrawing the product's enrollment in the Sold by Amazon program. Many sellers remained stuck with an artificially high price for their products while Amazon was able to maximize its own profits.

Taking on global pesticide companies

The Attorney General's Office partnered with the Federal Trade Commission and a bipartisan coalition of 12 attorneys general in a federal antitrust lawsuit against two of the largest pesticide manufacturers in the world over a conspiracy to shut out generic versions of their products.

Syngenta Crop Protection and Corteva, Inc. sold more than \$20 billion in pesticides in 2021 alone. The companies sell their products to approximately a dozen distributors, which then sell the pesticides to retail outlets. The lawsuit asserts Syngenta and Corteva limited competition through a "loyalty program" where the two pesticide companies only paid distributors if they limited their business with competing manufacturers.

From 2017 to 2022, the two companies sold \$48 million in pesticide products in Washington. The scheme drove up costs for thousands of Washington farmers, and ultimately, food prices.



AAG Matt Geyman answers a question about the office's lawsuit against Allure Esthetic, a major plastic surgery provider in the Seattle area.

Protecting Consumers

Every Washington consumer and business benefits from the vital role our office plays in ensuring fair market competition by enforcing consumer protection and antitrust laws. The office also provides a range of complaint mediation, and delivers education and outreach services designed to inform Washingtonians about their legal rights.

Suing a plastic surgery provider for deceptive marketing

In December, the office filed a federal lawsuit against Allure Esthetic, a major plastic surgery provider in Seattle, and its owner, Dr. Javad Sajan, for falsely and illegally inflating its ratings on online rating platforms such as Yelp and Google. The company intimidated patients into removing negative reviews and ordered its employees to post fake positive reviews.

The lawsuit asserts Allure and its owner broke the law in numerous ways, including by:

- Requiring more than 10,000 patients to sign unlawful non-disclosure agreements, before receiving any treatment, that restrict them from posting truthful reviews about their experiences with Allure.
- Threatening to take legal action against patients, telling some patients it would sue them for monetary damages if they refused to delete their negative reviews.
- Offering patients cash and free services or products for taking down their negative reviews.
- Requiring patients who accepted these bribes to sign a second non-disclosure agreement stating they could face a \$250,000 lawsuit if they posted negative reviews.
- Editing “before and after” photos to make the results of its procedures look better than they actually were.
- Applying for rebates on behalf of its patients without their consent and keeping rebates that should have gone to patients.

Allure is a major provider of plastic and cosmetic surgery procedures in the Seattle area, with offices in Seattle, Lynnwood and Kirkland. Allure does business under several names, including Allure Esthetic, Gallery of Cosmetic Surgery, Seattle Plastic Surgery, Alderwood Surgical Center and Northwest Face & Body. The company conducts both surgical and non-surgical treatments, ranging from Botox to gender-affirming procedures.

The lawsuit asks the court to:

- Order that all NDAs Allure required patients to sign are void and unenforceable
- Block Allure from enforcing or threatening to enforce the NDAs
- Require Allure to pay penalties up to \$7,500 per violation
- Require Allure to pay restitution to patients for the \$100 pre-service consultation fee and any cash rebates Allure kept that it owed to patients.

Winning \$1.5 million in debt relief and refunds for Washington service members

In July, the office announced that national jewelry outlet Harris Jewelers provided more than \$1.5 million in debt relief and refunds to more than 1,000 Washington service members. The company preyed specifically on active-duty military members and induced them into signing contracts that the office asserted were violations of the federal Military Lending Act and the state Consumer Protection Act.

Harris Jewelers focused almost exclusively on selling to service members on credit. It also advertised special rates and deals for members of the military, but in reality, those deals were either illusory or always available.

Harris Jewelers closed all of its stores, including a store in the Tacoma Mall it operated for only a few years, and now only offers service for purchased products online. It had stores in 17 states, all of which were near military bases, and its company motto was “Serving Those Who Serve.”

Investigators and attorneys discovered that Harris Jewelers hid the true cost of the jewelry it sold by using high mark-ups paired with fake discounts, then added hidden fees, maintenance plans and other costs to inflate the price. These plans could add an additional \$100 to over \$1,000 on the total long-term cost to service members.

As an example of how this conduct worked, Harris Jewelers could price a diamond ring worth \$200 at \$1,500. In addition, it would then receive hundreds of additional dollars in interest charges and hundreds more from supplemental fees it aggressively marketed to consumers when they initially bought the ring.

