

FOR IMMEDIATE RELEASE

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California FPPC Imposes \$67,508 Penalty on Crystal Geyser Water Company and its Fake Grassroots PAC

Siskiyou County, CA--After a five year investigation, the California Fair Political Practices Commission (FPPC) fined Crystal Geyser Water Company (CGWC) for intentionally hiding their identity as sponsors of the political action committee (PAC), “Committee for a Strong Siskiyou Economy, No on Measure H” (Committee), and that their actions caused “significant public harm” in Siskiyou County. At its meeting on August 10, 2022, the FPPC approved a stipulation that stated Crystal Geyser Water Company (CGWC), its PAC, and the Committee’s principal officer, Jill Harris, and treasurer, Kelly Lawler, had violated the California Fair Political Practices Act (CFPPA)--a total penalty of \$67,508 was imposed.

Measure H was an initiative organized by Siskiyou County community members in 2016, with Angelina Cook as its proponent, to amend Chapter 13 of the Siskiyou County water extraction ordinance to eliminate an exclusive exemption for water bottling companies; that exemption had allowed water bottling companies to operate without obtaining permits before exporting water. Measure H would have held water bottling corporations to the same permitting requirements as other businesses. In addition, the measure would extend the groundwater extraction permitting requirement to all other groundwater sources not defined by the state as “groundwater basins”. At that time, CGWC was planning to open a beverage bottling plant in Siskiyou County and could have been impacted by the ordinance change. In the November 2016 election, Measure H was defeated countywide although voters in south county, where the CGWC plant would have been located, endorsed the measure.

In January, 2017, Andy Fusso, founder of Siskiyou Forward Movement PAC which supported Measure H, filed a complaint with the FPPC requesting an investigation of CGWC’s interference in the election.

The FPPC investigation found that CGWC conceived of, budgeted for, and controlled the Committee and provided funds for more than 98% of the Committee’s activities: “Crystal Geyser

administered the Committee by authorizing the content of communications made by the committee, authorizing expenditures, and determining the committee’s campaign strategy.” The CFPPA requires that CGWC, as a major sponsor, be named in campaign statements and advertisements of the Committee. However, the Committee distributed multiple advertisements (a website, flyers, newspaper ads in three local papers, two mass mailings each to approximately 8,500 residents, a radio spot airing 24 times, and 25 four foot by eight foot billboards), and submitted campaign statements (to the FPPC) without properly identifying CGWC as the Committee’s sponsor.

In addition, the investigation concluded that the content of the advertisements, in statements such as “protect our jobs & our way of life,” was written “as if the Committee was a grassroots and local led group”, thus misleading “voters about the true backers of the opposition committee.”



One of the 4 foot by 8 foot signs funded by CGWC

In fact, the FPPC investigation showed there was little local involvement in the activities of the Committee. Harris, a Siskiyou County resident, was an employee of CGWC at that time, and served as the Committee’s principal officer with the authority to make expenditures and to direct advertising. Kelly Lawler, a professional treasurer, was hired by CGWC to fill the role of the Committee’s treasurer—the Committee’s address given on CPFFA forms was that of Lawler’s company in Hilmar, CA (located in Merced County).

In addition to Harris, four Siskiyou County residents were identified as principal officers of the Committee: Joan Smith Freeman (mayor of Yreka, CA), John Kennedy (City of Mt.

Shasta's City Clerk), Daralyn Reed, and Dorian Aiello. FFPC documents state, "Records show that the named principal officers, except for Harris, were added as principal officers for local support and endorsement," but they did not control expenditures for the Committee. Documents submitted by the Committee to the FFPC showed there were only three donations to the Committee from the local community, totaling a mere \$400: those donations came from Dorian Aiello, Shasta Brown Incorporated, and Kennedy Rentals.

Violations cited in the stipulation included the Committee's failure to report contributions on campaign statements and failures to timely file 24-hour contribution reports. CGWC failed to timely file as a major donor and failed to timely file 24-hour contribution reports.

The case was originally presented at the FFPC meeting on February 17, 2022 with a proposed penalty of \$48,000. However the Commissioners unanimously rejected the proposed stipulation at that time, returning it to staff for revisions to include increased fines citing the gravity of the significant public harm and evidence of CGWC's intent to conceal their involvement.

Independent of the FFPC investigation, and after years of strong community opposition to the proposed project, in early 2021 CGWC abandoned its plans to open the beverage bottling plant in Siskiyou County.