



**FAIR POLITICAL
PRACTICES COMMISSION**

ANNUAL REPORT 2023

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Commissioner E. Dotson Wilson, Commissioner Abby K. Wood, Chair Richard C. Miadich, Commissioner Catharine Baker, Commissioner Elsa Ortiz



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ABOUT THE FPPC

The Fair Political Practices Commission is a five-member independent, nonpartisan commission that has the primary responsibility for the impartial and effective administration and enforcement of the Political Reform Act. The Act regulates campaign finance, conflicts of interest, lobbying, and governmental ethics. The Commission's objectives are to ensure that public officials act in a fair and unbiased manner in the governmental decision-making process, to promote transparency in government, and to foster public trust in the political system.

The Act and the FPPC were created in 1974 when California voters approved Proposition 9. Since the adoption of the Act, the Commission has worked to promote and increase transparency, provide assistance, advice, and education to thousands of individuals in the regulated community, and effectively enforce the Act.

2023 MEMBERSHIP OF THE COMMISSION

Richard C. Miadich, Chair
 Catharine Baker
 Elsa Ortiz
 E. Dotson Wilson
 Abby K. Wood



MESSAGE FROM FPPC CHAIR RICHARD C. MIADICH



The Fair Political Practices Commission plays a vital role in maintaining public trust in state and local government by

interpreting and enforcing the Political Reform Act of 1974. The requirements in the Act serve four main purposes: 1) ensuring that spending in election campaigns is transparent, so voters know which groups and persons are trying to influence their votes; 2) providing ethics rules that are designed to prevent public officials from using their positions for their own personal gain at the expense of the public; 3) regulating lobbyists so the public knows who is trying to influence their elected officials; and (4) educating the regulated community regarding their duties under the Act. Since the start of my tenure as Chair in May 2019, the Commission's work has included a focus on modernizing the Act's requirements, improving our educational outreach efforts to improve compliance, and strengthening our Enforcement mechanisms.

I want to commend my fellow Commissioners and our staff for their exceptional work in these areas during 2023. Among the highlights noted in this Report:

- The Commission adopted policy directives at the beginning of the year to assist the Enforcement Division in improving the timeliness and efficiency of its work. In September 2023, the Commission hired James M. Lindsay as the new Chief of Enforcement. Among the many highlights of the Enforcement Division's efforts in 2023, it reduced its pre-2023 outstanding workload by 56%, including an approximate 80% reduction of its remaining workload from 2016-2019, and closed nearly 2/3 of the cases it opened in 2023 during that same year.
- The Commission started the process of expanding and adjusting the existing case resolution programs, which would add the criteria for qualifying to participate in the Political Reform Education Program (PREP).
- The Commission updated its regulations as a result of SB 1439, which expanded the

“pay-to-play” restrictions of Section 84308 to local elected officials and extended the period in which contributions in excess of \$250 are prohibited following a final decision from three months to 12 months. Staff has proactively updated the Section 84308 fact sheet and has been offering a comprehensive Section 84308 training to government agencies and officials.

- Commission staff continued their efforts to expand educational outreach programs designed to improve understanding and compliance with the Act's provisions, including in-person trainings, workshops, webinars, videos, and written materials available on the FPPC's website. In 2023, there were nearly 7,000 views of the FPPC's video tutorials and staff answered over 5,000 telephone calls seeking technical assistance with the Act's requirements.

- The Commission was highlighted as a national model for its Political Reform Education Program (PREP). The report provided guidance for ethics commissions on possible upgrades to training and education practices and praised PREP for providing training in lieu of penalties so individuals who are unfamiliar with applicable ethics laws have the opportunity to understand their mistakes without penalty and avoid repeat offenses.

As we enter the 2024 election cycle, and the 50th anniversary of the agency, we will focus on ways the FPPC can improve transparency in political spending, compliance with Commission rules, and overall agency efficiency as we continue the important work of administering, interpreting, and enforcing the Political Reform Act of 1974.



2023 YEAR IN REVIEW



EDUCATION AND TRAINING

Political Reform Consultants in the Legal Division prepare and conduct extensive training and outreach through workshops, webinars, video tutorials, and other training materials to help individuals better understand their obligations under the Political Reform Act. The division also develops the forms and manuals used for financial disclosures and provides telephone advice for filers, their staff, and filing officers throughout the state.

50 webinars and **9** workshops conducted.

6,627 total views of FPPC video tutorials:

- **1,090** of Candidate & Treasurer tutorials,
- **4,515** of Form 700 tutorials,
- **1,022** of Filing Officer tutorials.



LEGAL ADVICE

The Legal Division responds to a large number of requests for advice from state and local officials, candidates, campaign committees, and lobbyists. For relatively straightforward inquiries, staff attorneys and Political Reform Consultants provide informal advice by phone or email. For some requests, legal staff can provide written advice in the form of advice letters, which are publicly available on the FPPC website.

7,186 emails providing advice on compliance with the Act.

5,213 telephone calls providing technical assistance.

186 advice letters researched and authored, **77** of which related to Section 1090 of the Government Code.



FORM 700s

The Administration Division processes and acts as filing officer for Statements of Economic Interests from all levels of government across the state.

24,710 annual, assuming office, leaving office, and candidate statements processed, including **13,332** that were filed using the FPPC's electronic filing system and **6,278** that were filed through local electronic filing systems.



ENFORCEMENT CASES

The Enforcement Division analyzes and processes complaints and referrals about potential violations of the Political Reform Act and investigates if there is sufficient information to believe that a violation of the Act has occurred. A complaint or referral can be resolved through a letter taking no action, an advisory letter, a warning letter, a referral to the Political Reform Education Program, or through prosecution, which may result in monetary penalties approved by the Commission.

