



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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FOR IMMEDIATE RELEASE
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FPPC Chair lauds tough enforcement on laundered campaign contributions

The Fair Political Practices Commission (FPPC) today took action on a number of significant cases, including laundered campaign funds in a Northern California election and in connection to the 2013 race for Mayor of Los Angeles. Commissioners approved fines of \$23,000 and \$22,500 respectively in elections for a 2012 Tehama County Assembly race and the 2013 Los Angeles Mayor's race.

"The Commission will be vigilant in defending the public's right to know the true source of funding in any campaign," said Commission Chair Jodi Remke. "I applaud the diligent work of the Enforcement Division in investigating and prosecuting these cases. And with the upcoming elections, I hope it serves as a reminder that we will be monitoring campaigns to make sure public officials and candidates follow the law as expected."

In the first case, a fine of \$23,000 was approved in a settlement with James "Jim" Nielsen, Taxpayers for Jim Nielsen – Assembly 2012, Charles H. Bell, Jr., Tehama County Republican Central Committee, Roger Marsh, Linda Alston, Robert A. "Bob" Williams, Friends of Bob Williams for Assembly 2012, and David Bauer.

The second approved case involving laundered campaign contributions was in the Matter of Moo Han Bae involving candidate Wendy Grueul, who was not a focus of the investigation and not involved in the settlement. The settlement calls for a total fine of \$76,650, with \$22,500 going to the State of California and \$54,150 to the City of Los Angeles.

"We take these violations seriously because they undermine the public's trust in the process, and I'm pleased the full Commission reinforced the tough actions taken by our Enforcement Division by approving these settlements," Remke said.

Below are the Enforcement actions approved today by the Commission at its monthly hearing:

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Laundered Campaign Contributions

Fine: \$23,000

FPPC No. 12/377

James "Jim" Nielsen, Taxpayers for Jim Nielsen – Assembly 2012, Charles H. Bell, Jr., Tehama County Republican Central Committee, Roger Marsh, Linda Alston, Robert A. "Bob" Williams, Friends of Bob Williams for Assembly 2012, and David Bauer. James "Jim" Nielsen has served in the California Legislature for over eighteen years as a State Senator and Assemblymember. Taxpayers for Jim Nielsen – Assembly 2012 ("Taxpayers for Nielsen"), was Nielsen's candidate controlled committee. Charles H. Bell, Jr. was the treasurer for Taxpayers for Nielsen. Tehama

County Republican Central Committee ("Tehama GOP") was a political party committee located in Red Bluff, CA. Roger Marsh was the treasurer for Tehama GOP in July 2012, and Linda Alston was the treasurer for Tehama GOP in February 2013. Robert A. "Bob" Williams was an unsuccessful candidate for California State Assembly, 3rd District, in the June 5, 2012 Primary Election. Nielsen and Tehama GOP endorsed Williams in the election. Friends of Bob Williams for Assembly 2012 ("Friends of Williams") was Williams' candidate controlled committee. David Bauer was treasurer for Friends of Williams.

The parties violated the Political Reform Act as follows:

Nielsen, Taxpayers for Nielsen and Bell: Made an earmarked, over-the-limit contribution to Friends of Williams totaling \$4,320 in the name of Tehama GOP, filed a campaign statement for the reporting period of January 1 through June 30, 2012, erroneously reporting information regarding that contribution;

Nielsen: Knowingly received a gift of tickets to an NBA basketball game arranged by lobbying firm Sloat Higgins Jensen & Associates;

Williams, Friends of Williams and Bauer: Accepted an over-the-limit contribution from Taxpayers for Nielsen totaling \$4,320, filed a campaign statement for the reporting period of May 20 through June 30, 2012, erroneously reporting information regarding that contribution;

Tehama GOP and Marsh: While acting as the intermediary of Taxpayers for Nielsen, failed to disclose both the intermediary and the original contributor information for a \$4,320 contribution from Taxpayers for Nielsen to Friends of Williams;

Tehama GOP, Marsh, and Alston: Filed an original and an amended campaign statement erroneously reporting that Tehama GOP made a contribution to Friends of Williams, instead of disclosing that Tehama GOP was the intermediary for the contribution made by Taxpayers for Nielsen to Friends of Williams.

Laundered Campaign Contributions
Fine: \$22,500 to the State of California
FPPC No. 13/203

Moo Han Bae. The Enforcement Division of the Los Angeles City Ethics Commission ("CEC") and the Enforcement Division of the Fair Political Practices Commission ("Enforcement Division") initiated a joint investigation into potential money laundering and campaign contribution limits violations by Moo Han Bae in support of Wendy Greuel, a candidate for Los Angeles Mayor in 2013. Bae violated the Political Reform Act by making nine contributions totaling \$10,550 in the names of other persons in support of Wendy Greuel. A penalty of \$5,000 per count is recommended, for a total penalty of \$45,000: \$22,500 to the State of California and \$22,500 to the City of Los Angeles. Bae also violated the Los Angeles City Charter contribution limit, which is not enforceable by the Enforcement Division, for which the recommended maximum penalty of \$31,650 be paid to the City of Los Angeles. The total penalty recommended for Bae is \$76,650: \$22,500 to the State of California and \$54,150 to the City of Los Angeles.

