



NOTICE AND AGENDA Commission Meeting¹

California Fair Political Practices Commission
1102 Q Street, Suite 3800
Sacramento, CA 95811

Thursday, June 21, 2018
10:00 A.M.

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.

Please note that the Commission may take a lunch break at approximately 12:30 p.m.

Welcome

- 1. Appointment of Vice Chair/Acting Chair.** The Commission will consider whether to appoint a Vice Chair and/or Acting Chair to serve as the chair pro tem to preside over the June 21, 2018 meeting and/or preside over Commission meetings until the appointment of a new chair pursuant to Government Code section 83101.

Public Comment

- 2. Public Comment for Items not on Agenda.** During this comment period, any person is invited to speak on any topic that is not listed on this agenda. Action may not be taken on any matter raised during this public comment period until the matter is specifically listed

¹You can obtain further information about the meeting by contacting the Commission Assistant, 1102 Q Street, Suite 3000, Sacramento, CA, 95811, Tel. (916) 322-5745. Written comments on agenda items should be submitted to the Commission no later than 12:00 p.m. the day before the meeting in order to afford the Commissioners adequate time to fully consider the comments. Email comment letters directly to CommAsst@fppc.ca.gov.

The agenda and related documents are posted on the FPPC website at www.fppc.ca.gov. Materials submitted by the public regarding each agenda item will be made available on the website.

Members of the public may listen to the meeting by phone by calling (877) 411-9748; access code 723284; or watch the meeting via Webinar at [YouTube](https://www.youtube.com/watch?v=...).

The meeting location is accessible to the disabled. Persons who, due to a disability, need assistance in order to participate in this meeting should, prior to the meeting, contact the Commission Assistant at (916) 322-5745 (voice), CommAsst@fppc.ca.gov (e-mail) and ADACoordinator@fppc.ca.gov. TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodations for persons with disabilities. Please allow three business days between the request and the meeting date.

on a future agenda. Those who wish to comment on an item that has been listed on this agenda may comment when that item has been opened for consideration by the Commission and before any action is taken.

Approval of Commission Minutes

3. Approval of May 2018 Commission Hearing Minutes.

4. Approval of June 4, 2018 Commission Hearing Minutes.

Enforcement Consent Calendar 5-24

Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be removed from consent, in which case it will be discussed separately in the meeting.

Advertisements

5. In the Matter of Fair Rents 4 Pacifica, Julie Starobin, and Thursday Roberts; FPPC No. 17/1217. Staff: Commission Counsel Christopher Burton and Political Reform Consultant Tara Stock. Fair Rents 4 Pacifica is a local ballot measure committee created to support City of Pacifica Measure C, which appeared on the November 7, 2017 Special Election ballot. Julie Starobin was the Committee’s treasurer. Thursday Roberts is the Committee’s principal officer. The Committee, Starobin, and Roberts failed to timely change the name of the Committee to reflect the supported ballot measure, and failed to include “Measure C” in the Committee’s name on mass mailings and advertisements, in violation of Government Code Sections 84103, 84107, 84305, and 84504 (1 count). **Total Proposed Penalty: \$3,500.**

6. In the Matter of Save Open Space & Agricultural Resources, Inc. (A controlled committee by Ventura County Supervisors Steve Bennett and Linda Parks), FPPC No. 16/19636. Staff: Assistant Chief Dave Bainbridge and Special Investigator Jeffrey Kamigaki. Save Open Space & Agricultural Resources, Inc. (A controlled committee by Ventura County Supervisors Steve Bennett and Linda Parks) is a local general purpose ballot measure committee in Ventura County. The Committee failed to include proper advertising disclosure statements on electronic advertisements, in violation of Government Code Section 84504, subdivision (c) (1 count). **Total Proposed Penalty: \$3,000.**