1,295 cases resolved, with **98** settlements and **\$376,531** in total fines.



CONFLICT OF INTEREST CODES

Political Reform Consultants in the Legal Division prepare recommendations to Commission Counsel for conflict of interest code adoptions and amendments for all state and multi-county agencies. Political Reform Consultants also conduct webinars and create training materials for government agencies developing their conflict of interest codes.

141 state agency and multi-county agency conflict of interest codes approved.



AUDIT REPORTS

The Audits and Assistance Division operates the audit program of both mandatory and discretionary audits.

16 audit reports were adopted by the Audits and Assistance Division in 2023. These included reports for candidates and committees controlled by candidates for San Bernardino County, CalPERS, and Statewide offices with **\$5,086,604** in total combined funds received and **\$4,827,549** in total combined expenditures made.



POLITICAL REFORM EDUCATION PROGRAM (PREP)

PREP is an educational program that allows individuals who commit minor violations of the Political Reform Act and who have little to no experience with the Act to take an educational course in lieu of monetary penalties.

92 individuals successfully completed the Statements of Economic Interests PREP course.



2023 HIGHLIGHTS AND UPDATES

GETTING TO KNOW CHIEF OF ENFORCEMENT JAMES M. LINDSAY

In August 2023, the FPPC welcomed James M. Lindsay as the new Chief of the Commission’s Enforcement Division. Chief Lindsay came to the FPPC from the California Children and Families Commission, where he had served as Chief Counsel since August of 2022. Prior to that, Mr. Lindsay spent almost four years as the lead litigation attorney at the California State Teachers’ Retirement System.

What drove you to accept this position with the FPPC?

I wanted to make a difference in a way that was personally meaningful to me. I entered state service between five and six years ago with the desire to work completely in the public interest, but I had spent the bulk of my career in enforcement while in private practice. This position allowed me the continued opportunity to work in the public interest but better utilizes

my career experience and in a topic area that is very meaningful to me personally. Honestly, it was the perfect opportunity for me, and I couldn’t be happier.

What are the most important lessons you’ve learned during your career?

First and foremost, I think it is imperative to be true to yourself. Everyone has different skills and interests. Although we are able to work successfully in different spheres, I’ve found it very important to be introspective about what you enjoy and what particular talents you possess. Passionate work generally makes for better work and greater fulfillment.

What is your vision for the Enforcement Division looking forward?

My vision is to simply fulfill our mission which is to fairly, effectively and efficiently enforce the provisions of the Political Reform Act. I think, due to overwhelming cases numbers, that we

have struggled a bit on the efficiency especially, but our success implementing the Commission’s Policy Directives as well as the restructuring of the Enforcement Division will pay great dividends in that area moving forward.

What words of advice would you give someone interested in a career in administrative enforcement?

Do it because you’re engaged in the work. If you like applying public interest legal provisions to deter improper behavior for the benefit of the public, this might be the right position for you – especially if you enjoy advocacy and litigation work.

Will you share some fun facts about you?

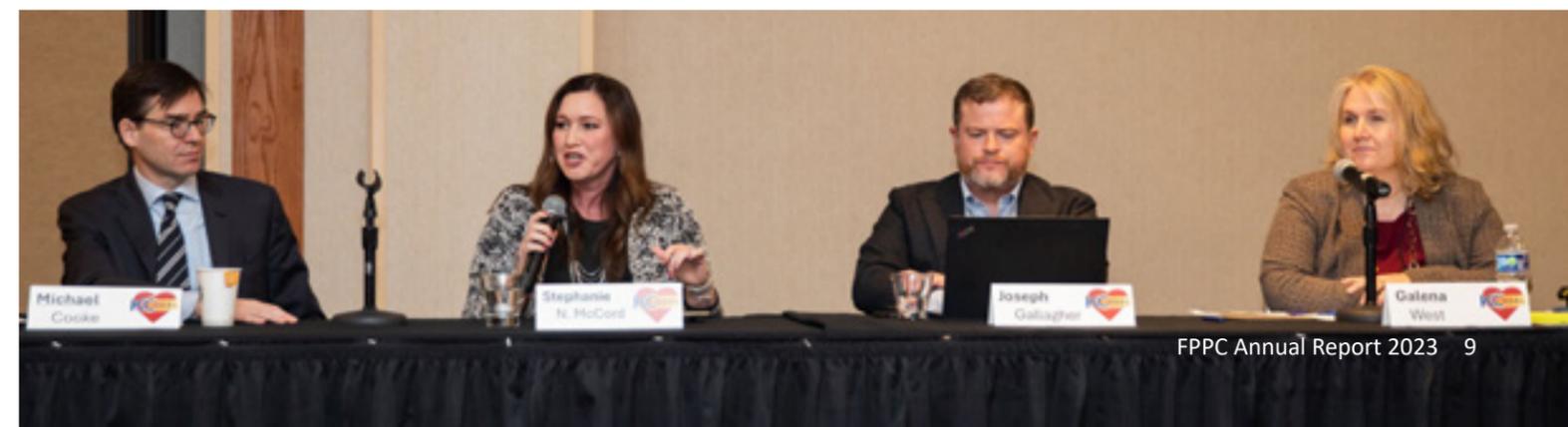
I love pretty much everything Cajun/Creole or in any way affiliated with the City of New Orleans. I grew up in the Central Valley of California and went to Fresno State. When I decided to go to law school, I only applied to schools that I believed would give me a different life experience. I was admitted with a scholarship to Tulane University and loved living in New Orleans. I make a lot of Cajun and Creole food, go to New Orleans frequently and always enjoy a good Mardi Gras party!