Over the Limit Contributions
Fine: \$16,000
FPPC No. 12/305

Coto for Senate 2012, Joe Coto, and Vote Matters. Joe Coto ("Coto") was an unsuccessful candidate for State Senate, District 15, in the November 6, 2012 General Election. Coto for Senate 2012 ("Coto Committee") was his controlled committee and Vote Matters ("Vote Matters") is a state general purpose committee. Vote Matters, in coordination with the Coto

Committee, made a number of expenditures on behalf of Coto that exceeded the campaign contribution limit for the 2012 election. The parties also failed to properly disclose the coordinated expenditures made by Vote Matters on behalf of Coto as contributions to the Coto Committee.

Conflict of Interest

Fine: \$40,000

FPPC No. 13/235 (Default Decision)

Margaret Salazar. This matter arose from an audit conducted by the California State Auditor, Bureau of State Audits. At all relevant times, Margaret Salazar was the Regional Director of a migrant education program that was administered by the San Joaquin County Office of Education and overseen by the California Department of Education. On numerous occasions, she used her official position to direct substantial program funds for catering and janitorial services to two different vendors in which she had an economic interest.

Conflict of Interest

Fine: \$2,500

FPPC No. 15/151

Collin Wong-Martinusen, in his capacity as Chief of Staff for State Treasurer John Chiang, participated in making a governmental decision in which he knew, or had reason to know, he had a financial interest.

Campaign Reporting

Fine: \$16,000

FPPC No. 14/327

Million More Voters, Sponsored by the California Labor Federation, AFL-CIO, and Art Pulaski. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Million More Voters, Sponsored by the California Labor Federation, AFL-CIO ("Million More Voters"), a sponsored state general purpose committee, and its treasurer, Art Pulaski, failed to file 24-hour independent expenditure reports; failed to file supplemental independent expenditure reports by January 31, 2011, covering the period October 17, 2010 through December 31, 2010; and failed to report all expenditures of \$500 or more made by an agent or independent contractor on behalf of Million More Voters covering the period October 17, 2010 through December 31, 2010.

Campaign Reporting

Fine: \$13,500

FPPC No. 14/0259

POWERPAC.ORG VOTER FUND, a Sponsored Committee of PowerPac.org and Lisa Le, Treasurer. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Respondent POWERPAC.ORG VOTER FUND, a Sponsored Committee of PowerPac.org, a sponsored state general purpose committee, and its treasurer Respondent Lisa Le failed to timely file supplemental independent expenditure reports, and failed to timely report independent expenditures made.

Campaign Reporting

Fine: \$8,000

FPPC No. 14/105

Laurette Healey, Healey for Assembly 2012, and Marcia Davalos. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Laurette Healey was an unsuccessful candidate for State Assembly, District 46, in the June 5, 2012 Primary Election. Healey for Assembly 2012 was her candidate controlled committee and Marcia Davalos was the committee treasurer. Healey, Healey for Assembly 2012, and Davalos failed to accurately disclose the balance of cash on hand, failed to maintain supporting records for expenditures made and loans received, made expenditures of \$100 or more in cash, totaling approximately \$31,500; and failed to deposit contributions made by Healey, into a single, designated campaign bank account prior to expenditure.

Campaign Reporting

Fine: \$4,000

FPPC No. 14/1071

Ben Allen, Ben Allen for State Senate 2014, and David Gould. Ben Allen was a successful candidate for State Senate, District 26, in the November 4, 2014 General Election. Ben Allen for State Senate 2014 was his candidate controlled committee and David Gould was the committee treasurer. Allen, Ben Allen for State Senate 2014, and Gould failed to timely disclose, on the second preelection campaign statement for the March 18, 2014 through May 17, 2014 reporting period, the receipt of in kind contributions in the form of reduced rent for their campaign headquarters.

Campaign Reporting

Fine: \$2,500

FPPC No. 13/1162

Robert E. Bernosky and Bernosky for Assembly 2012. Robert E. Bernosky was an unsuccessful candidate for State Assembly, District 30, in the 2012 General Election. Bernosky for Assembly 2012 was his candidate controlled committee. Bernosky and Bernosky for Assembly 2012 failed to timely file a semiannual campaign statement for the reporting period covering October 21, 2012 through December 31, 2012, due January 31, 2013.

