

SERGIO PEREZ
Director of Enforcement
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles CA 90012
(213) 978-1960

Complainant

BEFORE THE LOS ANGELES CITY ETHICS COMMISSION

In the Matter of:

INGRID I.S. LEE (aka IN SOO LEE),
Respondent.

Case No. 2017-13

STIPULATION AND ORDER

Sergio Perez, Director of Enforcement for the Los Angeles City Ethics Commission (the Ethics Commission), and Ingrid I.S. Lee (aka In Soo Lee) (the respondent) agree to the following:

1. This stipulation will be submitted to the Ethics Commission members for consideration at their next meeting.
2. If approved by the Ethics Commission members, this stipulation and the accompanying order will be the final disposition of this matter with respect to the respondent.
3. The respondent understands and knowingly and voluntarily waives all procedural rights under Los Angeles City Charter §§ 706 and 709 and Los Angeles Administrative Code §§ 24.26 and 24.27. These rights include but are not limited to receiving an accusation, having the Ethics Commission members or an impartial administrative law judge hear the matter, personally appearing at an administrative hearing, confronting and cross-examining witnesses testifying at a hearing, and subpoenaing witnesses to testify at a hearing.
4. The respondent understands and knowingly and voluntarily waives all rights to seek judicial review of any action by the Ethics Commission on this matter.
5. The exhibit that is attached and incorporated by reference is a true and accurate summary of the facts in this matter. The respondent has violated City law as described in the Exhibit.
6. The respondent will pay a total penalty in the amount of **\$16,455**. The payment will be held by the Ethics Commission staff until the Ethics Commission members issue the

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Item 5—Attachment A

order in this matter. The payment will be made in the form of a cashier's check payable to the "General Fund of the City of Los Angeles."

7. If the Ethics Commission members refuse to accept this stipulation, it will become null and void. Within ten business days after the Ethics Commission meeting at which the stipulation is rejected, the Ethics Commission staff will return all payments tendered by the respondent in connection with this stipulation.

8. If the Ethics Commission members reject the stipulation and a full evidentiary hearing becomes necessary, the stipulation and all references to it are inadmissible, and the Ethics Commission members, executive director, and staff will not be disqualified because of prior consideration of this stipulation.


DATED: _____

11/11/17


SERGIO PEREZ, Director of Enforcement
Los Angeles City Ethics Commission
Complainant

DATED: _____

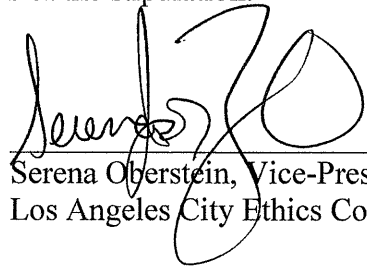
10/30/17


INGRID I.S. LEE (aka IN SOO LEE)
Respondent

ORDER

The Los Angeles City Ethics Commission considered the stipulation in Case No. 2017-13 at its meeting on DECEMBER 19, 2017. The members of the Ethics Commission approved the stipulation and order Ingrid I.S. Lee (aka In Soo Lee) to pay a fine of **\$16,455** to the City of Los Angeles in accordance with the terms of the stipulation.

DATED: 12/19/17



Serena Oberstein, Vice-President
Los Angeles City Ethics Commission

EXHIBIT

I. INTRODUCTION

This case arose from a routine audit of campaign contributions made during the 2013 election cycle. Ingrid I. S. Lee (aka In Soo Lee) (Lee); who is represented in this matter by attorney Kenneth White, admits that she violated City campaign finance laws by exceeding and causing other persons to exceed the per-person contribution limits.

II. LAW

Campaign financing and disclosure in City elections are governed by the Los Angeles City Charter (Charter), the Campaign Finance Ordinance (Los Angeles Municipal Code (LAMC) §§ 49.7.1 *et seq.*), and the Political Reform Act (Cal. Gov't Code §§ 81000 – 91014).

