



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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EXECUTIVE STAFF REPORTS

January 15, 2020 Commission Hearing

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I. ENFORCEMENT DIVISION

STAFF: GALENA WEST, CHIEF OF ENFORCEMENT

I. Overview

During the period of December 1, 2019 through December 31, 2019 the Enforcement Division received 47 complaints, opened 15 for investigation, and rejected 19. The Enforcement Division received 214 referrals during this time. The Enforcement Division closed a total of 209 cases including:

- 85 warning letters – campaign violations (26), lobbying violations (1), and statement of economic interests violations (58);
- 41 no action closure letters alleging - campaign violations (15), advertising violations (1), revolving door violations (1), and statement of economic interests violations (24);
- 1 approved default from the June Commission meeting;
- 1 approved administrative judgement from the October Commission meeting;
- 55 approved stipulations at the November and December Commission meetings; and
- 26 committees were administratively terminated.

The Division had 1,712 cases in various stages of resolution at the time of the December Monthly Report and currently has approximately 1,748 cases in various stages of resolution, including the 17 cases before the Commission as listed in the January Agenda.

On May 1, 2015, the Division received from the Secretary of State's office 2,460 \$50 Annual Fee referrals for 2013 fees not paid timely. Of those, 4 remain pending. On October 22, 2015, the Division received the \$50 Annual Fee referrals for 2014, which totaled 1,786. Of those, 10 remain pending. We are receiving 2015, 2016, 2017, and 2018 referrals periodically through the new Electronic Complaint System.

II. Annual Statistics

On the next page, you will find a chart that details the annual statistics for enforcement complaints, referrals and cases. This chart includes the data from 2019, where Enforcement had a highly efficient and effective year, receiving almost 2,700 complaints and referrals and closing 1,031 cases with violations found. The information in the chart has been gathered from public reports, information from the defunct and inactive database, and data that has been converted into current form, so the numbers are close estimates in some instances.

	Year	2016	2017	2018	2019
1	Complaints Received	1,180	564	1,352	744
2	Referrals Received	350	1,616	1,529	1,950
3	Total Complaint and Referrals Received	1,530	2,180	2,881	2,694
4	Cases opened	1,315	1,480	1,561	1,820
5	Cases closed ³	1,803	1,477	1,243	1,465
6	Cases with resolutions approved by the Commission ¹	311	340	235	343
	a Streamline cases approved by Commission	234	262	173	263
	b Mainline cases approved by Commission	70	66	56	73
	c Default cases approved by Commission	7	12	6	7
7	Total fines imposed by the Commission	\$894,257	\$1,126,933	\$499,606	\$797,384
8	Warning letters issued	489	505	554	584
9	Administrative terminations	668	297	177	104
10	Cases closed with violations found ²	1,468	1,142	966	1,031
11	Advisory letters issued	14	17	20	9
12	No action closure letters	321	318	252	423

¹ Total for lines 6a, 6b, and 6c.

² Total for lines 6, 8, and 9.

³ Total cases closed includes Commission approved cases from the previous year and a Commission approved administrative judgement. It does not include Commission approved cases not yet closed.

III. Unexecuted Streamline Stipulations

Streamline penalty stipulations are approved by the Chief of Enforcement and reported to the Commission for discussion only before they are executed. The following streamline stipulations are presented for that purpose. After the close of the hearing, the Chief of Enforcement may execute all or any of the streamline penalty stipulations, at her discretion per Regulation 18360.2.

Campaign Late Filer

In the Matter of Victor Valley College Faculty Association PAC and Khalid Rubayi; FPPC No. 18/1335. Staff: Galena West, Chief of Enforcement and Teri Rindahl, Political Reform Consultant. Victor Valley College Faculty Association PAC is a state general purpose committee. Khalid Rubayi was the Committee's treasurer. The Committee and Rubayi failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts), and five semiannual campaign statements, in violation of Government Code Section 84200 (5 counts). **Total Proposed Penalty: \$1,837.**

In the Matter of Physicians for Measure I and Patricia Hasbrouck; FPPC No. 17/895. Staff: Galena West, Chief of Enforcement and Dominika Wojenska, Associate Governmental Program Analyst. Physicians for Measure I is a local primarily formed committee. Patricia Hasbrouck is the Committee's treasurer. The Committee and Hasbrouck failed to timely file six semiannual campaign statements, in violation of Government Code Section 84200 (6 counts). **Total Proposed Penalty: \$1,200.**