Under the terms of the judgment, Harris Jewelers stopped collecting on \$911,525 worth of debt for 547 Washington service members who made purchases from the company's stores, which averaged approximately \$1,666 per customer. Under a separate claims process, \$597,925 was split among 1,804 individuals eligible for refunds that depended on which warranties they purchased.

Moreover, Harris Jewelers paid \$50,000 to Washington state, which the Attorney General's Office split between four armed services relief organizations that assist active-duty service members serving in Washington. The four organizations provide zero interest loans to service members who need financial assistance.

"A good example of that watchdog role are the recent lawsuits by four state attorneys general, including Washington AG Bob Ferguson, against Google for violating user privacy.

The bipartisan group — which also includes the District of Columbia, Indiana and Texas — alleges that Google employs deceptive practices, making it “nearly impossible” for users to avoid sharing their location data.”

- Seattle Times Editorial Board, 02/01/2022

Standing up against Google's location tracking

In January, the Attorney General's Office filed a lawsuit against technology giant Google for deceptively leading consumers to believe that they have control over how the data giant collects and uses their location data. In reality, consumers cannot effectively prevent Google from collecting, storing and profiting from their location data.

Google collected data on the location of its users even after consumers turned off “Location History” in their account settings. This deception was profitable for Google. Google's ability to target ads to users based on information about their locations is critical to the success of its billion-dollar advertising business.

The lawsuit asserts Google uses a number of deceptive and unfair practices to obtain users' “consent” to be tracked. As a result, it was nearly impossible for users to stop Google from collecting their location data. These practices included hard-to-find location settings, misleading descriptions of location settings, repeated nudging to enable location settings and incomplete disclosures of Google's location data collection.

In August 2018, the Associated Press published a story about the confusing Location History and Web & App Activity settings. “Google wants to know where you go so badly that it records your movements even when you explicitly tell it not to,” the story read. “Even with Location History paused, some Google apps automatically store time-stamped location data without asking.”

Despite these news reports, this deceptive conduct continued. In the aftermath of the AP story, Google made some changes to its language about location settings — however, Google continued tracking location data even after consumers turned off “Location History.”

The lawsuit asserts that Google violated the Washington State Consumer Protection Act by collecting, storing and using consumers' location data without their knowledge or consent, or even directly against users' intent.

The lawsuit asks the court to stop Google from continuing its unlawful conduct. In addition, the lawsuit asks the court to order Google to:

- Pay monetary penalties under the Consumer Protection Act of up to \$7,500 per violation. The Attorney General's Office estimates there are a massive number of potential violations of the Consumer Protection Act — likely reaching into the hundreds of thousands of potential violations.
- Relinquish the profits it made from its deceptive practices.
- Give up the data acquired from its deceptive conduct.

Ending a scheme targeting small business owners

In November, a judge ordered two companies and their owners to pay more than \$24.8 million for their unlawful conduct targeting small business owners. The judge determined that both companies' “entire business model was based upon deceiving small business owners.”

CA Certificate Service and Labor Poster Compliance sent hundreds of thousands of letters to Washington business owners that deceptively appeared to originate from the government. The letters demanded payments for posters or certificates that they deceptively implied were required to purchase. The certificate is not mandatory and available from the state for a fraction of the cost that CA Certificate Service demanded. The posters are available from state and federal agencies for free.

The office filed lawsuits in March against Florida-based CA Certificate Service and Labor Poster Compliance and their owners.

In total, the companies sent 232,091 deceptive letters into Washington. More than 15,000 Washington businesses each paid approximately \$85 to these two companies for a total of \$1.27 million. King County Superior Court Judge David Whedbee granted a request that the companies repay Washington businesses in full, plus pre-judgment interest.

The court ruled that the two companies committed 232,091 separate violations of the Consumer Protection Act. The court ordered the two companies to pay \$23,518,200 in penalties.

The judge permanently blocked the defendants from mailing letters into Washington that appear to be a bill or invoice that a consumer must pay. The court order also barred them from sending letters that appear to be from a government or someone working for a government.

Creating a new complaint form for robocalls

In March, the Attorney General's Office announced an initiative to combat robocalls in Washington state and created a new complaint form for Washingtonians tailored for reporting robocalls.

Additionally, as part of an effort to educate and inform Washingtonians, the Attorney General's Office launched a website with descriptions of robocalls and telemarketing scams, including strategies for combating them.

