

(Approved June 29, 2017) CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION MINUTES OF HEARING, Public Session Thursday, June 29, 2017

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The section further states that the portion of the teleconferenced meeting that is required to be open to the public must be audible to the public at the location specified in the notice of the meeting. The Commission may take action on any item listed on this agenda.

CALL TO ORDER

Chair Remke called the meeting to order at 10:00 am on June 29, 2017, at the Fair Political Practices Commission, 428 J Street, Sacramento, CA 95814. Chair Remke and Commissioners Audero, Hatch and Hayward were present.

Welcome

Jodi Remke, FPPC Chair

Chair Remke announced that Commissioner Casher has formally stepped down from his position this month after graciously holding over for six months. Chair Remke thanked him for his years of service, his expertise in government law and vast experience in this area was a huge benefit to this Commission. The Attorney General's Office has been notified.

Chair Remke welcomed the Commission's new General Counsel Jack Woodside.

Public Comment

1. Public Comment.

Chair Remke stated for the record that the Commission received a request for an opinion yesterday from the Senate Democratic Caucus regarding whether contribution limits apply to the amount a state candidate can contribute to a recall committee controlled by another state candidate. Procedurally pursuant to the Bagley-Keene Open Meeting Act and the Commission's regulations, the request for an opinion will be properly noticed and placed on the next commission meeting in August. In the meantime, the request and all related materials are public documents which are available upon request from the Commission Assistant. All the material will be properly posted for the next meeting.

Richard Rios, Partner, Olson Hagel & Fishburn, on behalf of the Senate Democratic Caucus. Mr. Rios stated that he had sent his first request on June 12 requesting the

Commission consider the issue of whether state candidates are subject to limits when they contribute to recall committees controlled by another state candidate. Rios had hoped to get the issue on July's agenda. Rios argued that FPPC staff's position on the issue is wrong and submitted a Legislative Counsel opinion yesterday to that effect. Rios asserted that the Commission incorrectly treated his request as a request for an opinion. Rios wants a policy decision made by the Commission that staff's interpretation is incorrect. In his request submitted yesterday, Rios alternatively proposed that the Commission order an opinion to be issued, or agendize an amendment to its regulations for the August meeting.

Chair Remke clarified that the only avenue for a party to receive a legal determination is an opinion, which is why the Executive Director treated his request as such. The matter could have been added to the July agenda, had the request been made in a timely manner.

Commissioner Audero asked a question about the procedures with which to handle a request for opinion that has been denied, including whether time limitations can be waived by a majority of the Commission and a special meeting held to accelerate the process.

Executive Director Erin Peth said that the Commission does not have the authority to waive other parts of law, like the Bagley-Keene Opening Meeting Act, which would require notice of the matter 10 days in advance of the meeting. The request for opinion deadlines are moveable, but other overlapping parts of the law are not, i.e. the Bagley-Keene Open Meeting Act and the Administrative Procedures Act.

Commissioner Hatch further inquired about the process and what would be agendized in August in regards to the request. Commissioner Hatch also asked whether General Counsel can prepare two versions of the opinion that can be acted upon in the August meeting so as to expedite the process and take two steps in the same hearing.

Chair Remke repeated concerns about violating the Open Meeting Act by the Commission discussing ways to take action, including process, without the issue being properly noticed.

Chair Remke set a July 27 meeting where the only issue to be heard will be the request for a Commission opinon by Mr. Rios on behalf of the Senate Democratic Caucus. In light of the agency move, it will be held at a different location, which will be properly noticed in advance.

Approval of Commission Minutes

2. Approval of May 2017 Commission Hearing Minutes.

Commissioner Hawyard made a motion to approve item 2; Commissioner Audero seconded the motion.

Ayes: Commissioners Audero, Hatch, Hayward, and Chair Remke. The motion passed 4 to 0.

CONSENT CALENDAR ITEMS 3-30

Item 3 was pulled at the request of Commissioner Hayward.

Item 4 was pulled at the request of Commissioner Audero.

