FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

May 19, 2010

Larry Miles, Candidate
Miles for Assembly 2010

REDACTED

Betty Thomas, Treasurer
Miles for Assembly 2010

REDACTED

Warning Letter Re: FPPC No. 10/273; Larry Miles, Miles for Assembly 2010, and Betty Thomas, Treasurer

Dear Mr. Miles and Ms. Thomas:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),[1] found in Government Code section 81000, et seq. This letter is in response to a complaint filed against you that alleged that you and your committee, Miles for Assembly 2010, did not file 24-hour reports disclosing two contributions. The complaint also alleged possible incorrect disclosure of certain other contributions and possible incorrect allocation of expenditures to the general election rather than the primary. With regard to the other allegations, they were unsupported by any evidence and, thus, we are not pursuing them at this time.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you and your committee, Miles for Assembly 2010, did not file the required late contribution report disclosing two contributions, one from Mr. Miles individually and one from Miles Law Firm, made on the same day, March 17, 2010.

[1] The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

The Act requires candidates for elective state office to electronically disclose certain contributions, payments made for political purpose, of $1,000 after their receipt by the committee. (Gov. Code §§ 82015 and 85309.) Specifically, Section 85309 states that a candidate for elective state office who is required to file reports pursuant to Section 84605 shall file online or electronically with the Secretary of State a report disclosing receipt of a contribution of $1,000 or more received during an election cycle. For purposes of this requirement, "election cycle" is defined as the period commencing 90 days prior to the election and ending on the date of the election. For purposes of this requirement, candidates for elective state office who are required to file reports pursuant to Section 84605 are those who are required to file electronically based on the amount of their committee's activity. Your committee files electronically and is, therefore, required to report receipt of contributions of $1,000 or more within 24 hours if the receipt occurs in an election cycle. The election cycle for the June 2010 state primary election, an election in which you are a candidate, began on March 10, 2010.

Your actions violated the Act because the two nonmonetary contributions made on March 17, 2010, should have been disclosed on electronically filed reports within 24 hours of their receipt by your committee. These required reports have now been filed by your committee. Because your committee has filed several 24-hour reports disclosing receipt of other contributions from contributors other than the candidate, we have decided to close this case.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to $5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

If you have questions regarding this matter, please contact Adrianne Korchmaros at (916) 322-8241.

Sincerely,

REDACTED

Gary S. Winuk, Chief
Enforcement Division

GSW:ak
cc: Nick Stamos