

Legislative Ethics Board



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COMPLAINT 2025 – No. 11

In re Alvarado
May 22, 2025

ORDER OF DISMISSAL – NO REASONABLE CAUSE

I. NATURE OF COMPLAINT

The Complaint alleges that Respondent has violated RCW 42.52.020 and 42.52.110 because of her employment with an organization that engages in lobbying efforts, including on HB 1217, a bill on which Respondent was the prime sponsor.

II. JURISDICTION

The Board has personal and subject matter jurisdiction. RCW 42.52.320.

III. PROCEDURAL HISTORY

Complaint 2025 – No. 11 was received on April 3, 2025 and was discussed during the Board's regularly scheduled meeting on May 5, 2025.

IV. FINDINGS OF FACT

1. Respondent is a current member of the Senate representing the 34th legislative district. She was elected to the House in 2022 and appointed to the Senate in 2025 replacing Sen. Joe Nguyen.

A. Enterprise Community Partners

2. Respondent is employed outside the legislature as the Vice President, Pacific Northwest Market for Enterprise Community Partners (ECP). She has been so employed for approximately three years.
3. According to its website, ECP, a national organization, supports community development organizations by aggregating and investing billions to improve housing and strengthen

communities across the U.S. ECP advances housing policy at every level of government and it builds and manages communities. Together with its partners, it focuses on the greatest need — the massive shortage of affordable rental homes — to achieve three goals: increase the supply of affordable homes; advance racial equity after decades of systematic racism in housing; and support residents and strengthen communities to be resilient to the unpredictable and make upward mobility possible.

4. As the Vice President for ECP, Respondent leads the delivery of ECP's program solutions, innovations, capital and policy efforts to bring lasting and sustainable impact to the region. Respondent conducts strategic assessments of the needs of local and state government partners, non-profit and for-profit developers and the public, corporate, and banking sectors and provides solutions with a racial equity foundation to support local and statewide strategies to address affordable housing in low-income communities and community development needs.
5. In her role, Respondent engages in local policy advocacy in Washington; state and local policy advocacy in Oregon and Federal policy advocacy related to the region on behalf of ECP.
6. In December 2022, shortly after she was elected to the House, Respondent contacted House Counsel and Board Counsel because she was concerned that parts of her employment with ECP might run afoul of the Ethics Act.
7. During this meeting, Respondent indicated that her salary was paid from two contracts ECP has with the state of Washington. She indicated that she is attempting to have her salary paid from a different source. She asked whether her salary could be paid from state contracts until she could have it switched to a different source. She was advised that because the contracts were entered into before she was elected, she could continue to accept her salary.
8. At this same meeting, Respondent was concerned that her employer conducted fundraising although she did not supervise the employees in charge of fundraising. She did, however, work with organizations that are asked to donate and wanted to know whether this was an issue. She was advised that as long as she was not directly asking for donations, there were no ethics issues in continuing to work with these organizations.
9. The final concern Respondent had at the December 2022 meeting was that ECP employed a local lobbyist. Respondent indicated that she does not supervise the lobbyist or get involved in lobbying in Washington state but she does supervise the employee who works with the lobbyist. She indicated that she is trying to remove herself from this responsibility. Respondent was advised that she can continue to supervise that employee but should avoid any lobbying or policy issues on the state level. She was further advised that she could be involved in policy or legislative work at the local or federal level but to completely avoid state level policy or legislation on behalf of her employer.
10. On February 14, 2025, Board Counsel received an email that someone thought Respondent was violating the Ethics Act by virtue of her outside employment.
11. Senate Counsel, Suchi Sharma and Board Counsel met with Respondent to discuss her outside employment situation.

12. Respondent indicated that she resigned her board memberships when she was elected so she is no longer a member of those boards. She further indicated that she does programmatic work for ECP.
13. She stated that although ECP does have a local lobbyist, she does not supervise any of the legislative work done in WA – that is done by an east coast employee. This fact was later confirmed by her supervisor as part of this investigation.
14. Respondent indicated that she engages in local policy advocacy in Washington; state and local policy advocacy in Oregon; and federal policy advocacy related to the region. Respondent does not engage in or supervise staff involved in Washington state level policy or legislative work on behalf of ECP. These facts were later confirmed by her supervisor as part of this investigation.
15. Respondent indicated that her ECP salary is now paid from private sources not from any state contracts ECP may have with Washington state. This fact was later confirmed by her supervisor as part of this investigation.
16. Pursuant to this discussion with Respondent, it appeared that she had done everything House Counsel and Board Counsel had recommended in 2022 and Senate Counsel and Board Counsel believed that she had done all the tasks Counsels would have recommended to avoid a conflict of interest.