COUNCIL ON GOVERNMENTAL ETHICS LAWS (COGEL)

In December 2023, representatives from the FPPC attended the 45th annual conference of the Council on Governmental Ethics Laws in Kansas City, Missouri. COGEL is a professional organization for government agencies and other organizations working in ethics, elections, freedom of information, lobbying, and campaign finance. The FPPC regularly participates in the annual conference in a planning capacity, by participating in panels to share perspective and expertise, and by attending panels to grow agency knowledge and gain inspiration for forward change.

At the 2023 conference, Chair Miadich shared his expertise on a panel that explored the idea of government-hosted political advertisement archives, the challenges of creating an archive, and practical solutions for implementation.





Executive Director Galena West participated in several panels, including panels that explored how different jurisdictions develop effective enforcement strategies, and developing organizational resilience and success for ethics agencies. General Counsel Dave Bainbridge

spoke on a panel on pay-to-play laws, which explored the latest developments in the law, challenges, and successes. Senior Legislative Counsel Lindsey Nakano participated on a panel on strategies and challenges relating to achieving legislative change.



INTERNATIONAL DELEGATIONS

The FPPC again took part in providing informational presentations to international delegations of election and government officials. In December, Assistant Chief Counsel of the Legal Division, Sukhi Brar, and Communications Director, Jay Wierenga, presented an FPPC overview to six senior members from the Vietnam Office of the National Assembly.

These exchanges are provided through Global Ties Sacramento, a division of the World Trade Association of Northern California. The group sponsors and facilitates government and trade delegations from across the world through a partnership with the U.S. State Department to promote cultural, economic, and governmental relations and exchanges with foreign counterparts.

LEGISLATION HIGHLIGHTS



Paid Ad! New Legislation Requires Disclaimer on Paid Social Media Posts – SB 678 (Umberg)

Effective January 1, 2024, a person who is paid by a campaign committee to support or oppose a candidate or ballot measure on an internet website, web application, or digital application, must include a new disclaimer stating that they were paid by the committee in connection with the post.

Shorter Notice Period for Bills that Amend the Political Reform Act – SB 681 (Allen)

Effective January 1, 2024, bills that amend the PRA will be subject to a shorter notice period. Previously, bills that amended the PRA were required to be in print for at least 12 days before passage in either house of the Legislature. Starting this year, those bills now must be in print for only 8 days before passage, unless the bill

did not previously amend the PRA. This will allow for PRA bills to be amended closer to the end of session when legislative deadlines are tight.

For more information on legislative changes in 2023, see Appendix B.

REGULATION HIGHLIGHTS

Levine Act (Section 84308 “Pay-to-Play” rules)

Regulations 18438, 18438.1-18438.8, and 18705 were amended to make conforming regulatory changes as a result of SB 1439 (Glazer; Chapter 848 of the Statutes of 2022), which expanded the “pay-to-play” restrictions of Section 84308 to local elected officials and extended the period in which contributions in excess of \$250 are prohibited following a final decision from three months to 12 months.

Other major regulatory changes include: clarifying who constitutes an “officer,” “agent,” or “participant”; when a proceeding is “pending” before an officer; and codifying the Commission’s



Kendrick Opinion, No. O-22-002, which clarified that the expansion of Section 84308 to local officials does not apply to contributions made or received, or proceedings participated in, prior to January 1, 2023.

Disclose Act

Regulations 18402, 18450.4, 18450.6, 18450.8, and 18450.9 were amended to make conforming regulatory changes as a result of SB 1360 (Umberg; Chapter 685 of the Statutes of 2022), which amended the Act’s campaign disclosure requirements.

New regulatory changes include defining “television” and clarifying that television campaign advertisement disclosure rules apply to television content that is delivered via connected television (CTV)—such as Smart TVs, connected devices (e.g., Amazon Fire Stick, Apple TV, Roku), and gaming consoles (e.g., Nintendo Switch, Xbox)—or streaming services (such as Amazon Prime, Disney+, Hulu, etc.).



Quasi-Legislative Administrative Action, California Citizens Redistricting Commission, Lobbying

Regulation 18202 was amended to clarify that actions taken by the California Citizens Redistricting Commission are quasi-legislative administrative actions and therefore subject to the Act’s lobbying rules.

For more information on regulatory changes in 2023, see Appendix C.

DIVISION UPDATES AND HIGHLIGHTS

AUDITS AND ASSISTANCE DIVISION

The FPPC Audits & Assistance Division conducts both mandatory and discretionary audits as stipulated in the Political Reform Act. 2023 was an eventful year for the team, marked by the recruitment of two new auditors. With our comprehensive onboarding process and training, the new auditors quickly adapted to our team’s dynamics, bringing fresh ideas and actively participating in group discussions.

The Audits & Assistance Division adopted 16 audit reports in 2023. Beyond the 16 audit reports, the Commission’s auditors conducted lobbying audits and contributed their expertise to investigation cases. They maintained an extensive understanding of lobbying laws and regulations, collab-

orating with the Legal Division on proposed regulations and conducting comprehensive agency-wide training for staff members.

Throughout the year, the Audits and Assistance team conducted three public draws to select entities subject to audit, including statewide offices, legislative districts, lobbying firms, lobbyist employers, local jurisdictions, superior court offices, and general-purpose committees. Collaboration extended beyond internal efforts as auditors worked with the Franchise Tax Board’s Political Reform Audit Division to discuss changes in regulations and laws and offering insights for ongoing audits. Moreover, the team provided advisory support to various ethics commissions, addressing specific audit queries and offering general audit-related information upon request from each agency.