Item number 7 had a modification, page 4, line 4, that sentence will be changed to "the measure did not pass" and the respondents have agreed to that change.

Item 9 was removed from the Agenda at the request of Chief of Enforcement Galena West.

Commissioner Audero made a motion to approve items 5-8, and 10-30; Commissioner Hatch seconded the motion.

Ayes: Commissioners Audero, Hatch, Hayward, and Chair Remke. The motion passed 4 to 0.

Consent Calendar 3 – 30

Over-the-Limit Gifts

3. In the Matter of Timothy Simon; FPPC No. 15/189. Staff: Senior Commission Counsel Neal Bucknell and Special Investigator George Aradi. Timothy Simon was a member of the California Public Utilities Commission from 2007 to 2012. On Simon's Leaving Office Statement of Economic Interests, he was required to disclose gifts and travel-related payments that he received during the 2012 calendar year from approximately 40 sources (totaling roughly \$21,000), but he failed to do so, in violation of Government Code Section 87207, subds. (a) and (c) (1 count). Additionally, in June 2012, Simon accepted an over-the-limit gift worth approximately \$1,600, in violation of Government Code Section 89503, subd. (a) (1 count). Total Proposed Penalty: \$5,500.

Commissioner Hayward asked about the second violation involving an engraved trophy and whether this being a gift should be a matter of surprise to anyone.

Chief West said that Enforcement uses cases like these as an opportunity for education.

Chair Remke highlighted that approximately 40 sources totaling \$21,000 and asked about the breakdown, and whether the information was available on his SEI.

Chief West said that is correct and that the respondent has since filed his SEI with the appropriate amendments.

Commissioner Hayward made a motion to approve item 3; Commissioner Hatch seconded the motion.

Ayes: Commissioners Audero, Hatch, Hayward, and Chair Remke. The motion passed 4 to 0.

4. In the Matter of Mercury Public Affairs; FPPC No. 16/463. Staff: Assistant Chief of Enforcement Dave Bainbridge. Mercury Public Affairs, a lobbying firm, made a gift to then-State Senator Ronald Calderon that exceeded the applicable gift limit in violation of Government Code Section 86203 (1 count) and failed to fully disclose the gift on its lobbying firm report for the second quarter of the 2013 through 2014 legislative session, in violation of Government Code Section 86114, subd. (a)(5) (1 count). Total Proposed Penalty: \$4,000.

Commissioner Audero asked about the comparator case used.

Chief West said the case used seemed more similar because it had reporting where there was no intent to conceal.

Commissioner Audero stated that there was a typo on page 3 line 18, where there is one too many zeros.

Commissioner Audero made a motion to approve item 3; Commissioner Hatch seconded the motion.

Ayes: Commissioners Audero, Hatch, Hayward, and Chair Remke. The motion passed 4 to 0.

Campaign Non-Filer

5. In the Matter of PowerPAC.org Voter Fund, a Sponsored Committee of PowerPAC.org and Lisa Le; FPPC No. 16/457. Staff: Senior Commission Counsel Neal Bucknell and Program Specialist Soni Mangat. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. PowerPAC.org Voter Fund, a Sponsored Committee of PowerPAC.org is a state general purpose

committee. Its sponsor is a non-profit organization. Lisa Le is the Committee's treasurer. The Committee and Le failed to file four 24-Hour Reports, in violation of Government Code Section 85500, subd. (a) (4 counts). **Total Proposed Penalty: \$11,000.**