B. House Bill 1217

17. House Bill (HB)1217 was sponsored by Respondent.
18. HB 1217 addressed improving housing stability for tenants by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, and creating parity between lease types.
19. Respondent sponsored a similar bill (HB 2114) during the 2024 legislative session. That bill died in the Senate.
20. HB 1217, in all its various iterations through the 2025 legislative process, did not address affordable housing; the bill was essentially a rent stabilization bill.
21. The lobbyist for ECP did not testify on either HB 1217 or HB 2114 in either the House or Senate.
22. Complainant is particularly concerned about the exemption that is included in HB 1217 and was also included in HB 2114 last session
23. The exemption from the rent stabilization requirements applies to all public housing authorities, whether for-profit or non-profit, that are regulated by government.
24. ECP does not own or operate any housing in Washington state.

V. ANALYSIS AND CONCLUSIONS OF LAW

The complaint alleges that Respondent violated RCW 42.52.020 and RCW 42.52.110 because of her employment by an organization that engages in lobbying efforts. Specifically, the complaint alleges that “legislators are prohibited from lobbying or holding a position of executive director or other administrative officer of a trade organization or other similar organization that has lobbying as a principle (sic) activity. Because advocacy, policy, and lobbying are identified as activities on its website and [Respondent] holds a position as an administrative officer and engages in policy advocacy, [Respondent] is engaging in activities incompatible with public duties and is receiving compensation for official duties.”

A. RCW 42.52.110 (Compensation for official duties and nonperformance)

RCW 42.52.110 provides in pertinent part as follows:

“No state officer or state employee may, directly or indirectly, ask for or give or receive or agree to receive any compensation, gift, reward, or gratuity from a source for performing or omitting or deferring the performance of any official duty¹ unless otherwise authorized by law . . .”

Providing legislative advice and assistance is an official duty under this statute. *In re Armstrong*, 2011- No. 1. However, a legislator who agrees to be paid to work with members of the Legislature in a capacity which was the same capacity in which he would work with them on legislation in which he was interested during the legislative session would violate this provision. *In re Ericksen*, 2017 – Nos. 12, 13, & 14. This statute is broader than just voting for or against a bill. It also prevents a member from providing legislative assistance for pay, other than legislative compensation, if the assistance is directed toward any anticipated or pending legislative measure and is designed to assist the recipient obtain a favorable outcome with respect to the measure.

Even though the Complaint suggests otherwise, this investigation discovered no facts to indicate Respondent agreed with ECP to be paid for providing ECP with legislative advice or assistance.

B. RCW 42.52.020 (Activities incompatible with public duties)

The Board has frequently dealt with the issue of the outside employment of legislators. In determining whether the outside employment conflicts with the legislator’s official duties, the Board has analyzed the issue by applying two statutes: RCW 42.52.020 (activities incompatible with public duties) and RCW 42.52.330 (citizen legislator).

The concept of the citizen-legislator is based in the Washington State Constitution. Other than the civil office prohibition in Article 2, Section 14, the constitution does not limit a legislator's ability to hold outside employment. The only other written limits on legislators' non-legislative jobs arise within the Ethics Act itself through provisions such as RCW 42.52.020.

¹ “Official duty” means those duties within the specific scope of employment of the state officer or state employee as defined by the officer's or employee's agency or by statute or the state Constitution. RCW 42.52.010(13).

The language of RCW 42.52.020 is very broad and provides as follows:

No state officer or state employee may have an interest, financial or otherwise, direct or indirect, or engage in a business or transaction or professional activity, or incur an obligation of any nature, that is in conflict with the proper discharge of the state officer's or state employee's official duties.

The Act established boundaries for Board action. The Board, in considering the application of RCW 42.52.020, must also address RCW 42.52.330 which provides as follows:

By constitutional design, the legislature consists of citizen-legislators who bring to bear on the legislative process their individual experience and expertise. The provisions of this chapter shall be interpreted in light of this constitutional principle.

This is a mandatory facet of the Board's deliberative process. *See e.g., In re Ericksen, supra.* These statutes mean that when the Board is reviewing whether a particular non-legislative job presents evidence of "activities incompatible with the member's official duties," it must consider how that provision is to be applied in light of the citizen-legislator concept.

Many legislators have non-legislative jobs during the months between legislative sessions. In fact, there is a presumption that legislators will be employed outside the legislature. *Advisory Opinion* 1998 – No. 6. As a result, the Board has had an opportunity to issue several decisions analyzing a legislator's outside employment in light of the two statutory provisions cited above.