In the Matter of Conrad Dandridge for Contra Costa County Supervisor 2016 and Conrad Dandridge; FPPC No. 19/554. Staff: Galena West, Chief of Enforcement and Shaina Elkin, Staff Services Analyst. Conrad Dandridge was an unsuccessful candidate for Contra Costa County Supervisor in the June 7, 2016 Primary Election. Conrad Dandridge for Contra Costa County Supervisor 2016 is his candidate-controlled committee. The Committee and Dandridge failed to timely file five semiannual campaign statements, in violation of Government Code Section 84200 (5 counts). **Total Proposed Penalty: \$1,177.**

In the Matter of Aurelio Salazar, Jr. for Hartnell College Trustee Area 2, 2015, Aurelio Salazar Jr, and Carina Chavez-Salazar; FPPC No. 18/1302. Staff: Jenna C. Rinehart, Commission Counsel. Aurelio Salazar, Jr. was a successful candidate for Trustee of Area 2 for Hartnell College in the November 3, 2015 General Election. Aurelio Salazar, Jr. for Hartnell College Trustee Area 2, 2015 was his candidate-controlled committee. Carina Chavez-Salazar was the Committee's treasurer. The Committee, Chavez, and Chavez-Salazar failed to timely file two semiannual campaign statements, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$409.**

In the Matter of Black Los Angeles Young Democrats and Christen Hebrard; FPPC No. 19/1095. Staff: Galena West, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Black Los Angeles Young Democrats is a local general purpose committee. Christen Hebrard is the Committee's treasurer. The Committee and Hebrard failed to timely file a semiannual campaign statement, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$258**

Statement of Economic Interests Late Filer

In the Matter of Catherine Romero; FPPC No. 17/987. Staff: Jenna C. Rinehart, Commission Counsel. Catherine Romero, a Planning Commissioner for the City of Desert Hot Springs, failed to timely file a 2016 Annual, and a 2017 Annual/Leaving Office Statement of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Proposed Penalty: \$400.**

In the Matter of Zareh Shahbazian; FPPC No. 19/213. Staff: Galena West, Chief of Enforcement and Chloe Hackert, Political Reform Consultant. Zareh Shahbazian, as a Senior Transportation Engineer of District 7 Los Angeles for the California Department of Transportation, failed to timely file a 2017 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**

In the Matter of Marshall McKay; FPPC No. 19/1131. Staff: Galena West, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Marshall McKay, a Commissioner for the Native American Heritage Commission, and Vice Chair of the Parks and Recreation Department of Historical Resources Commission, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

In the Matter of Ronald Kelly; FPPC No. 19/1112. Staff: Galena West, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Ronald Kelly, Director of the Devil's Den Water District, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

In the Matter of Thomas Frazier; FPPC No. 19/1147. Staff: Galena West, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Thomas Frazier, Planning Commissioner for the City of Stanton, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87200 (1 count). **Total Proposed Penalty: \$200.**

In the Matter of Michael Cleugh; FPPC No. 19/1453. Staff: Galena West, Chief of Enforcement and Shaina Elkin, Staff Services Analyst. Michael Cleugh, a Board Member for the California Strawberry Commission, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

In the Matter of Mark Brunton; FPPC No. 19/609. Staff: Galena West, Chief of Enforcement and Shaina Elkin, Staff Services Analyst. Mark Brunton, Director of the El Dorado County Fire District, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Late Reporter

In the Matter of Jennifer Rodriguez; FPPC No. 17/1418. Staff: Angela Brereton, Assistant Chief Counsel and Patricia Ballantyne, Program Specialist II. The respondent was represented by David E. Kenney of Kenney & Kropff. Jennifer Rodriguez, as a City Councilmember for Bell Gardens, failed to timely report sources of income on her 2014, 2015, 2016, and 2017 Annual Statements of Economic Interest, in violation of Government Code Section 87207 (5 counts).

Total Proposed Penalty: \$500.

In the Matter of Kurt Overmeyer; FPPC No. 18/1514. Staff: Megan A. Van Arsdale, Commission Counsel. Kurt Overmeyer, as an Economic Development Manager for the City of Watsonville, failed to timely disclose a gift on his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$100.**

II. LEGAL DIVISION

STAFF: DAVID BAINBRIDGE, GENERAL COUNSEL

A. Pending Litigation

California State Association of Counties and California School Boards Association v. FPPC
Los Angeles County Superior Court, Central District, Case No. BS174653

On September 11, 2018, petitioners served a first amended petition for writ of mandate and complaint for declaratory relief. Petitioners allege that Regulations 18420.1 and 18901.1 are invalid as a matter of law, that the Commission has exceeded its jurisdiction in adopting these Regulations, and that the Regulations are unenforceable.