Mass Mailings

7. In the Matter of Margaret “Peggy” Moore and Moore for Oakland City Council At-Large 2016; FPPC No. 16/19843. Staff: Commission Counsel Christopher Burton, Special Investigator Paul Rasey, and Political Reform Consultant Teri Rindahl. Margaret “Peggy” Moore was an unsuccessful candidate for the at-large seat on the Oakland City Council in the November 8, 2016 General Election. Moore for Oakland City Council At-

Large 2016 was Moore's candidate-controlled committee. The Committee and Moore failed to include the proper sender identification on two mass mailings, in violation of Government Code Section 84305 and Regulation 18435 (1 count). **Total Proposed Penalty: \$2,500.**

Mass Mailing at Public Expense

- 8. In the Matter of West Valley Water District; FPPC No. 17/549.** Staff: Commission Counsel Ruth Yang and Special Investigator Roone Petersen. West Valley Water District serves approximately 80,000 customers in Southwestern San Bernardino County and Northwestern Riverside County. West Valley Water District prepared and distributed a mass mailing featuring an elected official at public expense, in violation of Government Code Section 89001 (1 count). **Total Proposed Penalty: \$2,000.**

Campaign Reporting

- 9. In the Matter of Roger Aceves for Supervisor 2014, Roger S. Aceves, and Tony Vallejo; FPPC No. 17/145.** Staff: Commission Counsel Christopher Burton and Program Specialist Patricia Ballantyne. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Roger S. Aceves was a member of the Goleta City Council and a candidate for Santa Barbara Supervisor, District 2 in the June 3, 2014 Primary Election. Roger Aceves for Supervisor 2014 was his candidate-controlled committee. Tony Vallejo was the Committee's treasurer. The Committee, Aceves, and Vallejo failed to provide sufficient notice to 21 potential major donor committees that contributed a total of \$208,320, in violation of Government Code Section 84105 and Regulation 18427.1 (1 count); accepted cash contributions of \$100 or more, totaling \$5,100, in violation of Government Code Section 84300, subdivision (a) (1 count); and failed to timely report \$261,299.21 in subvendor payments, in violation of Government Code Sections 84303 and 84211, subdivision (k)(6) (2 counts). **Total Proposed Penalty: \$7,500.**

Campaign Non-filer

- 10. In the Matter of Burbank Hospitality Association; FPPC No. 18/113.** Staff: Commission Counsel Christopher Burton. Burbank Hospitality Association is a major donor committee. The Committee failed to timely file one semiannual major donor campaign statement for the reporting period of July 1, 2016 through December 31, 2016, in violation of Government Code Section 84200, subdivision (b) (1 count); and failed to timely file one 24-Hour Report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$5,000.**
- 11. In the Matter of California RoofPAC and Marc Connerly; FPPC No. 16/39 (Streamline Settlement).** Staff: Commission Counsel Michael W. Hamilton and Program Specialist Bob Perna. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. The California RoofPAC is a

state general purpose committee. Marc Connerly is the Committee's treasurer. The Committee and Connerly failed to timely file six pre-election campaign statements covering the reporting periods of October 1, 2012 through October 20, 2012, January 1, 2014 through May 17, 2014, July 1, 2014 through September 30, 2014, and January 1, 2016 through May 21, 2016, in violation of Government Code Section 84200.5 (6 counts). The Committee and Connerly also failed to timely file eight 24-Hour Reports, in violation of Government Code Section 84203 (8 counts); and failed to timely report one expenditure on the semiannual campaign statement covering the reporting period of July 1, 2013 through December 31, 2013, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$3,716.**

12. In the Matter of Committee to Elect Bruce Kuhn for Imperial Irrigation District Director Division #2, Bruce Kuhn, and Angela Suchma; FPPC No. 16/210 (Streamline Settlement). Staff: Senior Commission Counsel Bridgette Castillo and Associate Governmental Program Analyst Dominika Wojenska. Bruce Kuhn was a successful candidate for the Imperial Irrigation District Board of Directors in the November 6, 2012 General Election and June 7, 2016 Primary Election. Committee to Elect Bruce Kuhn for Imperial Irrigation District Director Division #2 was his candidate-controlled committee. Suchma was the Committee's treasurer. The Committee, Kuhn, and Suchma failed to timely file two semiannual campaign statements for the reporting periods of January 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (2 counts); failed to timely file one pre-election campaign statement for the reporting period of January 1, 2016 through April 23, 2016, in violation of Government Code Section 84200.5 (1 count); and failed to timely file two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts). **Total Proposed Penalty: \$1,400.**