Campaign Reporting

Fine: \$1,500

FPPC No. 14/335

John McMahon, Friends of John McMahon for San Bernardino Sheriff 2014, and Marvin Reiter. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. John McMahon was a successful candidate for San Bernardino County Sheriff in the June 3, 2014 Primary Election. Friends of John McMahon for San Bernardino Sheriff 2014 was his candidate controlled committee and

Marvin Reiter was the committee treasurer. McMahon, Friends of John McMahon for San Bernardino Sheriff 2014, and Reiter received a cashier's check in the amount of \$500 and a money order in the amount of \$100, which were not drawn from the bank accounts of the contributors.

Campaign Reporting

Fine: \$1,500

FPPC No. 14/298

Curt Hagman, Curt Hagman for San Bernardino County Supervisor, and John Fugatt. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Curt Hagman was a successful candidate for San Bernardino County Supervisor, District 4, in the June 3, 2014 Primary Election and in the November 4, 2014 General Election. Curt Hagman for San Bernardino County Supervisor was his candidate controlled committee and John Fugatt was the committee treasurer. Hagman, Curt Hagman for San Bernardino County Supervisor, and Fugatt received a cashier's check in the amount of \$8,200, which was not drawn from the bank account of the contributor.

Campaign Reporting

Fine: \$1,500

FPPC No. 14/853

Sandra A. Volta Johnson, Sandra Johnson for City Council 2012, and Kimberly Underwood. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Sandra A. Volta Johnson was a Lancaster City Council member and a successful candidate for re-election to that office in the April 10, 2012 General Municipal Election. Sandra Johnson for City Council 2012 was her candidate controlled committee and Kimberly Underwood was the committee treasurer. Johnson, Sandra Johnson for City Council 2012, and Underwood failed to disclose on campaign statements occupation and employer information for approximately 20 individual contributors.

Campaign Reporting

Fine: \$1,030

FPPC No. 14/406

Ricardo Benitez, Ricardo Benitez for State Senate 2014, and Daniel H. Villegas. Ricardo Benitez was an unsuccessful candidate for State Senate, District 18, in the November 4, 2014 General Election. Ricardo Benitez for State Senate 2014 was his candidate controlled committee and Daniel H. Villegas was the committee treasurer. Benitez, Ricardo Benitez for State Senate 2014, and Villegas failed to timely file four preelection and one semiannual campaign statement.

Campaign Reporting

Fine: \$942

FPPC No. 14/1059

The California List, a state general purpose committee, failed to file a preelection campaign statement covering the reporting period of October 1, 2012 through October 20, 2012, due October 25, 2012, and failed to file three 24 hour contribution reports.

Campaign Reporting

Fine: \$466

FPPC No. 14/569

Committee to Re-elect Bill Wittman Sheriff 2010, Bill Wittman, and Wayne Bixler. Bill Wittman was a successful candidate for Tulare County Sheriff in the June 8, 2010 Primary Election. The Committee to Re-elect Bill Wittman Sheriff 2010 was his candidate controlled committee and Wayne Bixler was the committee treasurer. Wittman, Committee to Re-elect Bill Wittman Sheriff 2010, and Bixler failed to timely disclose on two semiannual campaign statements occupation information for 15 individuals and employer information for 24 individuals who made cumulative contributions of \$100 or more.

Campaign Reporting

Fine: \$424

FPPC No. 15/119

Peter Chau, Peter Chau for School Board 2014, and Christine Gin. Peter Chau was an unsuccessful candidate for Board Member of the West Contra Costa Unified School District in the November 4, 2014 General Election. Peter Chau for School Board 2014 was his candidate controlled committee and Christine Gin was the committee treasurer. Chau, Peter Chau for School Board 2014, and Gin failed to timely disclose totals of contributions and expenditures on the semiannual campaign statement covering the period October 19, 2014 through December 31, 2014, due on January 31, 2014.

Campaign Reporting

Fine: \$325

FPPC No. 15/292

L. Dennis Michael for Mayor 2010, L. Dennis Michael, and J.M. Olchawa. L. Dennis Michael was a successful candidate for Mayor of Rancho Cucamonga in the November 2, 2010 General Election. L. Dennis Michael for Mayor 2010 was his candidate controlled committee and J.M. Olchawa was the committee treasurer. Michael, L. Dennis Michael for Mayor 2010, and Olchawa received a non-monetary contribution on September 30, 2010 from the Rancho Cucamonga Professional Firefighters PAC valued at \$12,500 that it failed to timely disclose on its preelection campaign statement.