ADMINISTRATION AND TECHNOLOGY DIVISION

The FPPC has implemented a hybrid model of conducting its monthly Commission hearings with options of in-person and online collaborative tools for participating in hearings and voting on enforcement matters, adopting regulations, discussing legislative and litigation reports, and updating the public about other Commission matters. The FPPC transitioned to a hybrid operation by reducing our office footprint, which required extensive support by the IT unit, including coordination and support for collabo-



rative tools like Zoom, Teams, and Softphone, implementing adequate security systems, including the use of Intrusion Protection Systems (IPS) and firewalls, and providing solutions and support to ensure remote public access and opportunities for public participation. The IT unit continued to provide remote technological support throughout the year, allowing the agency’s employees to continue their essential duties with minimal interruption. The FPPC continued its focus on improving technology for efficiency and transparency and ensuring the continuity of the critical functions of the Commission business.

The Division continues to handle personnel functions including recruitment, hiring, position classifications and reclassifications, attendance and payroll, training, equal employment opportunity, labor relations and reasonable accommodation and ergonomic issues. Budgeting functions include the development, management, and revision of the Commission’s

budget. Business services include building and space management, communications, contracts and procurement, equipment and supplies, maintenance, and travel. The division continues to lead the reporting efforts and programmatic activities of the State Leadership Accountability Act (SLAA), which includes establishing and maintaining a system of internal control within the Commission. The Statements of Economic Interests (SEI) Unit in the Administration Division administers and acts as filing officer for SEIs submitted electronically or on paper from public officials from all levels of government across California. With a staff of six, the SEI unit processes over 25,000 of these statements each year.

ENFORCEMENT DIVISION

2023 was an exciting year filled with change for the Enforcement Division. In January, the Commission adopted Policy Directives for the Enforcement Division designed to reduce overwhelming case numbers and to expedite case resolution. In February, the Enforcement Division initiated a restructure and expansion of its Intake Unit to more efficiently and effectively analyze complaints and handle the burgeoning number of referrals from filing officers throughout the state. Assistant Enforcement Chief Christopher Burton acted as Enforcement Chief until James Lindsay was appointed to the position in August.

Although a non-election year, the Enforcement Division received more than 2,600 complaints and referrals during the year while continuing to investigate and resolve existing cases, respond to Public Records Act requests, assist in the response to media requests, and work on other special projects.

Over the course of the year, the Enforcement Division was highly successful at implementing the Commission's Policy Directives. The Enforcement Division achieved a net reduction of 462 active cases by the end of the year – the highest annual reduction ever achieved by the Enforcement Division. In fact, the

carryover case total at the end of the year was the Enforcement Division's lowest total since the end of 2016.

While the Investigations Unit and Prosecutions Unit staff worked tirelessly to achieve case reduction goals, the restructuring and expansion of the Enforcement Division's Intake Unit was instrumental to the increased efficiency of complaint and referral handling as well as the timely resolution of new cases. In addition to the results achieved in 2023, the restructure better positions the Enforcement Division for future success, especially for the upcoming election year.

2024 will certainly be a challenging year for the Enforcement Division. History indicates that the number of complaints will rise substantially while referrals will continue to increase. In addition to the typical high volume of new matters, the Enforcement Division anticipates increased public utilization of the AdWATCH portal and will be assisting the Political Reform Education Program (PREP) staff with the proactive preelection outreach program designed to effectively process and obtain compliance regarding the numerous candidate late-filing referrals from participating counties and cities prior to the Primary and General Elections. Although 2024 promises to be busy, the Enforcement Division looks forward to an exciting election year and is well-positioned for success.

LEGAL DIVISION

The Legal Division added a number of educational resources for candidates, officials, and the public in 2023. This includes new webinar trainings for general purpose committees and on the updated pay-to-play law (Levine Act) resulting from the passage of SB 1439 in 2022. Staff also created a [webpage](#) about the pay-to-play law that includes fact sheets, comprehensive guides for officials and campaign contributors, updated regulations, recent advice letters, and information about upcoming trainings and webinars. In addition, staff updated numerous other materials such as the candidate [campaign disclosure manuals](#), the political advertising disclosure [charts](#), and [fact sheets](#) concerning topics such as LLCs, Section 1090, local contribution limits, etc.

The Legal Division's Political Reform Education Program (PREP) was featured in the Campaign Legal Center's report "[Top Ten Training Upgrades for Ethics Commissions](#)" as the #2 training upgrade for state ethics commissions. The report noted that the PREP program "(e)nhances understanding of laws and rules that may be confusing rather than penalizing individuals for unintentional violations" and that it "can enhance education without deterring those new to the political system from participating." In 2023, 92 people completed the PREP statement of economic interest course. Additional PREP courses are anticipated for 2024.



APPENDIX A: MAJOR ENFORCEMENT CASES



MASS MAILING SENT AT PUBLIC EXPENSE

In the Matter of City of Garden Grove, Scott Stiles; FPPC No. 18/1357.

The City of Garden Grove is a local independent expenditure committee. Scott Stiles was the Committee's principal officer and City Manager. The Committee and Stiles sent prohibited campaign related mailings at public expense, in violation of Government Code Section 89001 (1 count). The Committee and Stiles failed to include proper disclosures on a campaign advertisement; failed to timely file a 24-hour independent expenditure report; and failed to timely file a semi-annual campaign statement, in violation of Government Code Sections 84502, 84504.2, 84204, 84200 (4 counts). Total Penalty: \$18,000.

In the Matter of Compton Community College District; FPPC No. 22/795.

