



## FAIR POLITICAL PRACTICES COMMISSION

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**(Unapproved and subject to change)**

### **CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION**

#### **MINUTES OF MEETING, Public Session**

**Thursday, August 21, 2014**

#### **CALL TO ORDER**

Chair Remke called the meeting to order at 10:01 am on August 21, 2014 at the Fair Political Practices Commission, 428 J Street, Sacramento, CA 95814. Chair Remke and Commissioners Wynne were present. Commissioner Wasserman was present by teleconference.

#### **WELCOME**

Chair Remke invited the public to join the FPPC in celebrating the 40<sup>th</sup> anniversary of the Political Reform Act at a symposium held at McGeorge, September 17<sup>th</sup> from 9am-1pm.

#### **1. Public Comment**

Chair Remke opened the floor for public comment. There was none.

#### **2. Approval of July 2014 Commission Meeting Minutes.**

Commissioner Wynne made a motion to approve item 2, Chair Remke seconded the motion.

Ayes: Commissioners Wasserman, Wynne, Chair Remke

The motion passed 3 to 0.

#### **PROPOSED CONSENT CALENDAR ITEMS 3 – 29**

Chair Remke opened the floor to the Commission to remove or discuss any item from the Proposed Consent Calendar.

Chair Remke pulled item 6 for consideration.

Commissioner Wasserman pulled item 12 for consideration.

Commissioner Wynne made a motion to approve the Consent Calendar, items 3-5, 7-11, and 13-29. Commissioner Wasserman seconded the motion.

Ayes: Commissioners Wasserman, Wynne, Chair Remke

The motion passed 3 to 0.

## **ENFORCEMENT MATTERS**

### **Campaign Reporting**

**3. In the Matter of Yocha Dehe Winton Nation; FPPC No. 14/528.** Staff: Senior Commission Counsel Dave Bainbridge, Special Investigator Simon Russell and Program Specialist Grant Beauchamp. Respondent, Yocha Dehe Winton Nation, a major donor committee and lobbyist employer, made campaign contributions to a State Senator that exceeded the contribution limit, in violation of Government Code Section 85301, subdivision (a) and California Code of Regulation title 2 Section 18545, subdivision (a)(1) (1 count). Respondent also failed to timely disclose three non-monetary contributions made to campaign committees controlled by State legislators and a candidate for the State legislature, in violation of Government Code Sections 84211, subdivision (k) and 86116, subdivision (g) (3 counts). **Total Proposed Penalty: \$9,000.**

**4. In the Matter of Terri Valladolid and Friends of Terri Valladolid for Southwestern College School Board 2010; FPPC No. 13/191.** Staff: Commission Counsel Adam Silver and Political Reform Consultant Teri Rindahl. Respondents, Terri Valladolid, a current member of Southwestern College School Board, and her candidate-controlled committee, Friends Of Terri Valladolid For Southwestern College School Board 2010, failed to file three semi-annual campaign statements covering the period of July 1, 2012 through December 31, 2013, in violation of Government Code Section 84200, subdivision (a)(3 counts). **Total Proposed Penalty: \$3,000.**

**5. In the Matter of Adam Gray and Adam Gray for Assembly 2012; FPPC No. 14/579.** Staff: Senior Commission Counsel Dave Bainbridge, Special Investigator Simon Russell and Program Specialist Grant Beauchamp. Respondent, Adam Gray, a Member of the California State Assembly, and Respondent Adam Gray for Assembly 2012, his candidate-controlled committee, failed to disclose a non-monetary contribution from Yocha Dehe Winton Nation on their semi-annual campaign statement in the amount of \$1,900, in violation of Government Code Section 84211, subdivision (f). **Total Proposed Penalty: \$2,000.**

**6. In the Matter of Priya Mathur and Priya Mathur for CALPERS Board 2014; FPPC No. 13/1229.** Staff: Commission Counsel Milad Dalju and Special Investigator Ann Flaherty. Respondent Priya Mathur has been a member of the Board of Administration of the California Public Employees' Retirement System since 2003 and is a candidate for the same office in the September 29, 2014 election. Respondent Priya Mathur and her candidate-controlled committee, Priya Mathur for CALPERS Board 2014, failed to timely file four semi-annual campaign statements covering the periods January 1, 2012 through June 30, 2012, due on July 31, 2012; July 1, 2012 through December 31, 2012, due on January 31, 2013; January 1, 2013 through June 30, 2013,

due on July 31, 2013; and July 1, 2013 through December 31, 2013, due on January 31, 2014, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$1,000.**

