

Facebook, Google to pay Washington \$450,000 to settle lawsuits over political-ad transparency

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Tech giants Facebook and Google will pay Washington state more than \$450,000 to settle twin lawsuits filed by Attorney General Bob Ferguson accusing the companies of failure to abide by state laws on political advertising transparency.

In the settlements, filed Tuesday in King County Superior Court, the companies did not admit any violations of state law, but agreed to pay \$200,000 each to end the legal disputes. They'll also cover the state's legal costs, with Google paying \$17,000 and Facebook \$38,500.

Ferguson's office filed the lawsuits in June, citing longstanding state law that requires media companies to collect and make public detailed information about <u>political ads</u>. Those requirements have long applied to <u>television stations</u>, newspapers and billboard owners, but the state's lawsuits said Facebook and Google had failed to comply.

"This resolution sends a powerful signal to the industry that you are accountable to Washington <u>state laws</u>. You must follow them," Ferguson said in an interview Tuesday, adding that his office will monitor the companies' behavior going forward.

The move to make the tech firms fully comply with Washington's disclosure laws arose after an editor for Seattle publication The Stranger asked the firms to provide the ad information required by state law in



2017, but was rebuffed.

Following up on that reporting, Conner Edwards, a Thurston County political consultant and former Republican legislative aide, filed citizenaction complaints, prompting Ferguson's lawsuit.

Edwards said Tuesday he was not impressed with the settlement amounts for the multi-billion dollar tech companies.

"It just seems pretty low. I am pretty shocked by that, honestly," Edwards said, questioning whether the state gained any assurances of compliance by the companies.

Edwards also questioned whether Ferguson should have recused himself from the cases, pointing to past political donations to Ferguson's election campaigns, including \$5,300 from Facebook and \$5,800 from Google.

Ferguson said he stopped taking all corporate contributions in January 2017. He said he takes Edwards' criticisms "with a grain of salt" and that the size of the settlements was proper given the allegations. Ferguson added: "If there is not full and complete disclosure going forward, Facebook and Google will hear from my office again."

The lawsuits have already had some effect, as Google stopped accepting political ads for state and local races in Washington days after the complaint was filed in June. In stopping those ads, the company cited emergency rules issued by the state Public Disclosure Commission (PDC) that clarified that the state law applies to digital firms, which must make information about political ads available as soon as they are published, including viewership data and the geographic areas targeted.

In a statement Tuesday, Google maintained the company had never violated Washington's law, but pulled back after the stricter PDC



interpretation was put in place.

"At that point, we paused accepting election advertising in Washington because our systems weren't built to comply with these new requirements. We've rolled out several features this year to ensure transparency in U.S. federal elections and we are looking at ways to bring these tools to the state level as well," said the statement supplied by company spokeswoman Alex Krasov.

Google's settlement with the state specifies it continues to deny "all material allegations" made by Ferguson's lawsuit.

Meanwhile, Facebook has continued to accept political ads in Washington, with the company pointing to its voluntary efforts to disclose more information even while its attorneys argued the state regulations were pre-empted by federal law.

A Facebook spokeswoman, Beth Gautier, said Tuesday the company is pleased the lawsuit has been resolved.

"We're working hard to protect election integrity and prevent foreign interference. We believe all ads should be transparent on Facebook and aren't waiting for legislation to authorize political advertisers and house these ads in a public archive," Gautier wrote in an emailed statement. She said the <u>company</u> is still looking at how to address Washington's disclosure requirements.

Facebook's searchable public archive of political ads was launched in May. But Ferguson said the information provided by the archive has not been adequate to comply with Washington's rules—failing, for example, to provide enough information on who bought ads and the precise amount of payments.



The state's ad restrictions apply to state and local races, but not to federal contests such as congressional elections.

While the bulk of political-ad spending still goes to television, cheaper online ads have proliferated in recent years. Political committees and candidates in Washington reported more than \$5 million in payments to Facebook and \$1.5 million to Google related to advertising, Ferguson's office said, citing documents filed with the PDC.

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