On or about October 19, 2022, Compton Community College District paid for, and distributed a newsletter to over 33,000 district residents featuring photographs, names and titles of five elected District Board of Trustee members, three of which were on the ballot for the November 8, 2022 General Election, in violation of Government Code Sections 89001 and 89002 (1 count). Total Penalty: \$4,000.

CAMPAIGN CONTRIBUTION LIMITS

In the Matter of Michael Welsh, Mr. C's Towing of South Gate, and Fubar Properties, LLC; FPPC No. 19/695.

In 2019, Michael Welsh, General Manager of Mr. C's Towing of South Gate and Fubar Properties, LLC made contributions to state and local candidates through the businesses managed by

Welsh. As a result, Welsh and the businesses qualified as a major donor committee. Welsh and the businesses made contributions that exceeded the applicable contribution limit, in violation of Government Code Section 85301 and regulation 18545 (1 count). Additionally, as a major donor committee, Welsh and the businesses failed to timely file two semi-annual campaign statements and a 24-Hour Report, in violation of Government Code Section 84200, subdivision (b), and 84203 (1 count). Total Penalty: \$5,500.

In the Matter of Join Travis Allen to Repeal the Gas Tax Ballot Measure Committee, Major Funding By PISF, Inc., and Travis Allen; FPPC No. 18/236.

Travis Allen was an unsuccessful candidate for Governor in the June 5, 2018 Primary Election. Join Travis Allen to Repeal the Gas Tax Ballot Measure Committee, Major Funding By PISF, Inc. was a primarily formed ballot measure committee controlled by Allen. The Committee and Allen improperly made expenditures of controlled ballot measure committee funds for a purpose unrelated to a ballot measure, in violation of FPPC Regulation 18521.5, subdivision (d) (1 count). Total Penalty: \$3,500.

CONFLICT OF INTERESTS

In the Matter of Dirk Starbuck; FPPC No. 18/297.

Dirk Starbuck is a council member for the City of Lompoc. As a member of the city council, Starbuck participated in discussions and

voted on matters related to the permitting of cannabis dispensaries, in which they knew or had reason to know of a material financial effect on Starbuck's real property, in violation of Government Code Section 87100 (2 counts.) Total Penalty: \$8,000.

In the Matter of James N. Neil aka Jim Neil; FPPC No. 22/716.

James N. Neil aka Jim Neil, as an independent contractor of Kidder Mathews, Inc., was a consultant with the City of San Diego Housing Commission. Neil, as a consultant, participated in a governmental decision regarding the purchase of real property that had a reasonably foreseeable material financial effect on their financial interest, in violation of Government Code Section 87100 (1 count). Total Penalty: \$5,000.

LOBBYING REPORTING

In the Matter of Dawn Addis, Dawn Addis for Assembly 2020, and Steve Black; FPPC Nos. 20/118 and 20/119.

Black was a lobbyist who was registered to lobby the California State Legislature. In December 2019, Black made a contribution to Dawn Addis for Assembly 2020, in violation of Government Code Section 85702 (1 count). Additionally, Addis and Dawn Addis for Assembly 2020 accepted the contribution, in violation of Government Code Section 85702 (1 count). Total Penalty: \$2,500.

ADVERTISEMENTS

In the Matter of ACLU of Northern California; FPPC No. 18/1511.

ACLU of Northern California paid for a communication that unambiguously urged a vote against clearly identified candidates in advance of the June 5, 2018 Primary Election. ACLU of Northern California failed to timely disclose reportable activity on a campaign statement and failed to timely file a 24-hour independent expenditure report, in violation of Government Code Sections 84211 and 84204 (1 count); and failed to include proper disclosure statements on an advertisement, in violation of Government Code Sections 84502, 84504.2, and 84506.5 (1 count). Total Penalty: \$6,500.

In the Matter of Yes on Q! Oakland Neighbors For Our Parks and People, Susan Montauk, and Stacy Owens; FPPC No. 20/354.

Yes on Q! Oakland Neighbors for Our Parks and People was a primarily formed ballot measure committee active during the March 3, 2020 Primary Election. Susan Montauk served as the principal officer and Stacy Owens served as the treasurer. The Committee, Montauk, and Owens caused two advertisements to be distributed that failed to include the top contributor information in the disclosure statement and exhibited errors in formatting, in violation of Government Code Sections 84106, 84107, 84502, 84503, and 84504.2 (1 count). Total Penalty: \$3,000.

In the Matter of Orange County Teachers for Local Control of Public Education, Stephanie Tellez, Karen Ridley, Geoff Morganstern; FPPC No. 18/334.

Orange County Teachers for Local Control of Public Education is a local primarily formed committee. Stephanie Tellez, Karen Ridley, Geoff Morganstern were treasurers of the Committee. The Committee, Morganstern, Ridley, and Tellez failed to timely file three pre-election campaign statements and four semi-annual campaign statements, in violation of Government Code Sections 84200 and 84200.5 (1 count); and failed to timely file two 24-hour contribution reports and two 24-hour independent expenditure reports, in violation of Government Code Sections 84203 and 84204 (1 count). The Committee and Ridley failed to include the proper advertising disclosures on mailers distributed prior to the November 6, 2018 General Election, in violation of Government Code Sections 84502, 84503, 84504.2, and 84506.5 (4 counts). Total Penalty: \$24,000.

In the Matter of City of Campbell; FPPC No. 17/125.