Chair Remke noted that this was the third time Priya Mathur's actions have been under review by the FPPC. She then compared the violation count from this matter with item 4 (Valladolid) and noted that each missing statement was treated as a count violation. Chief of Enforcement, Gary Winuk explained the Division's perspective. Commissioner Wynne asked a procedural question. Chief of Enforcement, Gary Winuk provided the options the Commission may take. Commissioner Wasserman requested clarification from the Commission regarding the direction the Commission would like to recommend. Chair Remke, Commissioner Wasserman and Commissioner Wynne directed the matter be sent back to the Enforcement Division to include the new concerns.

**7. In the Matter of Dave Pine, Pine for Supervisor 2012, and Dave Pine, Treasurer; FPPC No. 14/391.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, Candidate Dave Pine, his committee, Pine for Supervisor 2012, and Dave Pine as Treasurer, failed to timely file two pre-election statements covering the period January 1, 2012 through May 19, 2012, due on March 22, 2012 and May 24, 2012, and two semi-annual campaign statements covering the period July 1, 2011 through June 30, 2012, due on January 31, 2012 and July 31, 2012, with the Registration & Elections Division of the County of San Mateo, in violation of Government Code Sections 84200.5 and 84200 (4 counts). **Total Proposed Penalty: \$800.**

**8. In the Matter of Patty Lopez and Lopez for Assembly 2014; FPPC No. 14/512.** Staff: Legal Analyst Tracey Frazier and Law Clerk Raina Shah. Respondents, Patty Lopez and Lopez for Assembly 2014, failed to timely file the pre-election campaign statement covering the periods January 1, 2014 through March 17, 2014, due on March 24, 2014, and the period March 18, 2014 through May 17, 2014, due on May 22, 2014, with the Los Angeles County Registrar Recorder/County Clerk, in violation of Government Code Section 84200.5 (2 counts). **Total Proposed Penalty: \$400.**

**9. In the Matter of Hector Gastelum as Candidate, Hector Gastelum as Committee, and Hector Gastelum as Treasurer; FPPC No. 14/ 572.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, Hector Gastelum as Candidate and Treasurer, and his committee, failed to timely file one pre-election statement covering the period March 18, 2014 through May 17, 2014, due on May 22, 2014, with the City of Chula Vista, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$200.**

**10. In the Matter of Mt. San Antonio College Faculty Association Political Action Committee and Al Kirchgraber, Treasurer; FPPC No. 13/1280.** Staff: Legal

Analyst Tracey Frazier and Law Clerk Tom Preston. Respondents, Mt. San Antonio College Faculty Association Political Action Committee and Al Kirchgraber, failed to timely file a semi-annual campaign statement covering the period January 1, 2013 through June 30, 2013, due July 31, 2013, with Los Angeles County, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

### **Personal Use of Campaign Funds**

**11. In the Matter of Jon McQuiston and Diane Oglesby; FPPC No. 13/1144.** Staff: Senior Commission Counsel Bridgette Castillo and Program Specialist Soni Mangat. Respondent, Jon McQuiston (“Respondent McQuiston”), was an unsuccessful candidate for the Assembly in the 2012 Primary Election. Jon McQuiston for 32<sup>nd</sup> Assembly 2012 (“Assembly Committee”) was Respondent McQuiston’s controlled committee. At all relevant times, Respondent, Diane Oglesby (“Respondent Oglesby”), was the Treasurer for the Assembly Committee. In this matter, Respondent Oglesby caused the Assembly Committee to make an expenditure of campaign funds, totaling \$6,000, which conferred a substantial personal benefit on Respondent Oglesby, for purposes other than directly related to a political, legislative, or governmental purpose, in violation of Government Code Section 89512 (1 count), and Respondent McQuiston caused the Assembly Committee to make expenditures of campaign funds, totaling approximately \$1,872, which conferred a substantial personal benefit on Respondent McQuiston, for purposes other than directly related to a political, legislative, or governmental purpose, in violation of Government Code Section 89512 (1 count). **Total Proposed Penalty: \$7,000.**