Campaign Reporting

Fine: \$311

FPPC No. 15/178

Jennifer Dupre, Jennifer Dupre for District Attorney 2014, and Jessica Miller. Jennifer Dupre was an unsuccessful candidate for Sutter County District Attorney in the November 4, 2014 General Election. Jennifer Dupre for District Attorney 2014 was her candidate controlled committee and Jessica Miller was the committee treasurer. Dupre, Jennifer Dupre for District Attorney 2014, and Miller failed to timely file a semiannual campaign statement covering the period October 19, 2014 through December 31, 2014, due January 31, 2015.

Campaign Reporting

Fine: \$275

FPPC No. 15/052

Julianne Sylva, Committee to Elect Julianne Sylva for Judge 2014, and Scott Savage. Julianne Sylva was a successful candidate for Superior Court Judge of the County of Santa Clara, Office 21, in the June 3, 2014 Primary Election. Committee to Elect Julianne Sylva for Judge 2014 was her candidate controlled committee and Scott Savage was the committee treasurer. Sylva, Committee to Elect Julianne Sylva for Judge 2014, and Savage failed to timely file a preelection campaign statement covering the period March 18, 2014 through May 17, 2014, due May 22, 2014.

Campaign Reporting

Fine: \$200

FPPC No. 14/1257

Tom Mattusch, Tom Mattusch San Mateo County Harbor Commissioner 2014, and Lee Engdahl. Tom Mattusch was a successful candidate for Commissioner of the San Mateo County Harbor District in the November 4, 2014 General Election. Tom Mattusch San Mateo County Harbor Commissioner 2014 was his candidate controlled committee and Lee Engdahl was the committee treasurer. Mattusch, Tom Mattusch San Mateo County Harbor Commissioner 2014, and Engdahl failed to timely file a preelection campaign statement covering the period October 1, 2014 through October 18, 2014, due on October 23, 2014.

Major Donor Reporting

Fine: \$2,200

FPPC No. 15/142

The Nature Conservancy, failed to timely disclose a \$200,000 contribution made to Conservation Action Fund on September 23, 2010, on its major donor semiannual campaign statement covering the period of July 1, 2010 through December 31, 2010, due by January 31, 2011.

Statement of Economic Interests – Non-Reporter

Fine: \$300

FPPC No. 14/1144

Scott Vermeer, as a Police Chief and Assistant City Manager for the City of Mountain View, failed to report compensation and gifts on his 2012 Annual Statement of Economic Interests, gifts on his 2013 Annual Statement of Economic Interests, and gifts on his 2014 Annual Statement of Economic Interests.

Statement of Economic Interests – Non-Filer

Fine: \$200

FPPC No. 14/894

Vanajakshi Mudunuri, as a Physician/Surgeon for the California Correctional Health Care Services, failed to timely file her 2013 Annual Statement of Economic Interests, covering the period January 1, 2013 through December 31, 2013, due April 1, 2014.

Statement of Economic Interests – Non-Filer

Fine: \$200

FPPC No. 15/128

John De Rago, as a member of the City of Torrance Cable Television Advisory Board, failed to timely file his 2013 Annual Statement of Economic Interests, covering the period January 1, 2013 through December 31, 2013, due April 1, 2014.

Statement of Economic Interests – Non-Filer

Fine: \$200

FPPC No. 15/161

Andrew Stunich, as the City Attorney for the City of Trinidad, failed to timely file his 2013 Annual Statement of Economic Interests, covering the period January 1, 2013, through December 31, 2013, due April 1, 2014.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/425

Bostick for Los Angeles City Council 2013 failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/442

Pat Burt for City Council 2012, to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/422

Bonita Democratic Council, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/621

Guerrero for Council 2013, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/578

Foothill-De Anza Faculty Association PAC, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/378

10th Assembly District Democratic Club, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/632

Committee to Elect Rob Hammond for School Board 2011, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/514

Krystee Clark for City Council 2013, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/679

Committee to Elect Ben Johnson Council 2012, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/704

Friends of Judge Ron Kreber, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/784

Brian Lamb for Inyo County Judge. failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/875

Monterey Park Democratic Club, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/878

Renee Morgan for Council 2012, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/925

Palos Verdes Democrats, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/946

Pomona Valley Democratic Club, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1001

Antonio Sanchez for LAUSD School Board 2013 – District 6, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1020

Committee to Re-Elect Steve Shanahan La Palma City Council 2012, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1074

Tulare Medical Society Political Action Committee, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1081

Friends of Terri Valladolid for Southwestern College School Board 2010, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1084

Vargas for Hawthorne School Board 2009, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1091

Vietnamese-American Political Action Committee, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1100

Derek Waleko for LA City Council 2013, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/1110

Re-Elect Robert Weygant Supervisor Committee – 2014, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/757

Democrats of Greater Irvine, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

\$50 Annual Fee Cases

Fine: \$200

FPPC No. 15/851.

John McAlister for City Council 2012, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office.

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