The City of Campbell engaged in communications, including newspaper advertisements and mass mailings, that qualified as an expenditure under the Political Reform Act. The City failed to include proper advertisement disclosure statements, in violation of Government Code Sections 84506 and 84507 (1 count), sent two prohibited campaign related mass mailings at public expense, in violation of Government Code

Section 89001 (2 counts), failed to timely file three 24-hour independent expenditure reports, in violation of Government Code Section 84204 (2 counts), and failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). Total Penalty: \$35,000.

BEHESTED PAYMENTS

In the Matter of William Dodd; FPPC No. 19/439.

Dodd is a member of the California State Senate, District 3. In 2017 and 2018, numerous donors made charitable payments in amounts of \$5,000 or more to the Salvation Army and the Napa Valley Education Foundation at Dodd's behest, but Dodd failed to timely report 27 of these payments, totaling \$481,900, in violation of Government Code Section 82015, subdivision (b)(2)(B)(iii), as in effect prior to 2018, and Section 84224, as in effect after 2017 (5 counts). Total Penalty: \$7,500.

GIFT OVER-THE-LIMIT

In the Matter of Jeffrey Bryant; FPPC Case No. 20/201.

Jeffrey Bryant, General Manager of the Firebaugh Canal Water District and Alternate Director of the San Joaquin River Exchange Contractors Water Authority, failed to timely report the receipt of gifts on the 2015 Annual Statement of Economic Interests, in violation of Government Code Section 87207 (2 counts). Additionally, these gifts exceeded the applicable annual gift limit, in violation of Government Code Section 89503 (2 counts). Total Penalty: \$13,000.

CAMPAIGN LATE REPORTER

In the Matter of John Cox for Governor 2018, John Cox, and Mclayn Ryan; FPPC No. 21/1092.

This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. John Cox was an unsuccessful candidate for Governor in the November 6, 2018 General Election. John Cox for Governor 2018 was Cox's candidate-controlled committee



and Mclayn Ryan was the committee treasurer. The Committee, Cox, and Ryan failed to timely disclose contributor occupation and employer information for 1,123 contributors, in violation of Government Code Section 84211 (1 count). Total Penalty: \$4,500.

In the Matter of Dave Jones for Attorney General 2018, Dave Jones, and James Santos; FPPC No. 21/641.

This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Dave Jones was an unsuccessful candidate for Attorney General in the June 5, 2018 Primary Election. Dave Jones for Attorney General 2018 was Jones' candidate-controlled committee. James Santos served as the Committee's treasurer. The Committee, Jones, and Santos failed to timely report subvendor information for expenditures totaling \$958,652 on pre-election campaign statements for the reporting periods of January 1, 2018 to April 21, 2018 and April 22, 2018 to May 19, 2018, in violation of Government Code Sections 84211, subdivision (k), and 84303 (1 count). Total Penalty: \$4,000.

CAMPAIGN LATE FILER

In the Matter of Thomas Patti, Tom Patti for County Supervisor 2016/2020, and Kimm Lovelace; FPPC No. 21/725.

Patti is a member of the San Joaquin County Board of Supervisors. Tom Patti for County Supervisor 2016/2020 was their candidate-

controlled committee, and Lovelace was the committee treasurer. During the months of September through November 2016, and December 2019 through February 2020, the committee, Patti, and Lovelace failed to timely file 24-Hour Reports, in violation of Government Code Section 84203 (2 counts). Also, they failed to report and itemize credit card charges of \$100 or more and payments to subvendors in amounts of \$500 or more on semi-annual and pre-election campaign statements, in violation of Government Code Sections 84211, subdivision (k), 84303, and regulation 18421.9 (4 counts). Total Penalty: \$12,000.

CAMPAIGN BANK ACCOUNT

In the Matter of Renteria for Governor 2018, Amanda Renteria, and Gary Crummitt; FPPC No. 22/201.



This case arose from an audit performed by the Franchise Tax Board's Political Reform Program. Amanda Renteria was an unsuccessful candidate for Governor during the June 5, 2018 Primary Election. Renteria for Governor 2018 was their candidate-controlled committee. Gary Crummitt served as the Committee's treasurer. The Committee, Renteria, and Crummitt failed to make all expenditures from the designated campaign bank account, in violation of Government Code Section 85201 and Regulation 18524 (1 count), erroneously made an expenditure that was not reasonably related to a political purpose, in violation of Government Code Section 89512 (1 count), and failed to timely disclose activity on campaign statements, in violation of Government Code Section 84211 (1 count). Total Penalty: \$9,500.