13. In the Matter of Long Beach Citizens' and Patients' Rights PAC and Jeremy Coltharp; FPPC No. 15/811. Staff: Commission Counsel Theresa Gilbertson and Special Investigator Roone Petersen. Long Beach Citizens' and Patients' Rights PAC was a primarily formed committee formed to sponsor a local medical marijuana ballot initiative in 2013 and 2014. Jeremy Coltharp was the Committee's principal officer and assistant treasurer. The Committee and Coltharp failed to timely file two semiannual campaign statements for the reporting periods of January 1, 2014 through December 31, 2014, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$1,000.**

14. In the Matter of Darcie Green, Friends of Darcie Green for County Trustee 2014, and Desiree Green; FPPC No. 16/287 (Streamline Settlement). Staff: Senior Commission Counsel Neal Bucknell and Program Specialist Soni Mangat. Darcie Green was a successful candidate for the Santa Clara County Board of Education in the November 4, 2014 General Election. Friends of Darcie Green for County Trustee 2014 was her candidate-controlled committee. Desiree Green was the Committee's treasurer. The Committee, Green, and Green failed to timely file three 24-hour reports, in violation of Government Code Section 84203 (3 counts). **Total Proposed Penalty: \$645.**

- 15. In the Matter of Darcie Green, Darcie Green for State Assembly 2016, and Desiree Green; FPPC No. 18/259 (Streamline Settlement).** Staff: Senior Commission Counsel Neal Bucknell and Program Specialist Soni Mangat. Darcie Green was an unsuccessful candidate for the California State Assembly in the April 4, 2016 Primary Election. Darcie Green for State Assembly 2016 was her candidate-controlled committee. Desiree Green was the Committee's treasurer. The Committee, Green, and Green failed to timely file a Statement of Organization (Form 410), in violation of Government Code Section 84101 (1 count); and failed to timely report contributions on a pre-election campaign statement, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$422.**
- 16. In the Matter of Bill Hodge and the Committee to Elect Bill Hodge for Calexico City Council 2016; FPPC No. 18/241 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. Bill Hodge was a successful candidate for Calexico City Council in the November 8, 2016 General Election. The Committee to Elect Bill Hodge for Calexico City Council 2016 was his candidate-controlled committee. The Committee and Hodge failed to timely file one 24-Hour Report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$247.**
- 17. In the Matter of Jose Barraza for Fresno City Council District 5-2016 and Jose Barraza; FPPC No. 18/183 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. Jose Barraza was an unsuccessful candidate for Fresno City Council in the November 8, 2016 General Election. Jose Barraza for Fresno City Council District 5-2016 was his candidate-controlled committee. The Committee and Barraza failed to timely file one semiannual campaign statement for the reporting period of October 23, 2016 through December 31, 2016, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$235.**
- 18. In the Matter of Yes on Measure Q for Dixon Schools and Frances Garcia; FPPC No. 16/20140 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Associate Governmental Program Analyst Dominika Wojenska. Yes on Measure Q for Dixon Schools is a primarily formed ballot measure committee supporting a local school bond measure on the November 8, 2016 General Election ballot. Frances Garcia is the Committee's treasurer. The Committee and Garcia failed to timely file one pre-election campaign statement for the reporting period of September 25, 2016 through October 22, 2016, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$216.**
- 19. In the Matter of Selma Unified Teachers Association Political Action Committee, and Sylvia Emmersen; FPPC No. 18/223 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Political Reform Consultant Teri Rindahl. Sylvia Emmersen served as the Committee's treasurer. The Committee, and Emmersen failed to

timely file one semiannual campaign statement for the reporting period of July 1, 2017 through December 31, 2017, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Non-Filer