- 6. In the Matter of San Joaquin County Democratic Central Committee and Dyane Burgos; FPPC No. 16/082. Staff: Senior Commission Counsel Angela Brereton and Program Specialist Soni Mangat. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. San Joaquin County Democratic Central Committee is a state general purpose political party committee. From November 1, 2011 through March 2, 2013, Dyane Burgos served as the Committee's treasurer. The Committee and Burgos failed to timely file two pre-election campaign statements for the reporting period July 1, 2012 through October 20, 2012, in violation of Government Code Sections 84200.5, subd. (h) and 84200.7, subd. (b)(1) (2 counts); and failed to timely file one pre-election campaign statement for the reporting period October 21, 2012 through November 24, 2012 for the 2013 State Senate District 4 January 8, 2013 Special Election, in violation of Government Code Sections 84200.5, subd. (h), and 84200.8, subd. (a) (1 count). Additionally, Committee and Burgos failed to file two 24-Hour Reports for an \$8,000 late contribution received 2012 and a \$25,000 late contribution received November 3, 2012, in violation of Government Code Section 84203, subds. (a) and (b). **Total Proposed Penalty: \$9,000.**
- 7. In the Matter of Our Water Now H2Own "Yes on Measure W," Richard Piercy, and Adolph Collaso; FPPC No. 16/19934. Staff: Commission Counsel Christopher Burton and Special Investigator Paul Rasey. Our Water Now H2Own "Yes on Measure W" is a local ballot measure committee created to support Measure W on the November 8, 2016 General Election ballot in Apple Valley, California. Adolph Collaso is the Committee's treasurer. Richard Piercy is the Committee's principal officer. The Committee, Collaso, and Piercy failed to timely change the name of the Committee to reflect the supported ballot measure, in violation of Government Code Sections 84103 and 84107 (1 count); and failed to timely report financial activity on two pre-election campaign statements for the reporting period July 1, 2016 through September 25, 2016, in violation of Government Code Section 84211 (1 count). Total Proposed Penalty: \$5,500.
- 8. In the Matter of Westside Union Teachers Association Political Action Committee and Darrell Hrabik; FPPC No. 16/277. Staff: Commission Counsel Christopher Burton and Political Reform Consultant Chloe Hackert. Westside Union Teachers Association is a sponsored general purpose committee. Darrell Hrabik is the Committee's treasurer. The Committee and Hrabik failed to timely file two semiannual campaign statements for the

reporting period January 1, 2016 through December 31, 2016, in violation of Government Code Section 84200, subd. (a) (2 counts). **Total Proposed Penalty: \$4,000.**

- 9. In the Matter of Fallbrook Firefighters Legislative Action Group and Eddie Jones; FPPC No. 17/00471 (Streamline Settlement). Staff: Chief of Enforcement Galena West, Political Reform Consultant Teri Rindahl, and Staff Services Analyst Katie Trumbly. Fallbrook Firefighters Legislative Action Group is a county general purpose committee. Eddie Jones is the Committee's treasurer. The Committee and Jones failed to timely file nine semiannual campaign statements for the reporting period January 1, 2013 through December 31, 2016, in violation of Government Code Section 84200 (9 counts), and failed to timely file two pre-election campaign statements for the reporting period July 1, 2016 through October 22, 2016, in violation of Government Code Section 84200.5 (2 counts). Total Proposed Penalty: \$2,501.
- 10. In the Matter of T. Glenn Champ, Champ for Governor 2014, and Bonnie Hancock; FPPC No. 16/628 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Staff Services Analyst Hayley Porter. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Glenn Champ was an unsuccessful candidate for Governor in the June 3, 2014 Primary Election. Champ for Governor 2014 was his candidate-controlled committee. Bonnie Hancock was the Committee's treasurer. The Committee, Champ, and Hancock failed to timely file one pre-election campaign statement for the reporting period March 18, 2014 through May 17, 2014, in violation of Government Code Section 84200.5 (1 count); and failed to timely file nine 24-Hour Reports, in violation of Government Code Section 84203 (9 counts). Total Proposed Penalty: \$2,312.
- 11. In the Matter of Perris Secondary Education Association PAC and Jason Miller, Treasurer; FPPC No. 16/223 (Streamline Settlement). Staff: Senior Commission Counsel Bridgette Castillo, Special Investigator Garrett Micheels, and Staff Services Analyst Dominika Wojenska. Perris Secondary Education Association PAC is a local general purpose committee. Miller is the Committee's treasurer. The Committee and Miller failed to timely file four semiannual campaign statements for the reporting periods July 1, 2013 through June 30, 2014, and October 19, 2014 through June 30, 2015, in violation of Government Code Section 84200 (4 counts); failed to timely file two preelection campaign statements for the reporting periods July 1, 2014 through October 18, 2014, in violation of Government Code Section 84200.5 (2 counts); and failed to file two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts). Total Proposed Penalty: \$1,987.