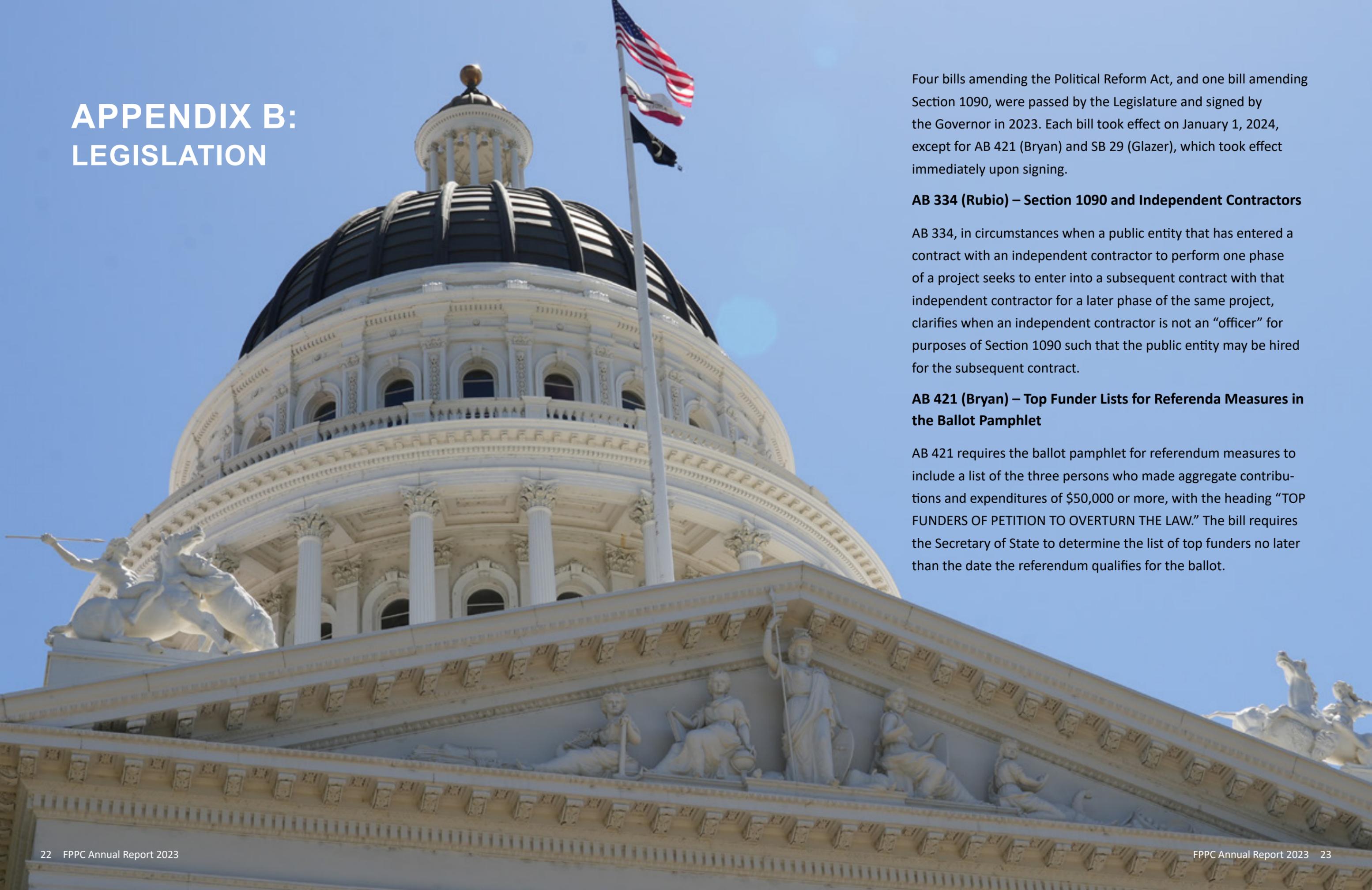
DEFAULT PROCEEDINGS REQUESTING COMMISSION ACTION

In the Matter of Jose Pech; FPPC No. 19/1407.

Jose Pech, a former Housing Inspector for the City of Oxnard Housing Authority, participated in governmental decisions by inspecting and evaluating rental properties that had a reasonably foreseeable material financial effect on Pech's source of income financial interest, in violation of Government Code Section 87100 (2 counts). Additionally, Pech failed to timely file a Leaving Office Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). Total Penalty: \$14,000.

In the Matter of Bill Brough, Bill Brough State Assembly 2018, and Bill Brough State Assembly 2020; FPPC No. 19/963.

Bill Brough was first elected to the California State Assembly, 73rd District, in 2014. They were re-elected in 2016 and 2018, and lost re-election in 2020. Bill Brough State Assembly 2018 was their candidate-controlled committee for the 2018 election and Bill Brough State Assembly 2020 was their candidate-controlled committee for the 2018 election. Beginning in early 2019, Brough served as the Committee's treasurer for both committees. Prior to this, the Committee's treasurer was JenEve Slater. From February 2017 through March 2020, Brough used campaign funds for personal purposes, in violation of Government Code Sections 89510, subdivision (b); 89512; 89513; and 89517 (6 counts). Also, Brough appropriated campaign assets, in violation of Government Code Sections 89510, subdivision (b), 89512, 89517 and 89519 (1 count). Additionally, Brough and the Committees failed to keep required committee records, in violation of Government Code Section 84104 and California Code of Regulations, title 2, Section 18401 (3 counts); and violated Government Code Section 84211, subdivisions (b), (i), (k), (l)—and California Code of Regulations, title 2, Section 18421.7—regarding the required contents of campaign statements (10 counts). Total Penalty: \$100,000.



APPENDIX B: LEGISLATION

Four bills amending the Political Reform Act, and one bill amending Section 1090, were passed by the Legislature and signed by the Governor in 2023. Each bill took effect on January 1, 2024, except for AB 421 (Bryan) and SB 29 (Glazer), which took effect immediately upon signing.

AB 334 (Rubio) – Section 1090 and Independent Contractors

AB 334, in circumstances when a public entity that has entered a contract with an independent contractor to perform one phase of a project seeks to enter into a subsequent contract with that independent contractor for a later phase of the same project, clarifies when an independent contractor is not an “officer” for purposes of Section 1090 such that the public entity may be hired for the subsequent contract.

AB 421 (Bryan) – Top Funder Lists for Referenda Measures in the Ballot Pamphlet

AB 421 requires the ballot pamphlet for referendum measures to include a list of the three persons who made aggregate contributions and expenditures of \$50,000 or more, with the heading “TOP FUNDERS OF PETITION TO OVERTURN THE LAW.” The bill requires the Secretary of State to determine the list of top funders no later than the date the referendum qualifies for the ballot.