20. In the Matter of Carol Chorbajian, FPPC No. 16/408 (Streamline Settlement). Staff: Commission Counsel Theresa Gilbertson. Carol Chorbajian serves as a Commissioner for the Measure P Oversight Committee for the City of Monterey. She failed to timely file an Assuming Office Statement of Economic Interests and a 2015 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Proposed Penalty: \$800.**

21. In the Matter of Miguel Navarrette; FPPC No. 18/137 (Streamline Settlement). Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. Miguel Navarrette, a Board Member of the Raisin City Elementary School District in the County of Fresno, failed to timely file his Assuming Office Statement of Economic Interests, in violation of Government Code Section 87202 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interest Non-Reporter

22. In the Matter of Dene Bustichi; FPPC No. 16/20095 (Streamline Settlement). Staff: Commission Counsel Christopher Burton and Special Investigator Paul Rasey. Dene Bustichi, former member of the Scotts Valley City Council, failed to timely disclose a loan in the amount of \$250,000 from Richard Fontana on his 2013 Annual Statement of Economic Interests, in violation of Government Code Section 87207, subdivision (a) (1 count). **Total Proposed Penalty: \$100.**

Default Proceedings

Default Proceedings Requesting Commission Action

23. In the Matter of Al Bairos and Committee to Re-elect Al D. Bairos OID Director District #4 2015; FPPC No. 15/1876 (Default Decision – Final Notice). Staff: Assistant Chief Dave Bainbridge, Special Investigator Garrett Micheels, and Associate Governmental Program Analyst Dominika Wojenska. Al Bairos was an unsuccessful candidate for re-election to the Oakdale Irrigation District in the November 3, 2015 General Election. Re-elect Al D. Bairos OID Director District #4 2015 was his candidate-controlled committee. The Committee and Bairos failed to disclose contributions and expenditures, in violation of Governmental Code Section 84211 (1 count); failed to file two semiannual campaign statements for the reporting period of June 1, 2015 through June 30, 2017, in violation of Government Code Section 84200 (4 counts); and failed to include a proper disclaimer on a mass mailing, in violation of Government Code Section

84305, subdivision (a) and Regulation 18435, subdivision (d) (1 count). **Total Proposed Penalty: \$16,000.**

- 24. In the Matter of Roberto Reyes; FPPC No. 16/160 (Default Decision – Final Notice).** Staff: Commission Counsel Theresa Gilbertson. Roberto Reyes served as a Planning Commissioner for the City of Richmond. Reyes failed to timely file an Annual Statement of Economic Interest for 2014, in violation of Government Code Section 87200 and 87203. (1 count). **Total Proposed Penalty: \$3,000.**

General Items 25-37

- 25. Update from Ad Hoc Committee Formed to Develop the Membership of the Enforcement Review Task Force.** Staff: Adam Silver, Staff Counsel, Legal Division. At its May 2018 meeting, the Commission voted to create a task force group to review the Enforcement Division's priorities and processes. The Commission directed Commissioners Hayward and Cardenas to solicit representatives from several stakeholder groups identified by the Commission to serve on the task force. Invitations were distributed to the stakeholders identified by the Commission and staff created a list of those individuals who have agreed to participate on the task force.

Enforcement Task Force Membership List

- 26. Bitcoin.** Staff: Zachary Norton, Senior Commission Counsel, Legal Division. The Commission will begin a review of the question whether Bitcoin or other cryptocurrencies are permitted currencies for campaign contributions with the ultimate goal of setting a policy on this issue recognizing that such a policy may require more than one meeting. At the June 2018 meeting the Commission will, in addition, consider and vote on two immediate issues. One, whether to revise, or withdraw altogether, question 24 from the campaign activity FAQ's, and two, whether to issue a press release advising that the FPPC does not have a policy on cryptocurrencies as campaign contributions. At the direction of the Commission, the Executive Director has gathered all existing research regarding Bitcoin, including, specifically, the "extensive research" cited in question 24 and provided it to the Commission and the public as part of the agenda item. All existing research located has been provided and no documents have been withheld.