The Attorney General's Office is representing the Commission and timely filed an answer to the petition/complaint. On March 4, 2019, the Commission filed a Motion for Judgment on the Pleadings.

On March 29, 2019, the Commission's Motion for Judgment on the Pleadings was granted with leave to amend. The court vacated all hearing dates and set a new trial setting conference. Plaintiffs timely filed a Second Amended Complaint (SAC) on June 27, 2019.

The Commission filed a demurrer and the hearing occurred on November 22, 2019. In its ruling, the court: (1) sustained the demurrer to the first cause of action without leave to amend; (2) sustained the demurrer with leave to amend on plaintiff CSBA's standing on all cause of action and plaintiff CSAC's standing on all causes of actions challenging Regulation 18901.1; and (3) overruled the remaining grounds for demurrer. Plaintiffs third amended complaint is due February 10, 2020.

Howard Jarvis Taxpayers Association, et al. v. Edmund Brown, et al.
Court of Appeal, Third Appellate District, Case No. C086334

On December 12, 2016, the Howard Jarvis Taxpayers Association and retired State Senator and Judge Quentin L. Kopp filed a lawsuit against Governor Brown and the Commission to invalidate a new law that would allow public funds to be used for political campaigning. In September of 2016, the Governor signed Senate Bill No. 1107 which authorizes the use of public funds to finance campaigns if a jurisdiction adopts a law or ordinance creating a public financing program. Plaintiffs alleged the new law improperly eliminates the prohibition against public financing of campaigns, implemented pursuant to Proposition 73 in 1988, because it was done without voter approval. In addition, plaintiffs alleged that the new law violates the Political Reform Act because it does not "further the purposes of the Act," an express requirement in the Act for legislative amendment.

The Superior Court issued a ruling, on August 23, 2017, declaring the amendments in Senate Bill No. 1107 to Government Code section 85300 void and of no legal effect, and issuing an injunction restraining the FPPC from enforcing those amendments. On August 26, 2019, the Court of Appeal affirmed the Superior Court's order invalidating SB 1107. The parties are discussing a settlement on plaintiffs' claims for attorney's fees and costs.

B. Outreach and Training

- In mid-December Chair Rich Miadich, Executive Director TJ Jones, General Counsel Dave Bainbridge, and Supervising Counsel Sukhi Brar traveled to the 41st annual Council on Governmental Ethics Laws (COGEL) conference in Chicago, IL. COGEL is the preeminent organization of government ethics administrators. The COGEL conference covers topics including campaign finance, governmental ethics, elections, lobbying, and freedom of information. While at the conference, Chair Miadich provided the California perspective on a panel entitled "Sandbox Dilemma: Can Campaign Finance Disclosure Regulation and Social Media Play Well Together?" General Counsel Bainbridge provided his expertise on a panel entitled "Same Objective, Different Perspective: Balancing Compliance and Enforcement" as well as hosting a "West Coast" breakfast roundtable discussion. Counsel Brar serves on the COGEL Program Committee which plans all of the panels for the conference. Counsel Brar also moderated a panel entitled "Crypto-Currency and the Blockchain Explained" and spoke on a panel entitled "Just the Facts, Ma'am: Asking the Right Questions to Give Good Advice." The conference had over 500 attendees from across the United States, Canada and around the world.
- On December 12th Supervising Counsel Sukhi Brar and Director of Legislative & External Affairs Phil Ung traveled to Orange County to speak at the annual City Clerks New Law & Elections Seminar hosted by the League of California Cities. Counsel Brar provided necessary campaign and Form 700 updates as well as an overview of new regulations passed by the Commission in 2019. Phil Ung provided an overview of the new statutes going into effect in 2020. Over 200 city clerks and staff from across California attended the seminar.
- Political Reform Consultants, Alexandra Castillo and Katie Trumbly, presented two workshops in Pasadena at the Pasadena City Clerk's Office on December 2nd. One workshop was for Campaign Filing Officers (presented by Alexandra Castillo) and the other was for Candidates and Treasurers (presented by Katie Trumbly). 18 people attended the Candidate/Treasurer workshop and 10 attended the Campaign Filing Officer workshop.
- Political Reform Consultant, Aly Larson, presented a workshop at the San Diego Registrar of Voters on December 5 for Candidates and Treasurers. 40 people attended the workshop.

