

January 21, 2020

Scott Schmerelson Via email: <u>scott.schmerelson@lausd.net</u>

Re: Complaint No. COM-01172020-00080; Scott Schmerelson

Dear Mr. Schmerelson,

The Enforcement Division of the Fair Political Practices Commission has received a sworn complaint against you. It appears the complainant is alleging you have violated the Political Reform Act's¹ conflict of interest provisions. The information filed in the complaint is below. The complaint was filed against all those listed above.

The person filing the Complaint is:

Kenneth Ragsdale

The violations alleged are:

Conflict of Interest General Rule (87100)

LAUSD Board Member Scott Schmerelson has a Financial conflict of interest. His latest statements of economic interests, campaign statements and report, filed last March 26th, 2019 shows that he owns \$10,000 - \$100,000 of stock in Altria Group the parent company of Phillip Morris USA and 35% shareholder of JUUL Labs - the worlds largest manufacturer of e-cigarettes. Scott Schmerelson put forward the Tobacco-Free and Vaping-Free Schools and Communities resolution (Res-023-19/20) approved by the board on January 14th, 2020. Also LAUSD filed a lawsuit against JUUL in October, 2019 that is still ongoing. Scott Schmerelson should, therefore, not be voting on any matter relating to JUUL, including the anti-vaping resolution or anything related to LAUSD's lawsuit against JUUL as reported in the Washington post by LAUSD Superintendent Austin Beutner.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

https://www.washingtonpost.com/opinions/2020/01/13/los-angeles-schools-sue-juul/

Here is a link containing the televised video feed of the LAUSD Board vote on (Res-023-19/20)

http://lausd.granicus.com/MediaPlayer.php?clip_id=3590

There is no evidence that Scott Schmerelson has sold his stock, and he is not required to file Form 700 for 2020 until after the March 3rd, 2020 primary election. It is imperative that this complaint be investigated promptly to give primary voters the chance to make an informed choice at the polls.

At this time, we have not made any determination about the allegation(s) made in the complaint. Within 14 days, the complainant will be notified of our intent to:

- investigate the allegations of the complaint;
- refer the complaint to another governmental agency;
- take no action on the complaint because, on the basis of the information provided, the Commission does not appear to have jurisdiction to investigate; or
- take no action on the complaint because the allegations of the complaint do not warrant the Commission's further action.

A copy of that letter will be forwarded to you. If you have any comments on the allegation(s), your comments must be submitted in writing directed to Ginny Lambing at the address shown above or by email to <u>glambing@fppc.ca.gov</u>. Please include the complaint number referenced above in your response.

Sincerely,

GWest

Galena West Chief, Enforcement Division

GW:gal



STATE OF CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION 1102 Q Street • Suite 3000 • Sacramento, CA 95811

January 31, 2020

Kenneth Ragsdale

Re: Complaint No. COM-01172020-00080; Scott Schmerelson

Dear Mr. Ragsdale,

This letter is in response to the sworn complaint you submitted to the Enforcement Division of the Fair Political Practices Commission regarding the above-named individual. After review of the complaint and evidence provided, the Enforcement Division will not pursue an enforcement action in this matter. If you have any questions, please contact Ginny Lambing at 916-322-8064 or glambing@fppc.ca.gov.

Sincerely,

GWest

Galena West, Chief Enforcement Division

GW:gal

cc: Scott Schmerelson