Staff Memo and Related Documents

- 27. The Bagley-Keene Open Meeting Act, Proposed Questions for Attorney General Opinion.** Staff: John Feser, Senior Counsel, Legal Division. At the October 2017 Commission meeting, Deputies Attorney General Ted Prim and Julia Zuffelato presented an overview of the Bagley-Keene Open Meeting Act. At the January 2018 meeting, the Commission discussed the feasibility of soliciting an Attorney General's opinion to clarify some of the advice provided at the presentation. In accordance with the Commission's instructions at the January 2018 meeting, staff worked with interested Commissioners to prepare proposed questions for discussion at the February 2018

meeting. The Commission agreed on proposed questions and directed the Legal Division to prepare a legal analysis in accordance with requirements for requesting an AG Opinion. The Commission will identify appropriate questions for an AG Opinion in light of the Legal Division's legal analysis and determine whether to submit them in a formal request for an AG Opinion pursuant to Government Code section 12519.

Staff Memo

- 28. Prenotice Discussion of Amendments to Regulation 18700.2** Staff: Brian Lau, Acting General Counsel and Sukhi Brar, Senior Counsel, Legal Division. At the October 2017 Commission meeting, Commissioner Hatch expressed interest in amending Regulation 18700.2 to better clarify when an official's interest in a business entity is also an interest in that business entity's parent, subsidiary or otherwise related business entity for purposes of the Act's conflicts of interest provisions. The amendments propose two exceptions to when an official has an interest in a parent or subsidiary of a business entity including when the subsidiary has not been listed on reports filed by the parent corporation with the SEC and when an official's ownership interest in the business entity is below a certain threshold.

Staff Memo

- 29. Approval of Interpretation of the Commission's Compensation and Reimbursement Policy.** Staff: Erin Peth, Executive Director, Loressa Hon, Chief of Administration and John Feser, Senior Counsel. On February 15, 2018, the Commission adopted a Compensation and Reimbursement Policy for members of the Commission. Subsequently, Commissioners have sought clarification on the policy, including what activities are compensable under the policy. The Commission will discuss and consider whether to approve or modify the policy as well and/or staff's interpretation of the policy.

Staff Memo

- 30. Approval of Commissioner Compensation Request.** Staff: Erin Peth, Executive Director and Loressa Hon, Chief of Administration. Consideration of Commissioner's requests for compensation exceeding 40 hours in a calendar month as required by the Commission's Compensation and Reimbursement Policy.

Staff Memo

- 31. Commission Meeting in Location Other Than Sacramento.** Staff: Erin Peth, Executive Director and Loressa Hon, Chief of Administration. The Commission will decide whether and when and where to hold a regular Commission meeting outside of Sacramento.

Staff Memo

32. Committee Reports

Law and Policy Committee Report
Budget and Personnel Committee Report

33. Legislative Update and Committee Recommendation for Commission Position on Legislation. Legislative and External Affairs. Phillip Ung, Director.

Staff Memo

34. Request from Member of the Public to Sponsor Legislation. Bob Stern has requested that the Commission consider sponsoring legislation this year to make the Chair position part-time starting January 2019. Commissioner Hatch asked that the request be considered by the full Commission.

Email From Bob Stern

35. Closed Session

Personnel Matter (Gov. Code § 11126, subds. (a) and (b); 11126(e)(1).) Discussion of complaint regarding actions by an employee and a determination of whether or not to initiate disciplinary proceedings.

36. Executive Staff Reports.

Enforcement Division. Galena West, Enforcement Chief
Legal Division. Brian Lau, Acting General Counsel
External Affairs and Education. Deborah Hanephin, Manager

37. Proposed Future Agenda Items.

Note: The Commission may not discuss or take action on any matter raised during public comment that is not included on this agenda, except to decide to place the matter on the agenda of a future meeting. (Government Code Sections 11125 & 11125.7(a).)