Robocalls are a type of phone call that comes from automated systems where computers play a recorded message when someone answers the phone or when it goes to voicemail.

Prior to the creation of the specific complaint form for robocalls, Washingtonians could report any suspicious calls through the Attorney General's Office general consumer complaint form. The creation of a specific complaint form for robocalls gives attorneys, investigators and staff more precise information for quicker reaction to complaints.

The robocall complaint form includes specific questions for reporting the details of a suspicious call to help the office better track and discover patterns for robocalls in the state — and prevent other Washingtonians from getting more illegal calls. Even if illegal robocallers fake their caller identification, the Attorney General's Office has resources to track these calls when Washingtonians report their telephone number, telephone provider and the exact time and date of the call.

Taking on a deceptive online training program

In June, the office filed a lawsuit against a South Carolina company offering a deceptive online training program that duped Washingtonians into paying \$30,000 for an online course.

The company, Prehired LLC, issued the following guarantee in its marketing materials: “We guarantee you land a \$60k+ job offer (from a tech company YOU choose).” This guarantee, which was only one of Prehired's deceptive marketing claims, proved to be a lie — and, consequently, illegal. When students failed to pay on massive debt from the program, Prehired used aggressive collection techniques like lawsuits and forced arbitration to get the money.

The lawsuit asserts Prehired and its owner violated the state Consumer Protection Act by engaging in deceptive advertising, as well as deceptive collection practices. The lawsuit also asserts Prehired broke the law by operating in the state without a license. Operating a private vocational school in the state without a license makes any contracts for payment unenforceable.

Its program consists of a course of 15 hours of videos the owner made himself to teach people how to begin a “six figure career.” He claimed his program prepared students, including those with a high school diploma or GED and no sales experience, for jobs starting with a salary of at least \$69,000.

The company claims 90 percent of its students find employment, but it does not disclose that students have to apply to 20 or more jobs a week until they find employment as part of the program or risk voiding the job guarantee. Nor does that total include any students who left the program early or Prehired removed from it, which allowed the company to keep that percentage artificially high.

The contract also required students to adhere to a “Code of Conduct,” which includes items like not disparaging the company and requiring students to return communications from the company within two business days. Failure to follow any of these requirements meant Prehired could remove anyone from the program, while still charging them full price.

The lawsuit seeks restitution for any Washingtonians who signed up for the online training program, as well as costs, fees and civil penalties. The Consumer Protection Act allows the Attorney General to seek up to \$7,500 for every violation.

Returning \$3.75 million to Washington state taxpayers

In May, the Attorney General's Office announced that as a result of its investigation, tax preparation software company Intuit returned more than \$3.75 million to 121,102 Washington taxpayers. These Washingtonians paid to electronically file their returns with Intuit's TurboTax software after the company failed to inform them that they were eligible to e-file for free through the Internal Revenue Service (IRS).

Between 2016 and 2018, the affected Washingtonians filed more than 127,000 tax returns through Intuit's paid software despite being eligible for free electronic filing. The IRS offers free electronic filing of all tax returns with incomes up to \$73,000. Eligible Washington taxpayers will receive approximately \$30 for each year they paid Intuit to file their returns through TurboTax. Some Washington taxpayers are eligible for restitution for multiple years.

In addition to the restitution to Washington taxpayers, the resolution requires the company to promptly notify consumers when they are eligible to file for free through the IRS, as well as to clearly disclose the limitations on who is eligible to use its own free tax filing software.

The payment is part of a \$141 million nationwide resolution with all 50 states and Washington, D.C.

Polling Washingtonians on pre-checked boxes

In October, the Attorney General's Office released the results of a consumer survey revealing that 59 percent of Washingtonians may have been unintentionally enrolled in a subscription plan or service when they thought they made a one-time purchase, highlighting a problem that may be impacting millions of Washingtonians.

The survey also revealed that approximately 100,000 Washingtonians may have been unable to cancel the unwanted subscription because it was too difficult.

The survey found:

- 59 percent of the 1,207 respondents noted that in the last four years they unintentionally enrolled in a subscription plan that automatically billed them when they thought they were making a one-time purchase.
- A significant majority of the respondents (70 percent) noted pre-checked boxes should be prohibited.
- Washingtonians cited online retailers (29 percent) as the most common source of the problem, and Amazon was the company that received the most mentions by consumers.