**12. In the Matter of Steven Detrick; FPPC No. 14/130.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Beatrice Moore. Respondent, Steven Detrick, a City Councilmember in the City of Elk Grove, used campaign funds in the amount of \$93,484 for purposes that did not directly relate to a political, legislative, or governmental purpose, in violation of Government Code Sections 89512 and 89514 (1 count). **Total Proposed Penalty: \$3,500.**

Commissioner Wasserman made the argument that there should be a higher penalty to be more in line with item 11. Chair Remke made the argument that she views items 11 and 12 as different issues based on perceived intent. Chief of Enforcement, Gary Winuk noted how they took into account intent, and noted there was an overlap from Steven Detrick’s other violations. Chair Remke made a motion to approve item 12, Commissioner Wynne seconded the motion.

Ayes: Commissioner Wynne, Chair Remke

Nay: Commissioner Wasserman

The motion does not pass 2 to 1.

General Counsel, Zackary Morazzini noted although the motion did not pass it did not fail, which allows the Enforcement Division to bring the issue back at a later date. Chief of Enforcement, Gary Winuk requested the Commissioners allow for item 12 to be reviewed at a later date. Chair Remke directed the Enforcement Division to bring this back for the next hearing.

### **Sender Identification**

**13. In the Matter of Joe Anderson; FPPC No. 12/764.** Staff: Commission Counsel Adam Silver and Special Investigator Ann Flaherty. Respondent, Joe Anderson, was a successful candidate for the Foresthill Public Utilities District Board in the November 2012 election. In the month prior to the election, Respondent paid to produce and distribute 1,217 mailers in support of his candidacy and the candidacies of two other candidates for the Board. All 1,217 of the mailers sent failed to include the required sender identification identifying Respondent as the party that paid to produce and distribute the mailing, in violation of Government Code Section 84305, subdivision (a)(1 count). **Total Proposed Penalty: \$2,500.**

### **Lobbying Non-Filer**

**14. In the Matter of California Employment Law Council; FPPC No. 14/0443.** Staff: Legal Analyst Tracey Frazier and Law Clerk Sally Hong. Respondent, California Employment Law Council, a California lobbyist employer, failed to timely file a Lobbyist Employer Report, between October 1, 2013 and December 31, 2013, due on January 31, 2014, disclosing total payments made for lobbying services in the amount of \$27,874.67, in violation of Government Code Section 86117 (1 count). **Total Proposed Penalty: \$1,000.**

**15. In the Matter of CA State Grange; FPPC No. 13/1220.** Staff: Legal Analyst Tracey Frazier and Law Clerk Raina Shah. Respondent, CA State Grange, an In-house Lobbyist Employer, failed to timely file four Report of Lobbyist Employer forms, covering the period January 1, 2013 through December 10, 2013, due on April 30, July 31, October 31, 2013 and January 31, 2014, respectively, in violation of Government Code Section 86115 (4 counts). **Total Proposed Penalty: \$800.**

### **Lobbyist Arranged Gift**

**16. In the Matter of Debra Gravert; FPPC No. 14/253.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Simon Russell. Respondent, Debra Gravert, while employed as Chief of Staff for a State Assemblymember, knowingly

received a gift from the San Francisco Forty Niners arranged by a lobbying firm, in violation of Government Code section 86204 (1 count). **Total Proposed Penalty: \$1,000.**

### **Lobbyist Campaign Contribution**

**17. In the Matter of McKay Carney; FPPC No. 12/1128.** Staff: Commission Counsel Adam Silver and Program Specialist Grant Beauchamp. Respondent, McKay Carney, is a registered lobbyist for the lobbyist firm Manatt, Phelps & Phillips, LLP. At all times relevant to this matter, Respondent was registered to lobby the State Legislature and Executive Branch. Over a one-year span, Respondent provided refreshments paid for with her own personal funds at three fundraisers for elected officials she was registered to lobby. The refreshments provided by Respondent at the fundraisers constituted non-monetary contributions to the three elected officials for which the fundraising events were held, in violation of Government Code Section 85702 (1 count). **Total Proposed Penalty: \$1,000.**

