



Washington State Legislature

February 13, 2019

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Honorable Jay Inslee,

We are writing with some urgency about the re-appointment of Russ Hauge to the Liquor Cannabis Board of Directors. It has become clear that the approach to regulating under the authority of the Liquor Cannabis Board (LCB) is not fitting of an administrative agency that lists its values as, "Respect and courtesy, Professionalism, Open communication, Accountability and integrity, Continuous improvement, meaningful results and Customer focus." This Board has consistently modeled the opposite. We are asking you to withdraw your appointment of Mr. Hauge and consider other potential candidates.

The ethos at the LCB does not yet effectively separate taxpaying license-holders who have thrown open the doors to their businesses, their personal finances and more, from criminals skulking in dark alleys who sell to kids from the back of a van. Washington needs LCB leaders who embrace the distinction.

We can offer nothing but respect to the women and men who are on the frontlines of enforcing regulations, especially the handful that have positive working relationships in their territories. In cannabis, unfortunately those are the exception. Multitudes of licensees have expressed for years that there are problems in LCB enforcement, and their doubts have been chalked up to the challenges of a nascent industry. That is not a valid excuse any longer.

What we know is that the LCB unevenly, inconsistently and unfairly applies the rules across the market. They target enforcement based on complaints (frequently from competitors and disgruntled employees) and when they enter a business wearing heavy police vests and carrying guns, they signal what they expect as part of being there. Not compliance that supports the regulations, clarifying confusion or addressing questions without reproach, but a show of authority and intimidation. It should be unacceptable to anyone who cares about the safe establishment of this market in Washington – especially as adult use states increase nationwide, and including Canada – that heavily-regulated, taxpaying men and women are treated like crimes waiting to happen in a voter-endorsed cannabis state. It is unacceptable to us.

We have enclosed a copy of a letter submitted to committee members of the House Commerce & Gaming Committee following a public hearing on enforcement reform legislation last week. Mr. Hauge and Chris Thompson appeared on behalf of the LCB and on specific points, either were ignorant of facts, or purposely did not tell the truth. Please review it for a clear

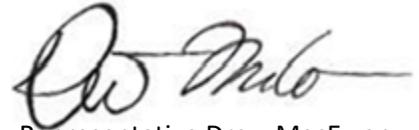
understanding of how far the LCB appears it will go *to win*, not to *be right*, but *to win*. Mr. Hauge, in his former role as a prosecutor, is expert on identifying and making a case against someone who he believes has broken the law – ***proving guilt was his job***. Is it possible that this is not the right background for someone in this role? The role of LCB should not be to “catch” everyone with the assumption they’re trying to get away with something. The LCB is not the “anti” Liquor Cannabis Board, despite its prevailing attitude toward these industries.

We are united in our belief that you must hold the leaders at the top of the LCB accountable. Rejection of the toxic culture at LCB should start with not reappointing Mr. Hauge. As the industry evolves, we do better as we know better. Here is an instance where we definitely know we can do better. The LCB has cultivated a culture of enforcement that centers around violations and license removals as if it was a full jurisdiction law enforcement agency closing down drug cartels. The LCB itself describes its values as, “Respect and courtesy, Professionalism, Open communication, Accountability and integrity, Continuous improvement, meaningful results and Customer focus,” and we are asking you to please hold them to these principles before the LCB’s enforcement culture undermines the industry so many have worked so long and hard to build.

Respectfully,



Senator Ann Rivers
Legislative District 18



Representative Drew MacEwen
Legislative District 35



Representative Brian Blake
Legislative District 19



Representative Brandon Vick
Legislative District 18



Senator John Braun
Legislative District 20



Senator Guy Palumbo
Legislative District 1



Representative Kristine Reeves
Legislative District 30



Representative Steve Kirby
Legislative District 29



Senator Mark Schoesler
Legislative District 9



Senator Steve Hobbs
Legislative District 44