Getting financial relief to students from Corinthian Colleges

In June, the office announced that 16,850 Washingtonians who attended any school owned by Corinthian Colleges, a for-profit college that engaged in deceptive conduct, will receive \$157.9 million in relief.

The Attorney General's Office had been calling for this action from the federal government since 2016 when it sent a letter to department officials calling for automatic loan discharges for victims of Corinthian's fraud. In 2017, AG Ferguson, along with other state attorneys general, submitted a joint request seeking group discharge for Corinthian borrowers in their states.

The U.S. Department of Education discharged \$5.8 billion nationwide in student loans for Corinthian College students across the country.

This discharge applies automatically — borrowers do not need to do anything to receive relief. This relief applies to all remaining loans for Corinthian Colleges, including for borrowers who have not yet applied for a "borrower defense" discharge. Corinthian owned and operated Everest College campuses in Everett, Fife, Tacoma, Bremerton, Renton, Seattle and Vancouver until February 2015, when Zenith purchased them.

Winning \$45 million in debt relief, restitution for Washington's students

In January, student loan servicer Navient provided nearly \$45 million in debt relief, restitution and costs to resolve a lawsuit over its unlawful loan servicing practices.

The lawsuit asserted Navient, the Sallie Mae offshoot that was then the nation's largest student loan servicer, engaged in numerous unfair and deceptive practices harming Washington student loan borrowers.

Washington was the first state, along with Illinois, to file a lawsuit against Navient, and the first to obtain a judgment stating Navient broke the law.

The student loan giant:

- Extended more than \$35 million in debt relief, erasing the remaining debt of more than 1,400 Washingtonians who took out certain private student loans between 2002 and 2014 — an average of about \$25,000 per person.
- Paid \$2.3 million in restitution to approximately 8,900 Washington borrowers enrolled in forbearance for an extended period of time between 2009 and 2017.

- Paid \$7 million to Washington to cover costs from the complex, multiyear investigation and litigation, along with future enforcement of the state's Consumer Protection Act.

The resolution contains extensive injunctive terms to prevent Navient from engaging in similar harmful conduct in the future. It also requires Navient to notify borrowers of the U.S. Department of Education's important recent changes to the Public Service Loan Forgiveness program, which offers millions of qualifying public employees a waiver that may count past payments or periods of repayment toward loan forgiveness.

As of August, restitution checks and electronic payments of approximately \$500 per person have gone out to about 8,900 Washington student loan borrowers who were enrolled in forbearance for an extended period of time between 2009 and 2017.

Compensating service members after a towing company illegally sold their vehicles

In August, a court issued an order requiring Chuck's Towing, a Clark County towing company, to pay three service members for illegally selling their cars at auction. The order also requires it to implement specific policies so it will not harm service members in the future.

The Servicemembers' Civil Relief Act requires companies to obtain a court order before selling vehicles owned by active-duty service members at auction. The lawsuit asserts the company committed an unfair business practice and also violated the state's Consumer Protection Act by failing to have policies and procedures in place to comply with SCRA.

After receiving notification from the Attorney General's Office, Chuck's Towing and its owners were cooperative with an investigation. The court order required Chuck's Towing to pay a total of \$13,087 to compensate the three servicemembers for illegally auctioning their cars. A woman serving in the Coast Guard received \$12,500 for the value of her car and to compensate for the time she no longer had access to it. Two other servicemembers received \$437 and \$150.

In addition, Chuck's Towing will pay the Attorney General's Office \$4,000 to fund future investigations and litigation. The legally binding agreement requires Chuck's Towing to comply with the law in all future actions with vehicles it tows.

The case was part of the office's ongoing Military & Veterans Initiative to stand up for Washington's active-duty service members and veterans. It involves engaging and educating service members

and veterans about their rights and the resources available to them, vigorously enforcing the legal protections within the Attorney General's authority and promoting and facilitating access to civil legal services.

The three service members assisted in this case brought the total to more than three dozen veterans or servicemembers who received restitution through the office's legal enforcements against Washington state towing companies.

Shutting down an illegal robocalling operation

In May the Attorney General's Office announced that, as a result of a lawsuit against the company, Global Grid and its owner must shut down its illegal robocalling operation. The company must also stop all deceptive marketing practices, including misrepresentations about a product it falsely promised could block robocalls. Global Grid must pay more than \$8,000 to the Attorney General's Office, which will go to approximately 200 Washingtonians harmed by the company's hidden start-up fee.