### **Gift Over the Limit**

**18. In the Matter of David “Chico” Fuentes; FPPC No. 12/586.** Staff: Commission Counsel IV Galena West and Special Investigator Ann Flaherty. Respondent, David “Chico” Fuentes, was Mayor of the City of Irwindale at the time of the violation. In this matter, Respondent received a \$1,000 gift, which exceeded the \$420 gift limit, from the Royal Coach & Towing, a company that was attempting to obtain the rights to a towing contract with the City of Irwindale, in violation of Government Code Section 89503, subdivision (a) (1 count). **Total Proposed Penalty: \$2,000.**

### **Statement of Economic Interests – Non-Filer**

**19. In the Matter of John Clarey; FPPC No. 13/1300.** Staff: Legal Analyst Tracey Frazier and Law Clerk Sally Hong. Respondent, John Clarey, as a County of Orange Airport Commissioner, failed to timely file a 2012 Annual Statement of Economic Interests, due on April 2, 2013, with the Orange County Clerk of the Board of Supervisors, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**

**20. In the Matter of Phuc T. Lam; FPPC No. 13/1362.** Staff: Legal Analyst Tracey Frazier and Law Clerk Michael Battaglia. Respondent, Phuc T. Lam, as a Physician and Surgeon, failed to timely file a 2012 Annual Statement of Economic Interests, due on

April 2, 2013, with the California Correctional Health Care Services, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**

**21. In the Matter of Annette Cordero; FPPC No. 13/1253.** Staff: Legal Analyst Tracey Frazier and Law Clerk Raina Shah. Respondent, Annette Cordero, Member of Santa Barbara Unified School District, Board of Education, failed to timely file a Leaving Office Statement of Economic Interests, due on January 10, 2013, with the County Clerk, Elections Division for the County of Santa Barbara, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**22. In the Matter of Truc Christie Tran; FPPC No. 13/953.** Staff: Legal Analyst Tracey Frazier and Law Clerk Raina Shah. Respondent, Truc Christie Tran, Board Member of Barbering & Cosmetology, failed to timely file a 2012 Annual Statement of Economic Interests covering the period January 1, 2012 through December 31, 2012, due on April 2, 2013, with the Orange County Department of Consumer Affairs, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**23. In the Matter of Lowell Lash; FPPC No. 14/483.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondent, Lowell Lash, as a Member of Planning & Development, Central Board of Architectural Review for the County of Santa Barbara, failed to timely file a 2012 Annual Statement of Economic Interests, due on April 2, 2013, with the Santa Barbara County Clerk, Recorder and Assessor for the Elections Division, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**24. In the Matter of Stanley L. McCloud; FPPC No. 14/209.** Staff: Legal Analyst Tracey Frazier and Law Clerk Michael Battaglia. Respondent, Stanley L. McCloud, as a Manager with the Department of Motor Vehicles, failed to timely file one Assuming Office Statement of Economic Interests, due July 3, 2013, with the Conflict of Interest Coordinator for the Department of Motor Vehicles, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**25. In the Matter of David Muellenhof; FPPC No. 14/453.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondent David Muellenhoff, as Chair for the City of Livermore Housing Authority, failed to timely file a 2013 Annual Statement of Economic Interests, due on April 1, 2014, with the City Clerk for the City of Livermore, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**26. In the Matter of Hong Beom Rhee; FPPC No. 13/0955.** Staff: Legal Analyst Tracey Frazier and Law Clerk Sally Hong. Respondent, Hong Beom Rhee, as a Member of the Professional Engineers & Land Surveyors Board, failed to timely file a 2012 Annual Statement of Economic Interests, due on April 2, 2013, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**27. In the Matter of Tom Quigley; FPPC No. 13/846.** Staff: Legal Analyst Tracey Frazier and Law Clerk Christopher Hoeft. Respondent Tom Quigley, as a member of the Workforce Investment San Francisco Board, failed to timely file a 2012 Annual Statement of Economic Interests, due on April 2, 2013, with the San Francisco Ethics Commission, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

