



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

March 4, 2020

Sent electronically to lawales@comcast.net

Subject: Complaints filed by Elizabeth Miller, PDC Cases 23492 and 30260

Dear Largo Wales:

Enclosed is a copy of an electronic letter sent to Elizabeth Miller concerning complaints filed July 17, 2017 and October 23, 2017 with the Public Disclosure Commission (PDC) alleging Largo Wales violated (1) RCW 42.17A.235 and .240 for failure to accurately and timely file Monetary Contributions (C-3) reports and Summary Full Campaign Contribution and Expenditure (C-4) reports; (2) RCW 42.17A.240 for failure to properly report expenditures on C-4 reports, including the failure to provide proper expenditure descriptions; (3) RCW 42.17A.320 for failure to include sponsor identification on political advertising; (4) RCW 42.17A.330 for failing to use at least one picture in any political advertising taken within the last five years; (5) RCW 41.17A.430 for unauthorized disposal of surplus funds and (6) RCW 42.17A.555 for unauthorized use of public facilities to support a political campaign.

As noted in the letter to Elizabeth Miller, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(d), this letter serves as a formal written warning concerning your failure to comply with the filing requirements noted in the enclosed letter to Elizabeth Miller. This formal written warning comes with staff's expectation you file timely and complete reports in future years in accordance with PDC laws and rules and review [PDC guidance](#) for local government agencies in election campaigns.

The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

If you have questions, you may contact Alice Fiman at (360) 586-4746, toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Peter Lavalley
Executive Director



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March 4, 2020

Sent Electronically to Elizabeth Miller at emmiller22@gmail.com

Subject: Largo Wales, PDC Cases 23492 and 30260

Dear Elizabeth Miller:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed July 17, 2017 and October 23, 2017.

Your complaints alleged Largo Wales may have violated: (1) RCW 42.17A.235 and .240 for failure to accurately and timely file Monetary Contributions (C-3) reports and Summary Full Campaign Contribution and Expenditure (C-4) reports; (2) RCW 42.17A.240 for failure to properly report expenditures on C-4 reports, including the failure to provide proper expenditure descriptions; (3) RCW 42.17A.320 for failure to include sponsor identification on political advertising; (4) RCW 42.17A.330 for failing to use at least one picture in any political advertising taken within the last five years; (5) RCW 41.17A.430 for unauthorized disposal of surplus funds and (6) RCW 42.17A.555 for unauthorized use of public facilities to support a political campaign.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the C-3 and C-4 reports filed by the Committee, and the response John M. Torres, Jr., attorney for Largo Wales, submitted to the PDC and the Washington State Attorney General's Office (AGO), to determine whether the record supports a finding of one or more violations. A number of the allegations in your complaints are outside PDC jurisdiction. Therefore, staff did not review those allegations.

Based on staff's review, we found the following:

- Largo Wales was first elected to the Auburn City Council in 2011 and reelected in 2015. In 2017, Wales was a candidate for Auburn Mayor but was not elected to the position.
- Largo Wales's last day on the Auburn City Council was December 31, 2019. She is no longer an elected official.

Allegation #1: Failure to timely and accurately file C-3 and C-4 reports

- The complaint alleged the Committee to Elect Largo (Committee) failed to timely file C-3 and C-4 reports during the 2017 campaign for Auburn Mayor.
- The Committee filed 87 C-3 and C-4 reports during the 2017 campaign, including amended reports. The majority of the reports were filed timely.
- During the campaign, the Committee reported \$42,139.64 in contributions and \$42,097.02 expenditures.
- In response to the complaint, Wales provided the PDC a list of expenditures details for the 2017 campaign. This list was attached to her C-4 report.
- In her response regarding the personal reimbursements, Wales also stated she “was reimbursed directly. I paid for the item and the(n) took to my treasurer the receipt. Later I would be called and picked up the check for the amount.”
- Wales provided the PDC answers to allegations in the complaint, which are now part of the complaint record and available to the public on the PDC website.

Allegation #2: Failure to properly report expenditures on C-4 reports, including the failure to provide proper expenditure descriptions on C-4 reports

- The complaint alleged that the Committee failed to disclose debts and obligations on C-4 reports and properly provide detailed breakdown descriptions of expenditures.
- As noted above, in the response, the Committee provided the PDC answers to allegations in the complaint, which are now part of the complaint record and available to the public on the PDC website.
- Staff expects Largo Wales to timely file all future required reports and disclose expenditure detail in future years.

Allegation #3: Failure to include sponsor identification on political advertising

- In the response, Torres noted the mailers and Facebook advertising included sponsor identification required under RCW 42.17A.320.
- While there was no intent to conceal sponsorship, Torres and Wales are reminded to include the words “paid for” on paid political advertising or “sponsored by” on political advertising such as Facebook, where there is no cost.

Allegation #4: Failure to use at least one picture in any political advertising taken within the last five years

- In the response, Torres stated: “The statement regarding her picture is not supportable on its face. It is not the same picture as the hair is of a different length and coloring.”

Allegation #5: Unauthorized disposal of surplus funds

- When a candidate transfers contributions left over from a previously completed election campaign to a new campaign for a different office, those contributions moved to the new campaign are NOT attributed to their sources, nor do they count against the contributor's limit for the new campaign. The funds are simply moved as a lump sum of surplus funds to the new account.
- In the response, Torres stated “As to the prior contributions transfer reporting claim, Ms. Wales and others contributed to both races. Thus, anyone so dually contributing would be estopped from claiming they had not given permission to use the funds. Either way, the

complainants did not so contribute, were not injured, and admit they cannot support their allegation.”

- There is no evidence or lump sum showing campaign funds from the City Council campaign were used for the Mayoral campaign.

Allegation #6: Unauthorized use of public facilities to support a political campaign

- Torres stated: “Regarding texts from Yolanda Trout, if they were made, they were directed to Ms. Wales, as the complaint admits,” and “Ms. Wales believes that her tablet opens up to MSN.com. She has duty to keep apprised of events which may impact the City including adverse weather. Opening her tablet and occasionally checking the weather has no measurable negative economic impact on the City and should be concluded to be di minimus use.”
- Regarding Edgeview National Night Out, there is no evidence provided Wales was at the event in an official capacity.

Based on these findings, and the fact Wales is no longer in office, staff has determined that in this instance, the failure to timely and accurately file reports of contributions and expenditures and use of her city-issued phone to communicate regarding doorbelling does not amount to a finding of a violation that warrants further investigation.

However, pursuant to WAC 390-37-060(1)(d), Largo Wales will receive a formal written warning concerning the Committee’s failure to comply with PDC requirements as noted in this letter.

The formal written warning will include staff’s expectation Largo Wales timely file all future required reports of contributions and expenditures and disclose debts and obligations and include PDC staff’s expectation Wales review [PDC guidance](#) for local government agencies in election campaigns.

The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Alice Fiman toll-free at 1-877-601-2828, or by e-mail fdc@fdc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Peter Lavallee
Executive Director

/s _____