Global Grid and its owner also face \$603,000 in penalties, costs and fees for its illegal conduct, including robocalls, which are suspended so long as they pay back the upfront fees and do not violate the terms of the consent decree.

In October 2021, the office filed a lawsuit against the company asserting the company made over 54,000 illegal robocalls to Washingtonians, in violation of the Washington Automatic Dialing and Announcing Device (WADAD) Statute and the Consumer Protection Act (CPA). Ironically, the calls attempted to sell a purported robocall-blocking service.

The company also robocalled consumers on the Do Not Call Registry and made deceptive claims in its advertising. The company also told people that "subscriptions start at just pennies per month," yet failed to mention that they would be charged up-front fees to activate the service — anywhere from \$8 to \$100.

Washingtonians impacted by Global Grid's illegal hidden fees will receive restitution payments equal to the amount they paid. These payments will average approximately \$35 per customer. The consent decree requires Global Grid to make all restitution payments to the Attorney General's Office within 12 months of the resolution due to the company's current lack of funds and assets, which the Attorney General's Office independently verified. The Attorney General's Office will send checks to consumers once Global Grid has completed its payment.



Attorney General Bob Ferguson speaks at a bill signing event for the office's legislation to ban the sale, manufacture, transport and import of high-capacity magazines in Washington state.

Legislative Priorities

Attorney General Ferguson's 2022 legislative priorities included strengthening firearms laws, expanding the availability of hospital financial assistance, creating a first-in-the-nation missing and murdered Indigenous women and people alert system and increasing equity by offering compensation for some members of state work groups and task forces.

Passed:



Banning the sale of high-capacity magazines

This legislation banned the sale, manufacture, transfer and import of high-capacity magazines in Washington state, with reasonable exceptions for law enforcement and military. Attorney General Ferguson first proposed this legislation in 2017 in the wake of the 2016 mass shooting at a Mukilteo house party. The shooter used a military-style assault rifle and a high-capacity magazine. Prior to this session, the proposal to ban the sale of high-capacity magazines never made it to a vote on the floor of either chamber of the Legislature.



Increasing the availability of hospital financial assistance

This bill increases access to affordable health care for millions of Washingtonians. As a result of this bill, approximately half of all Washingtonians are now eligible for free or reduced-cost care at large hospitals that represent approximately 80 percent of the licensed beds in the state. Smaller, more rural hospitals also must increase the availability of financial assistance. All told, the bill expands so-called "charity care" eligibility to more than one million Washingtonians, and guarantees free hospital care to an additional million Washingtonians who were previously only eligible for discounted care. The office also hosted a series of tele-town halls and produced public service announcements to inform Washingtonians of their rights under this new law.



Creating a statewide MMIWP Alert System

This legislation created a first-in-the-nation alert in Washington state to help identify and locate missing Indigenous women and people. Indigenous women and people go missing and are murdered at rates higher than any other ethnic group in the United States. In Washington, more than four times as many Indigenous women go missing than white women. This bill created a system similar to "silver alerts" for missing vulnerable adults. Information from the alerts reaches Washingtonians through press releases, message signs, highway advisory radio messages and more.



Increasing equity in state task forces

This bill reduced barriers for low-income individuals and community members with lived experience to participate in state task forces and

work groups. State law previously prohibited any kind of compensation for volunteer group members. This legislation provides compensation to those who qualify, including a stipend and reimbursement of travel, child care and lodging costs. Task forces and work groups are a key part of the process of developing and implementing public policy. Recommendations from these groups can sometimes develop into legislation and become law. Policies are strongest when impacted communities have an opportunity to participate in their development.

Other legislation:

Repealing racist, antitribal language in state law

This legislation ensured the protection of off-reservation treaty rights and ongoing state-tribal cooperative agreements by repealing racist, antitribal and unenforceable language in state law that Washingtonians passed by initiative in 1984. In 2022, the legislation passed the House unanimously, but failed to come to a vote in the Senate.

Free, prior and informed consent

In May 2019, the office announced its historic policy that requires the Attorney General's Office to obtain free, prior and informed consent from Washington's 29 federally recognized tribal governments before initiating a program or project that affects tribes, tribal rights, tribal lands and sacred sites. This legislation would codify this policy, ensuring future attorneys general cannot unilaterally eliminate it.

To be reintroduced:

Banning the sale of assault weapons

This legislation would ban the sale, manufacture, transfer and import of assault weapons in Washington state, with reasonable exceptions for law enforcement and military.