- Political Reform Consultant, Deborah Hanephin, presented a workshop in San Diego to the California School Boards Association on December 6 on Gifts. 20 people attended the workshop.
- Staff Service Manager, Alana Jeydel, and Political Reform Consultant, Katie Trumbly, presented two workshops in Sacramento to the High Speed Rail Authority on December 19 to Form 700 filers. 40 people attended each session, in addition to 60 people viewing each session remotely.
- Video Tutorials: Commission video tutorials were accessed a total of 311 times in December. Form 700 videos were accessed 192 times, the Candidate/Treasurer video was accessed 76 times, and the filing officer videos were accessed 43 times.

C. Advice

In December 2019, the Legal Division responded to the following requests for advice:

- **Education Program:** The Education Program responded to 533 requests for technical assistance via phone.
- **Requests for Advice:** The Email Advice and Conflict of Interest Code Program and Legal Division attorneys collectively responded to more than 544 e-mail and telephone requests for advice, 31 of which were not responded to within 24 hours.
- **Advice Letters:** The Legal Division received five advice letter requests under the Political Reform Act and completed eight letters.
- **Section 1090 Letters:** The Legal Division received no advice letter requests concerning Section 1090 and completed seven letters. This year to date, we have received 75 advice requests regarding Section 1090.

D. Miscellaneous Decisions

None to report.

E. Potential Upcoming Regulations

February 20th, 2020

- Sponsored Committee Rules (Regulation 18419): Amend existing regulation including (1) time periods for analyzing whether a committee qualified as sponsored, (2) naming requirements, and (3) harmonizing with Section 84222. (Adoption.)
- Public Participation in Commission Meetings: Provide rules and guidelines for participation by the public in Commission meetings. (Prenotice discussion.)

- Return of Excessive Contributions (Regulation 18531): Amend existing regulation to permit committees to refund contributions in excess of contribution limits. (Prenotice discussion.)
- Limited Liability Companies: Discussion of potential regulatory and legislative action to ensure adequate disclosure of political activity by limited liability companies.

March 19th, 2020

- Recusal Process (Regulation §18707): Amend the existing regulation to ensure an official prohibited from participating on an item at a public meeting due to a financial conflict of interest adequately identifies the interest requiring recusal on the record. (Prenotice discussion.)

April 16th, 2020

- Minor and Technical Clean-Up Regulations. (Prenotice discussion.)
- Public Participation in Commission Meetings: Provide rules and guidelines for participation by the public in Commission meetings. (Adoption.)
- Return of Excessive Contributions (Regulation 18531): Amend existing regulation to permit committees to refund contributions in excess of contribution limits. (Adoption.)

F. Conflict of Interest Codes

Adoptions and Amendments

State Agency Conflict of Interest Codes

- Department of Health Services

Multi-County Agency Conflict of Interest Codes

- Sacramento County Regional Sanitation District
- Kings Canyon Unified School District
- Child 360
- Loma Prieta Joint Unified School District

Exemptions

None to report.

Extensions

None to report.

G. Probable Cause Hearings

Please note, a finding of probable cause does not constitute a finding that a violation has occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proven in a subsequent proceeding.

The following matters were decided based solely on the papers. The respondents did not request a probable cause hearing.

1. ***In the Matter of Recall Pan and Katherine Duran, FPPC No. 17/925.*** On December 10, 2019, probable cause was found to believe Respondents committed the following violations of the Act:

Count 1: The Committee and Duran failed to timely file one semi-annual statement for the period of July 1, 2015 through December 31, 2015 in violation of Section 84200.

Count 2: The Committee and Duran failed to timely file one semi-annual statement for the period of January 1, 2016 through the date of termination in violation of Section 84200.

Count 3: The Committee and Duran failed to disclose contributors' address, occupation, and/or employer information on the semi-annual campaign statement for the period of January 1, 2015 through June 30, 2015, in violation of Section 84211, subdivision (f).

2. ***In the Matter of Brian Payton for Eureka City School Board 2018 and Brian Payton, FPPC No. 2018/00916.*** On December 11, 2019, probable cause was found to believe Respondents committed the following violations of the Act:

Count 1: The Committee and Payton failed to fully and completely report activity on campaign statements from the reporting period of January 1, 2018 through September 22, 2018, including failing to report the date on a nonmonetary contribution, reporting the expenditures of the candidate as nonmonetary contributions, and failing to report the payees and addresses of payees of expenditures made, in violation of Government Code Section 84211.

Count 2: The Committee and Payton failed to timely file an amended statement of organization to reflect the date of qualification as a committee within 10 days of the date of qualification, on or before October 2, 2018, in violation of Government Code Section 84103, subdivision (a).