### **Statement of Economic Interests – Non-Reporting**

**28. In the Matter of Carlos Villapudua; FPPC No. 14/395.** Staff: Commission Counsel Zachary W. Norton. Respondent, Carlos Villapudua, San Joaquin County Supervisor, failed to disclose various business, investment, and real property interests, as well as sources of income and gifts, on his 2012 and 2013 Annual Statements of Economic Interests, due on April 2, 2013 and April 1, 2014, in violation of Government Code Sections 87300 and 87207, subdivision (a) (1 count). **Total Proposed Penalty: \$1,000.**

**29. In the Matter of Nancy Stewart; FPPC No. 11/468.** Staff: Senior Commission Counsel Neal Bucknell, Special Investigator Paul Rasey, and Political Reform Consultant Jeanette Turvill. Respondent, Nancy Stewart, was the Food Service Director for the Sweetwater Union High School District. In this matter, Respondent failed to disclose her company, Careers to Go, on two Annual Statements of Economic Interests, filed March 12, 2010, and March 17, 2011, and failed to file a Leaving Office Statement of Economic Interests, due July 2011, in violation of Government Code Sections 87300 and 87302 (3 counts). **Total Proposed Penalty: \$600.**

### **GENERAL ITEM 30**

#### **30. Approval of Campaign Form T10 and new campaign form instructions.**

Staff: Lynda Cassady, Division Chief of Technical Assistance Division, will present for Commission approval the new FPPC campaign form T10. Pursuant to SB 27, certain state ballot measure committees and state primarily formed candidate committees will use this form to list top 10 contributors. In addition, to address the new SB 27 provisions for multipurpose organizations, campaign instruction pages were prepared for the following forms: Statement of Organization, Form 410; Campaign Disclosure Statement, Form 460; 24-hour Independent Expenditure Report, Form 496 and Major Donor/Independent Expenditure Committee Statement, Form 461.

Chief of Technical Assistance Division, Lynda Cassady briefed the commission on the new T-10 campaign form. Commissioner Wynne asked about the process of making the



form, Chief of Technical Assistance Division, Lynda Cassady clarified who provided input. Chair Remke had questions on when the workload related to the T-10 process would begin, Chief of Technical Assistance Division, Lynda Cassady noted that committees would need to file by September 5<sup>th</sup> and the information should be available online the following Monday.

Chair Remke made a motion to approve item 30. Commissioner Wasserman seconded the motion.

Ayes: Commissioners Wasserman, Wynne, Chair Remke

The motion passed 3 to 0.

### **EXECUTIVE STAFF REPORTS ITEM 31**

**Legislative Report.** Staff: Senior Commission Counsel and Legislative Coordinator, Sukhi Brar

**Litigation Report.** Staff: General Counsel, Zackery P. Morazzini

**Legal Division Report.** Staff: General Counsel, Zackery P. Morazzini

**Enforcement Division Report.** Staff: Chief of Enforcement, Gary Winuk

**Technical Assistance Division Report.** Staff: Chief of Technical Assistance Division, Lynda Cassady

Executive Director, Erin Peth recognized Dixie Howard's retirement after 24 years of service at the FPPC.

Commissioner Wasserman commended Ms. Howard's positive state wide recognition.

Commissioner Wynne congratulated Ms. Howard.

Commissioner Wynne then requested an update on the Legislative Report. Senior Commission Counsel and Legislative Coordinator, Sukhi Brar provided an update on the legislation that was passed by the Legislature. Commissioner Wynne requested an update on the types of actions that the FPPC's legislative unit was pursuing regarding pending legislation. Executive Director, Erin Peth added clarification that the deadline to change language in the pending bills has passed. Chair Remke raised very serious concerns regarding amendments to SB 52, and stated the FPPC will keep in contact with the author.

Chair Remke encouraged everyone to read the Legal Division's advice letter to Betty Ann Downing. (A-14-148)

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

Ayes: Chair Remke, Commissioners Wasserman, Wynne.

The motion passed 3 to 0.

The meeting adjourned at 10:43 am.

Respectfully Submitted,

Dated:

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John Kim  
Commission Assistant

Approved October 16, 2014

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Joann Remke, Chair  
Fair Political Practices Commission