- 12. In the Matter of San Ysidro Association PAC, Guillermina Sandez, and Martin Galante; FPPC No. 17/249. (Streamline Settlement). Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. San Ysidro Association PAC is a local general purpose committee in San Diego County. Guillermina Sandez is the Committee's treasurer. Martin Galante is the Committee's assistant treasurer. The Committee, Sandez, and Galante failed to timely file two semiannual campaign statements for the reporting periods January 1, 2016 through June 30, 2016, and October 23, 2016 through December 31, 2016, in violation of Government Code Section 84200 (2 counts); failed to timely file two pre-election campaign statements for the reporting periods July 1, 2016 through September 24, 2016, and September 25, 2016 through October 22, 2016, in violation of Government Code Section 84200.5 (2 counts); and failed to timely file two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts). Total Proposed Penalty: \$1,480.
- 13. In the Matter of Merced-Mariposa Central Labor Council Committee on Political Education and Howard Stern; FPPC No. 16/0543 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Staff Services Analyst Hayley Porter. Merced-Mariposa Central Labor Council Committee on Political Education is a local general purpose committee. Howard Stern was the Committee's treasurer. The Committee and Stern failed to timely file five semiannual campaign statements for the reporting period January 1, 2014 through June 30, 2015, and January 1, 2016 through December 31, 2016, in violation of Government Code Section 84200 (5 counts). Total Proposed Penalty: \$1,277.
- 14. In the Matter of the Committee to Re-Elect Judge Brooks, Nelson Brooks, and Jeffrey Dean, Treasurer; FPPC No. 16/479 (Streamline Settlement). Staff: Commission Counsel Michael W. Hamilton and Special Investigator Garrett Michaels. Nelson Brooks successfully ran for re-election for Judge of the Superior Court in the County of El Dorado in June 7, 2016 Primary Election. Jeffrey Dean is the Committee's treasurer. The Committee, Brooks, and Dean failed to properly file one electronic pre-election statement, in violation of Government Code Section 84200.5 and 84605 (1 count); failed to timely file two 24-Hour reports, in violation of Government Code Section 84203 (2 counts); and failed to timely report expenditures on its paper pre-election campaign statement for the reporting period January 1, 2016 through April 23, 2016, in violation of Government Code Section 84211 (1 count). Total Proposed Penalty: \$1,100.
- 15. In the Matter of Ron Gold and Ron Gold for Attorney General 2014; FPPC No. 17/00148 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Enforcement Division Intake Manager Adrianne Korchmaros. This matter arose from an

audit performed by the Franchise Tax Board's Political Reform Audit Program. Ron Gold was an unsuccessful candidate for attorney general in the November 4, 2014 General Election. Ron Gold for Attorney General 2014 was his candidate-controlled committee. The Committee and Gold failed to timely file four 24-Hour Reports with the Secretary of State's Office, in violation of Government Code Section 84203 (4 counts). **Total Proposed Penalty: \$932.**