SB 29 (Glazer) – Political Reform Education Program and Waiver of the Late Filing Fee

SB 29 codifies FPPC regulation by authorizing the Commission to establish and administer a political reform education program for persons who violate the PRA, as an alternative to administrative, civil, or criminal penalties. The bill authorizes the Commission to charge a fee, payable to the General Fund, to a participant in the program, which may not exceed the reasonable costs of administering the program. The bill also requires filing officers to waive the late filing fee for a person who completes the program, or for a person who was unable to timely file due to being seriously ill or hospitalized.

SB 678 (Umberg) – Disclaimer Requirement for Paid Social Media Posts by Third Parties

SB 678 requires a person who is paid by a committee to support or oppose a candidate or ballot measure on an internet website, web application, or digital

application, other than the committee’s own website, profile, or landing page, to include a disclaimer that states, or is substantially similar to, the following: “The author was paid by [name of committee and committee identification number] in connection with this posting.” The bill requires a committee to notify the person posting the content of the disclaimer requirement. If a person fails to post the disclaimer, the Commission would be authorized to seek injunctive relief to compel disclosure.

SB 681 (Allen) – Notice Period for Amending the Political Reform Act

SB 681 would allow bills that amend the PRA to be passed by either house of the Legislature only if the bill has first been delivered to the Commission in its final form at least 8 days before passage by either house, or at least 12 days before passage if the bill did not previously amend the PRA. Prior to SB 681, the notice period was 12 days for all PRA bills. The bill also requires the Legislative Counsel to create an email notification system for PRA bills.

APPENDIX C: REGULATIONS

Substantive Regulatory Changes Adopted by the Commission in 2023

Quasi-Legislative Administrative Action

Regulation 18202 – Quasi-Legislative Administrative Action

Amended Regulation to clarify that actions taken by the California Citizens Redistricting Commission are quasi-legislative administrative actions and therefore subject to lobbying rules under the Political Reform Act.

Collections

Regulation 18318 – Collections. Executive Director’s Authority for the Settlement of an Order for Monetary Penalties

Added to delegate the Commission’s authority to the Executive Director to settle an order for monetary penalties for a lesser sum, establish a process, and provide the factors for consideration to determine when a settlement is warranted.

Conflict of Interest Code

Regulation 18351 – Conflict of Interest Code of the Fair Political Practices Commission

Amended to update the positions and disclosure categories in the Commission’s conflict of interest code.

Administrative Subpoenas

Regulation 18361.1 – Administrative Subpoenas

Amended to modify the administrative subpoena procedure by requiring Enforcement staff to wait 21-days after a voluntary request for records before issuing an administrative subpoena for those records.

Levine Act Regulations

Regulations 18438, 18438.1, 18438.2, 18438.3, 18438.4, 18438.5, 18438.6, 18438.7, 18438.8, 18705

Added and amended regulations interpreting and implementing Section 84308 (“Levine Act”) as the result of the passage of SB 1439 in 2022.

Disclose Act Regulations

Regulations 18402, 18450.3, 18450.4, 18450.6, 18450.8, 18450.9

Added and amended regulations to conform with changes made to the Disclose Act as the result of the passage of SB 1360 in 2022, which made changes to some of the disclosure requirements currently found in Chapter 4, Article 5 of the Act.

Return or Attribution of Excessive Contributions

Regulation 18531 – Return or Attribution of Excessive Contributions

Amended to interpret and conform with Section 85319.5 as a result of the passage of SB 794 in 2022, which permits a committee that receives an over-the-limit contribution to avoid violating an applicable contribution limit by attributing the excess amount to another election if certain criteria are met.



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<https://fppc.ca.gov/media/factsheets.html>

Includes quick and easy information on several subjects and answers to commonly asked questions.

Campaign Rules

<https://fppc.ca.gov/learn/campaign-rules.html>

Includes several resources for campaigns, including a Candidate Toolkit for new candidates and campaign advertisement disclosure charts.

Financial Conflict of Interest Rules

<https://fppc.ca.gov/learn/conflicts-of-interest-rules.html>

Guidance relating to the prohibition on participating in government decisions in which an official has a financial conflict of interest.

Pay-to-Play Limits and Prohibitions

<https://fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html>

Guidance for public officials who receive contributions from parties seeking a contract, license, permit, or other entitlement for use from the official's agency.

The Political Reform Act

<https://fppc.ca.gov/the-law/the-political-reform-act.html>

Includes a copy of the Act, enforcement decision summaries, and other information updated yearly.

FPPC Regulations

<https://fppc.ca.gov/the-law/fppc-regulations.html>

Find all regulations, a list of newly amended or added regulations, and links to provide public comment on pending regulation changes.

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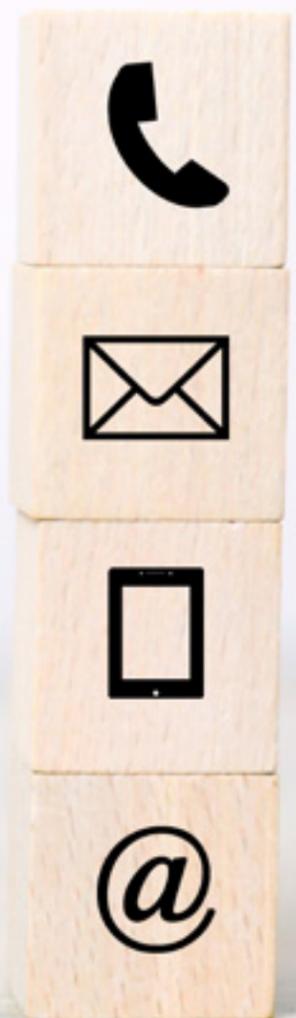
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