Charter § 470(c) limits the amount of money that a single person may contribute to a single City candidate. City law also limits the amount of money that a single person may contribute to a single City officeholder. LAMC § 49.7.19(F). During all time periods relevant to this matter, the maximum per-person contribution to a City Council candidate's campaign committee was \$700 per election, and the maximum per-person contribution to a City Councilmember's officeholder committee was \$700 per fiscal year. Charter § 470(c)(3); LAMC §§ 49.7.3(B)(2)(a); 49.7.19(F). A person is an individual, business, association, committee, or any other organization or group of persons acting in concert. Cal. Gov't Code § 82047; LAMC § 49.7.2.

In certain instances, contributions from more than one person must be aggregated and treated as a single contribution in order to safeguard the integrity of the contribution limits. LAMC § 49.7.4. For example, contributions made by two persons must be aggregated when one controls the other's contribution activity or when one holds either an investment interest of at least 50 percent or a majority of the voting rights in the other. LAMC §§ 49.7.4(A), (I). In addition, contributions by two persons must be aggregated when they share a majority of the same board directors, officers, shareholders, or members—or when one person holds a majority of the voting rights in the other person. LAMC §§ 49.7.4(E)–(G).

An agent acting on behalf of another person is liable for the campaign finance violations that arise out of the agent's actions. LAMC § 49.7.38(F)(2). In addition, it is a violation for one person to cause another person to violate the campaign finance laws. Charter § 706.

III. FACTS

Lee is a real estate developer and the sole managing officer for multiple real estate-related business entities in the Los Angeles area, including Ceiland Coast, Inc. (Ceiland); Coastland Project, LLC (Coastland); Injae, LLC (Injae); and West-Cal Property Management Group (West-Cal). These entities share the same majority directors, officers, shareholders, or

members. In addition, Lee independently makes all decisions regarding political contributions by these entities, as well as most other expense-related decisions.

Based on information gathered during a routine audit, enforcement staff found that, from the 2013 election cycle through the present, Lee personally contributed to and caused Ceiland, Coastland, Injae, and West-Cal to make contributions to the three City Council campaign committees and one City Council officeholder committee identified in the following table.

Contributor	Date	Committee	Amount	Excess
Coastland	December 16, 2014	Councilmember Cedillo 2013	\$500	\$500
Injae	April 3, 2015	Officeholder Committee Account	\$700	
West-Cal	December 28, 2015	Cedillo for City Council 2017	\$700	\$2,370
Coastland	December 29, 2015		\$700	
Injae	December 29, 2015		\$700	
Ceiland	December 31, 2015		\$700	
In Soo Lee	February 7, 2017		\$270	
Injae	February 3, 2017	Monica Rodriguez for City Council 2017	\$700	\$700
Ceiland	February 3, 2017		\$700	
Injae	May 2, 2017	Monica Rodriguez for City Council 2017 – General	\$500	\$300
Ceiland	May 2, 2017		\$500	

Because Lee wholly controlled the contribution activity of Ceiland, Coastland, Injae, and West-Cal, her contributions must be aggregated with theirs when the contributions are made to the same candidate in a single election or to the same officeholder in a single fiscal year. In addition, because Ceiland, Coastland, and Injae share the same majority directors, officeholders, shareholders, or members, their contributions must be aggregated when made to the same candidate in a single election or to the same officeholder in a single fiscal year.

When aggregated, contributions from Lee, Ceiland, Coastland, Injae, and West-Cal exceeded the \$700 per-person contribution limit to each of the four committees identified above. The amount in excess totaled \$3,870.

Lee was the sole person who controlled the contributions made by Ceiland, Coastland, Injae, and West-Cal. Lee stated that she directed the contributions to the recipient committees because she supports the real estate and economic development policies of those candidates and officeholders.

In addition, Lee was aware of the contribution limits. At the time of several of the contributions, Lee read and signed contributor information forms that highlighted aggregate contributions. The forms stated that contributions from an individual and a business that the individual owns or controls are aggregated together and treated as a single contribution that is subject to the applicable limit.