- 16. In the Matter of Kenneth J. McLaughlin and McLaughlin for Jurupa Community Services Board 2010; FPPC No. 16/327 (Streamline Settlement). Staff: Commission Counsel Christopher Burton and Staff Services Analyst Dominika Wojenska. Kenneth J. McLaughlin is the President of the Board of Directors of the Jurupa Community Services District. McLaughlin for Jurupa Community Services Board 2010 was his candidate-controlled committee for his re-election bid in 2010. The Committee and McLaughlin failed to timely file three semiannual campaign statements for the reporting periods January 1, 2013 through June 30, 2014, in violation of Government Code Section 84200 (3 counts); and failed to timely file an amendment to the Committee's statement of organization within 10 days after the Committee changed its treasurer, in violation of Government Code Section 84103 (1 count). Total Proposed Penalty: \$812.
- 17. In the Matter of Karen Sakata; FPPC No. 17/00035 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Political Reform Consultant Teri Rindahl. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Karen Sakata was a successful candidate for Superintendent of Schools in Contra Costa County in the June 3, 2014 Primary Election. Sakata failed to timely file two pre-election campaign statements for the reporting periods January 1, 2014 through May 17, 2014, in violation of Government Code Section 84200.5 (2 counts). Total Proposed Penalty: \$494.
- 18. In the Matter of Harold Fong and Harold Fong for School Board 2016; FPPC No. 17/00185 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Enforcement Division Intake Manager Adrianne Korchmaros. Harold Fong was a successful candidate for the office of Sacramento County Board of Education in the June 7, 2016 Primary Election. Harold Fong for School Board 2016 was his candidate-controlled committee. The Committee and Fong failed to timely file one semiannual campaign statement for the reporting period July 1, 2016 through December 31, 2016, in violation of Government Code Section 84200 (1 count). Total Proposed Penalty: \$400.
- 19. In the Matter of Residocracy Santa Monica and Armen Melkonians, Treasurer; FPPC No. 15/148 (Streamline Settlement). Staff: Chief of Enforcement Galena West

and Political Reform Consultant Teri Rindahl. Residocracy Santa Monica is a local general purpose committee. Armen Melkonians is the Committee's treasurer. The Committee and Melkonians failed to timely file one semiannual campaign statement for the reporting period October 30, 2016 through November 4, 2016 with the City of Santa Monica, in violation of Government Code Section 84200. (1 count). **Total Proposed Penalty: \$285.**

- 20. In the Matter of Griselda Delgado and Delgado for SWC School Board Seat #1 2016; FPPC No. 17/00273 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Enforcement Division Intake Manager Adrianne Korchmaros. Griselda Delgado was a successful candidate for the office of Southwestern Community College District Governing Board School Board in the November 8, 2016 General Election. Delgado for SWC School Board Seat #1 2016 was his candidate-controlled committee. The Committee and Delgado failed to timely file one semiannual campaign statement for the reporting period July 1, 2016, through December 31, 2016 with the County of San Diego, in violation of Government Code Section 84200 (1 count). Total Proposed Penalty: \$217.
- 21. In the Matter of United Democrats of Moreno Valley; FPPC No. 16/118 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Staff Services Analyst Dominika Wojenska. United Democrats of Moreno Valley is a state general purpose committee. The Committee failed to timely file one semiannual campaign statement for the reporting period July 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (1 count). Total Proposed Penalty: \$200.
- 22. In the Matter of Jessica Speiser, Jessica Speiser for Los Altos School Board 2016, and Ashish Patel; FPPC No. 17/00108 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Political Reform Consultant Teri Rindahl. Jessica Speiser was a member of the Los Altos School Board. Jessica Speiser for Los Altos School Board 2016 was her candidate-controlled committee. The Committee, Speiser, and Patel failed to timely file one semiannual campaign statement for the period October 23, 2016 through December 31, 2016, with the County of Santa Clara, in violation of Government Code Section 84200 (1 count). Total Proposed Penalty: \$200.
- 23. In the Matter of Re-Elect Hallie Romero for Roseville City School Board, Hallie Romero, and Christine Karr; FPPC No. 17/127. (Streamline Settlement). Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. Hallie Romero was a successful candidate for re-election to Board Member of Roseville City Elementary School District in the November 4, 2014 General Election. Re-Elect Hallie

Romero for Roseville City School Board is her candidate-controlled committee. Christine Karr is the Committee's treasurer. The Committee, Romero, and Karr failed to timely file one semiannual campaign statement for the reporting period July 1, 2016 through December 31, 2016, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Non-Filer