Count 3: The Committee and Payton failed to timely file a pre-election campaign statement on or by September 27, 2018 for the reporting period of January 1, 2018 through

September 22, 2018. The Committee filed this pre-election statement on October 5, 2018, eight days past the deadline, in violation of Government Code Section 84200.5.

Count 4: The Committee and Payton failed to timely file a semi-annual campaign statement on or by January 31, 2019 for the period of October 21, 2018 through December 31, 2018, in violation of Government Code Section 84200.

Count 5: The Committee and Payton failed to timely file a semi-annual campaign statement on or by July 31, 2019 for the period of January 1, 2019 through June 30, 2019, in violation of Government Code Section 84200.

3. ***In the Matter of Jennifer Allsup, FPPC No. 16/20047.*** On December 11, 2019, probable cause was found to believe Respondent committed the following violations of the Act:

Count 1: Allsup failed to timely file a 2014 Annual SEI by April 1, 2015, in violation of Section 87300.

Count 2: Allsup failed to timely file a 2015 Annual SEI by April 1, 2016, in violation of Section 87300.

Count 3: Allsup failed to timely file a Leaving Office SEI by June 4, 2016, in violation of Section 87300.

4. ***In the Matter of Rossana Mitchell-Arrieta for Chino Hills City Council 2016, Rossana Mitchell-Arrieta for Chino Hills City Council 2018, Rossana Mitchell-Arrieta, and Frank Arrieta, Case No. 17/462.*** (We note that Respondents requested a probable cause conference but did not appear at the scheduled time. Accordingly, the probable cause determination in this case is based solely on the papers.) On December 17, 2019, probable cause was found to believe Respondents committed the following violations of the Act:

Count 1: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to timely file the 2016 Committee's preelection campaign statement for the reporting period of September 25, 2016 to October 22, 2016, in violation of Section 84200.5, subdivision (a); and 84200.8, subdivision (b).

Count 2: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to timely file the 2016 Committee's semiannual campaign statement for the reporting period of October 23, 2016 to December 31, 2016, in violation of Section 84200, subdivision (a).

Count 3: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to timely file a 24-hour contribution report for a late contribution in the amount of \$3,000 received on August 17, 2016, in violation of Section 84203.

Count 4: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to timely file a 24-hour contribution report for a late contribution in the amount of \$1,600.05 received on September 6, 2016, in violation of Section 84203.

- Count 5: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to timely file a 24-hour contribution report for a late contribution in the amount of \$2,526.02 received on October 14, 2016, in violation of Section 84203.
- Count 6: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to timely file the 2016 Committee's statement of organization, in violation of Section 84101.
- Count 7: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to pay \$26,004.66 in expenditures from the designated campaign bank account, in violation of Section 85201, subdivisions (d) and (e).
- Count 8: The 2016 Committee, Mitchell-Arrieta, and Arrieta made a cash expenditure in the amount of \$1,533 on November 30, 2016, in violation of Section 84300, subdivision (b).
- Count 9: The 2016 Committee, Mitchell-Arrieta, and Arrieta failed to maintain adequate source documentation for contributions totaling \$5,380 and expenditures totaling \$32,258.06, in violation of Section 84104 and Regulation 18401.
- Count 10: The 2016 Committee and Mitchell-Arrieta failed to disclose the street address and city of the 2016 Committee on six mass mailings sent out between August 25, 2016 and October 13, 2016, in violation of Section 84305.
- Count 11: The 2016 Committee and Mitchell-Arrieta failed to disclose the correct name of the 2016 Committee on six mass mailings sent out between August 25, 2016 and October 13, 2016, in violation of Section 84305.
- Count 12: The 2018 Committee, Mitchell-Arrieta, and Arrieta failed to timely file the 2018 Committee's preelection campaign statement for the reporting period of September 23, 2018 to October 20, 2018, in violation of Section 84200.5, subdivision (a); and 84200.8, subdivision (a).
- Count 13: The 2018 Committee, Mitchell-Arrieta, and Arrieta failed to timely file the 2018 Committee's semiannual campaign statement for the reporting period of October 21, 2018 to December 31, 2018, in violation of Section 84200, subdivision (a).
- Count 14: The 2018 Committee, Mitchell-Arrieta, and Arrieta failed to timely file a 24-hour contribution report for a late contribution in the amount of \$10,000 received on September 22, 2018, in violation of Section 84203.

III. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF OF ADMINISTRATION

New Employee Report

Enforcement Division

Cheng Saetern, Staff Services Analyst (Assistant PRC)