IV. VIOLATIONS

Lee admits that she violated City law as follows:

COUNTS 1 – 4: EXCESS CONTRIBUTIONS

COUNT 1: Through LAMC § 49.7.38(F)(2), Lee violated Charter § 470(c)(3) and LAMC § 49.7.3(B)(2)(a) on or about April 3, 2015, by directing contributions totaling \$1,200 from aggregated persons Coastland and Injae to the Councilmember Cedillo 2013 Officeholder Committee Account committee and thereby exceeding the per-person contribution limit by \$500.

COUNT 2: Lee violated Charter § 470(c)(3) and LAMC § 49.7.3(B)(2)(a) from approximately December 29, 2015, through approximately February 7, 2017, by directing contributions totaling \$3,070 from herself and aggregated persons Ceiland, Coastland, Injae, and West-Cal to the Cedillo for City Council 2017 committee and thereby exceeding the per-person contribution limit by \$2,370.

COUNT 3: Through LAMC § 49.7.38(F)(2), Lee violated Charter § 470(c)(3) and LAMC § 49.7.3(B)(2)(a) on or about February 3, 2017, by directing contributions totaling \$1,400 from aggregated persons Ceiland and Injae to the Monica Rodriguez for City Council 2017 committee and thereby exceeding the per-person contribution limit by \$700.

COUNT 4: Through LAMC § 49.7.38(F)(2), Lee violated Charter § 470(c)(3) and LAMC § 49.7.3(B)(2)(a) on or about May 2, 2017, by directing contributions totaling \$1,000 from aggregated persons Ceiland and Injae to the Monica Rodriguez for City Council 2017 – General committee and thereby exceeding the per-person contribution limit by \$300.

COUNT 5: CAUSING ANOTHER PERSON TO VIOLATE THE LAW

COUNT 5: Lee violated Charter § 706 and LAMC § 49.7.38(F)(2) from approximately April 3, 2015, through approximately May 2, 2016, by causing Ceiland, Coastland, Injae, and West-Cal to make a total of \$3,600 in excess contributions, in violation of Charter § 470(c)(3) and LAMC § 49.7.3(B)(2)(a).

V. PENALTY

Charter § 706(c)(3) establishes the penalty formula for administrative actions taken by the Ethics Commission. The maximum penalty is the greater of \$5,000 per violation or three times the amount that was improperly reported, spent, or received. In this case, the maximum charged penalty is \$32,910 (\$5,000 each for Counts 1, 3, and 4; \$7,110 for Count 2, and \$10,800 for Count 5).

The Ethics Commission is required to consider all relevant circumstances before assessing penalties. Los Angeles Administrative Code (LAAC) § 24.27(h)(2). In considering the penalty in this case, Ethics Commission staff noted the following mitigating circumstances: Lee cooperated with the Ethics Commission investigation; Lee saved Ethics Commission resources by entering into this stipulated settlement at an early stage in the investigation, prior to the preparation of a probable cause report; and Lee has no prior enforcement history with the Ethics Commission. *See* LAAC §§ 24.27(h)(2)(D)–(F).

However, enforcement staff also noted aggravating factors. The violations in this case are serious and indicate a pattern of activity. *See* LAAC §§ 24.27(h)(2)(A), (D). Lee was aware of the contribution limits, which indicates that the violations were deliberate. *See* LAAC § 24.27(h)(2)(B). The violations also indicate an intent to conceal or deceive, because the contributions were made almost entirely by corporate entities, making it significantly more difficult for the public to identify the individual truly responsible for them. *Id.* Finally, Lee did not consult Ethics Commission staff about how to comply with the law. *See* LAAC §§ 24.27(h)(2)(C).

Based on the facts and circumstances, staff recommends resolving this case by imposing a penalty of \$16,455. The recommended penalty is intended to promote the equitable treatment of similar respondents, encourage the early resolution of cases, and reflect the serious nature of the violations.