- **24.** In the Matter of Martin Fuentes; FPPC No. 15/1390 (Streamline Settlement). Staff: Assistant Chief of Enforcement Dave Bainbridge. Martin Fuentes, a Commissioner on the City of Cudahy Planning Commission, failed to timely file an Annual Statement of Economic Interests for the year of 2014, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$400.**
- **25.** In the Matter of Lisa Maddaus; FPPC No. 16/736 (Streamline Settlement). Staff: Commission Counsel Ruth Yang and Political Reform Consultant Teri Rindahl. Lisa Maddaus, a consultant for the Castaic Lake Water Agency, failed to timely file an Assuming Office Statement of Economic Interests with the County of Los Angeles, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**
- 26. In the Matter of Jay Nelson; FPPC No. 16/754 (Streamline Settlement). Staff: Commission Counsel Ruth Yang and Political Reform Consultant Teri Rindahl. Jay Nelson, a planning commissioner for the City of Loma Linda, failed to timely file an Annual Statement of Economic Interests for the year of 2015, in violation of Government Code Section 87203 (1 count). Total Proposed Penalty: \$300.
- 27. In the Matter of John Polen; FPPC No. 16/19781 (Streamline Settlement). Staff: Commission Counsel Ruth Yang and Enforcement Intake Manager Adrianne Korchmaros. John Polen, Director of the Ridgecrest Ranchos Park and Recreation District, failed to timely file an Annual Statement of Economic Interests for the year of 2015 with the County of Los Angeles, in violation of Government Code Section 87300 (1 count). Total Proposed Penalty: \$200.
- 28. In the Matter of William Vanderberg; FPPC No. 16/19786 (Streamline Settlement). Staff: Commission Counsel Ruth Yang and Enforcement Intake Manager Adrianne Korchmaros. William Vanderberg, a board member of the Baldwin Hills Regional Conservation Authority, failed to timely file an Annual Statement of Economic Interests for the year of 2015 with the County of Los Angeles, in violation of Government Code Section 87300 (1 count). Total Proposed Penalty: \$200.

- 29. In the Matter of Amy Cassidy; FPPC No. 17/00316 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Political Reform Consultant Teri Rindahl. Amy Cassidy, as a Member with the City of San Leandro Human Services Commission, failed to timely file an Annual Statement of Economic Interests for the year of 2016, in violation of Government Code Section 87300 (1 count). Total Proposed Penalty: \$200.
- **30.** In the Matter of Christopher Barlow, FPPC No. 17/00359 (Streamline Settlement). Staff: Enforcement Chief Galena West and Enforcement Intake Manager Adrianne Korchmaros. Christopher Barlow, as a Member of the Historic Preservation Commission, failed to timely file an Annual Statement of Economic Interests for the year of 2016 with the City of Monterey, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Executive Staff Reports Item 31

31. Executive Staff Reports.

Enforcement Division. Galena West, Enforcement Chief Legal Division. Jack Woodside, General Counsel External Affairs and Education. Tara Stock, Manager Legislative and External Affairs. Phillip Ung, Director

Commissioner Hatch asked a question regarding AB 14 on the legislative report.

Legislative Director Phillip Ung stated that during regular communication with the Legislature, staff provides technical assistance as to what may become issues for the Commission.

Chair Remke stated that this version of the bill (AB 14) is now in its seventh year and the last version which was similar to this bill, the Commission formally opposed. Director Ung has followed along with that opposition and the concerns raised based on that vote.

Commissioner Hatch cautioned staff against representing that the Commission has any position on a bill without a formal vote.

The staff reports were submitted.

Chair Remke made a motion to adjourn the meeting; Commissioner Hatch seconded the motion.

Ayes: Commissioners Audero, Hatch, Hayward, and Chair Remke.

The motion passed 4 to 0.

The meeting adjourned at 11:19 am.

Respectfully Submitted, Sheva Tabatabainejad Commission Assistant Approved July 10, 2017

Joann Remke, Chair Fair Political Practices Commission