Repealing Washington's death penalty

This legislation would eliminate the death penalty as a possible sentence for aggravated first-degree murder, and replaces it with life in prison without the possibility of parole.



Attorney General Ferguson discusses a campaign finance lawsuit against Tim Eyman at a 2017 press conference.

Campaign Finance

The Attorney General's Office enforces the state's campaign finance disclosure laws to ensure free, open and fair elections in Washington.

Holding GMA accountable for intentionally violating campaign finance laws

As a result of the office's successful campaign finance lawsuit, the former Grocery Manufacturers Association (GMA), now known as the Consumer Brands Association, will pay \$9 million and apologize for its intentional violations of Washington's campaign finance law. The payment will include a \$3 million donation to organizations that address food insecurity in Washington. Food Lifeline and Northwest Harvest will each receive \$1.5 million as a result of the resolution.

This resolves eight years of litigation that resulted in the state Supreme Court upholding GMA's intentional campaign finance violation. As a result, GMA is dropping its appeal to the United States Supreme Court.

The trade organization, representing large corporations including PepsiCo. Inc., Nestle USA Inc. and The Coca-Cola Co., funneled millions of dollars into the state to oppose Initiative 522, regarding the labeling of genetically-engineered foods. If approved, the initiative would have required genetically engineered foods to be labeled "clearly and conspicuously" on the front of packaging.

Internal GMA documents obtained as a result of the office's lawsuit revealed an intentional, systematic effort to conceal the true sources of those contributions through GMA's "Defense of Brands Strategic Account."

The office filed a lawsuit in Thurston County Superior Court in 2013, where the judge found GMA violated the law, levying a \$6 million penalty, which the judge then trebled because she found GMA's violations intentional. The Court of Appeals largely affirmed the trial court's decision, but held that the trial court had erred in finding GMA's violations intentional, so it reversed the trebling of the penalty. The state Supreme Court affirmed that GMA's violations were intentional and reinstated the trial court's \$18 million penalty, remanding the case to the state Court of Appeals to consider GMA's argument that the penalty was excessive under the state and federal constitutions.

In November 2020, the appeals court unanimously confirmed the penalty is not excessive based on GMA's conduct. The Washington Supreme Court upheld that decision in a 5-4 ruling in January.

GMA then announced that it would file a petition for review before the United States Supreme Court, challenging not only its penalty, but also the constitutionality of significant portions of Washington's voter-approved campaign finance law.

Securing a record campaign finance penalty against Facebook

In October, a King County Superior Court judge issued the maximum penalty of \$24.6 million against Facebook's parent company, Meta, in the office's campaign finance transparency lawsuit.

The judge ruled that Meta intentionally violated Washington law 822 times. Because the violations were intentional, the court had the option to triple the penalty, for a maximum of \$30,000 per violation.

The judge ordered Facebook to pay the maximum penalty: \$24,660,000. This represents the largest campaign finance penalty anywhere in the country — ever.

Washington law requires campaign advertisers, including entities such as Meta that host political ads, to make information about Washington political ads that run on their platforms available for public inspection in a timely manner. The state asserted that Meta violated the law repeatedly since December 2018 and committed hundreds of violations.

Ensuring an initiative promoter pays what he owes for running an illegal kick-back scheme

In August, a federal bankruptcy judge approved a resolution that requires Tim Eyman to give up his share of his house to pay hundreds of thousands of dollars toward what he owes on his campaign finance judgment and other creditors.

Eyman filed for bankruptcy in November 2018, before a campaign finance trial against him began, in an attempt to avoid accountability for campaign finance violations stemming from an illegal kick-back scheme. In January 2019, the bankruptcy judge ruled that the Attorney General's campaign finance case could proceed regardless of the bankruptcy filing.

In April 2021, following the trial, a judge ruled that Tim Eyman repeatedly and intentionally violated Washington campaign finance law, and ordered Eyman to pay a civil penalty of \$2.6 million. In addition, the court ordered Eyman to pay \$2.9 million to cover the state's costs and fees associated with investigating and prosecuting the case.

This resolution does not absolve Tim Eyman from his legal responsibility to pay the remainder of the judgment. Eyman's legal and financial obligation to pay the entire judgment amount to the state will continue after the resolution of the bankruptcy. The judgment continues to accrue interest until it is paid.

ATTORNEY GENERAL'S OFFICE CORE LEADERSHIP TEAM