Previous Board decisions reviewing a potential conflict of interest between outside employment and official duties fall within two categories: *per se* and functional. The *per se* test looks at whether the legislator's non-legislative employment presents such a direct conflict with his or her official duties that the employment itself would violate .020. The Board has found that the following jobs presented a *per se* violation of .020:

- Executive Director of organization focusing on the development of grass roots lobbying (*Advisory Opinion* 1998 - No. 6);
- Legislator paid for lobbying the legislature on behalf of his outside employer (*Advisory Opinion* 1999 -No. 5);
- Legislator worked for college board and was paid to work with legislators on legislation (*Advisory Opinion* 95 -No. 1 - citing Senate Board of Legislative Ethics Opinion 69-1)
- Executive Director of trade organization having promotion of legislation as one of its paramount purposes (*Advisory Opinion* 95-1 - citing Senate Board of Legislative Ethics Opinion 69-3)
- Director of the Center for Government for private lobbying organization (*Advisory Opinion* 2023 – No. 2

Contrary to the Complaint allegations, Respondent's duties with ECP do not present a *per se* conflict with her official duties. Lobbying is not the principal activity of ECP and because Respondent has no responsibility for policy advocacy at the state level in Washington, there is no *per se* violation of .020.

Many of the Board's prior decisions addressing RCW 42.52.020 focus on circumstances in which a member's vote will result in a benefit to that member, more than any benefit available to others who may be affected by legislation. Several decisions have noted that "under this exception, a legislator does not have an interest which is in conflict with the proper discharge of legislative duties if no benefit or detriment accrues to the legislator as a member of a group to a greater extent than to any other member of such group. *In re Murray*, 1995 – No. 6; *In re Sheldon*, 2005 – No. 6.

Of greatest importance is that the functional test applies to specific legislative actions - votes - and the degree to which a particular legislator stands to gain from those votes. The process requires a review of the legislator's non-legislative activities for his or her employer but also requires consideration of that outside employment and the extent to which the legislator will personally benefit from specific legislative action. As stated previously, ECP does not operate housing in Washington state. Even if it did, there would be no personal benefit to Respondent because of HB 1217 because the bill did not address the main business of ECP which is to advance affordable housing across the nation.

In one of the first complaints it decided, the Board, using the functional analysis, determined that a Senator's personal services contract with his employer did not violate .020 even though the Senator sponsored and voted for legislation supported by his outside employer. *In re Sutherland*, 1995 - No. 2. In *In re Armstrong*, 2011 - No. 1, the Board held that a legislator is not prohibited from supporting legislation favored by the legislator's outside employer or opposing legislation disfavored by that employer.

The general rule is that the outside employer cannot condition employment on legislative results or pay the legislator to push or advance the employer's legislative agenda or to oppose legislation disfavored by the employer. Absent facts that the legislator is engaged in any of these types of prohibited employment, the Ethics Act does not prohibit a legislator from introducing, supporting, advocating or voting for legislation that may benefit the outside employer or opposing legislation disfavored by the outside employer. *In re Armstrong*, 2011 - No. 1. Under the functional approach to analyzing conflicts, the Board has stated that areas of potential conflict may be reduced or removed by restructuring certain outside employment responsibilities. *Advisory Opinion* 1999 - No. I.

There is no evidence that ECP conditioned Respondent's employment on legislative results. In fact, Respondent with the assistance of her employer worked to remove any responsibilities that might present a conflict with her official duties.

Before she took office, Respondent sought the advice of Board and House counsels. When she was first elected, Respondent, per the advice of counsels, removed all responsibilities from her job duties that could have presented a conflict with her official duties. Respondent has consistently tailored her outside employment duties to avoid a conflict with her official duties.

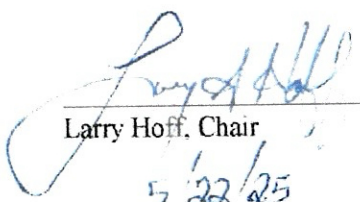
Board Rule I.N.2. states as follows: "In considering a complaint, the board will give weight to the fact that the person charged in the complaint relied in good faith on staff advice." Respondent consistently sought and followed the advice provided by Board, House and Senate counsels with regard to her outside employment.

The complaint also alleges that Respondent violated .020 by sponsoring legislation supported by her outside employer. Although HB 1217 was not supported by her employer, as the Board has stated

previously "a legislator is not prohibited from supporting legislation favored by the legislator's outside employer or opposing legislation disfavored by that employer." *See Armstrong & Sutherland, supra.*

VI. ORDER

IT IS HEREBY ORDERED: that the Board finds no reasonable cause to believe Respondent violated the Ethics Act and this complaint is dismissed.



Larry Hoff, Chair

5/22/25

Date