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8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**
9 **STATE OF CALIFORNIA**

10
11 In the Matter of:

FPPC No. 11/693

12
13 GREGORY SALCIDO and GREGORY
SALCIDO – CITY COUNCIL

STIPULATION, DECISION, AND ORDER

14 Respondents.

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16 **STIPULATION**

17 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
18 respondents Gregory Salcido and Gregory Salcido – City Council (Respondents) hereby agree that this
19 Stipulation will be submitted for consideration by the Fair Political Practices Commission at its next
20 regularly scheduled meeting.

21 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised by this
22 matter and to reach a final disposition without the necessity of holding an additional administrative
23 hearing to determine the liability of Respondents.

24 Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural
25 rights set forth in Government Code sections 83115.5, 11503 and 11523, and in California Code of
26 Regulations, title 2, sections 18361.1 through 18361.9. This includes, but is not limited to the right to
27 personally appear at any administrative hearing held in this matter, to be represented by an attorney at
28 Respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to

1 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over
2 the hearing as a hearing officer, and to have the matter judicially reviewed.

3 It is further stipulated and agreed that Respondents violated the Political Reform Act by
4 accepting a cash campaign contribution of \$100 or more in violation of Government Code section
5 84300, subdivision (a), and failing to provide the name, address, occupation, and employer information
6 for individuals who made campaign contributions of \$100 or more in violation of Government Code
7 section 84211, subdivision (f), as described in Exhibit 1. Exhibit 1 is attached hereto and incorporated
8 by reference as though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in
9 this matter.

10 Respondents agree to the issuance of the Decision and Order, which is attached hereto.
11 Respondents also agree to the Commission imposing an administrative penalty in the total amount of
12 Two Thousand Five Hundred Dollars (\$2,500). Respondents submitted with this Stipulation a cashier's
13 check from Respondents in said amount, made payable to the "General Fund of the State of California,"
14 as full payment of the administrative penalty that shall be held by the State of California until the
15 Commission issues its Decision and Order regarding this matter. The parties agree that in the event the
16 Commission refuses to accept this Stipulation, it shall become null and void, and within fifteen (15)
17 business days after the Commission meeting at which the Stipulation is rejected, all payments tendered
18 by Respondents in connection with this Stipulation shall be reimbursed to Respondents. Respondents
19 further stipulate and agree that in the event the Commission rejects the Stipulation, and a full evidentiary
20 hearing before the Commission becomes necessary, neither any member of the Commission, nor the
21 Executive Director, shall be disqualified because of prior consideration of this Stipulation.

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23 Dated: _____ Gary S. Winuk, on behalf of the Enforcement Division
24 Fair Political Practices Commission

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26 Dated: _____ Gregory Salcido, individually, and on behalf of
27 Gregory Salcido – City Council, Respondents

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “In the Matter of Gregory Salcido and Gregory Salcido –
3 City Council” FPPC No. 11/693, including all attached exhibits, is hereby accepted as the final decision
4 and order of the Fair Political Practices Commission, effective upon execution below by the Chair.

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6 IT IS SO ORDERED.

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8 Dated: _____
9 Ann Ravel, Chair
10 Fair Political Practices Commission
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EXHIBIT 1

INTRODUCTION

Respondent Gregory Salcido (“Respondent Salcido”) is a councilman on the City of Pico Rivera (“City”) City Council. He was first elected to the City Council in 1999. Respondent Gregory Salcido – City Council (“Respondent Committee”) was, at all times relevant to this case, Respondent Salcido’s campaign committee. Under the Political Reform Act (the “Act”)¹ a candidate cannot receive a campaign contribution in cash if the contribution is \$100 or more. The Act also requires a candidate to include on his or her campaign statements specific identifying information for the source of any contribution of \$100 or more. Respondents violated the Act by accepting a \$2,000 cash campaign contribution and failing to provide identifying information for five persons who each contributed \$500 to Respondent Salcido’s campaign.

For purposes of this Stipulation, the proposed violations of the Act are as follows:

COUNT 1: Respondents received a \$2,000 campaign contribution in cash from Santiago Aguila in violation of Section 84300, subdivision (a).

COUNT 2: Respondents’ semi-annual campaign statement for the January 1, 2011 through June 30, 2011 reporting period did not include the name, street address, occupation, and employer for five persons who each contributed \$500 to Respondents’ campaign on or about June 28, 2011, in violation of Section 84211, subdivision (f).

SUMMARY OF THE LAW

Cash Contributions

Section 84300, subdivision (a), prohibits a candidate from receiving a campaign contribution of \$100 or more in cash.

Contents of Campaign Statement – Contributor Information

Section 84211, subdivision (f), states that when a candidate receives a campaign contribution of \$100 or more from a person, the campaign statement must provide the person’s (1) full name, (2) street address, (3) occupation, and (4) employer’s name.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

SUMMARY OF THE FACTS

Cash Contribution from Aguila

Respondent Salcido was first elected to the City Council in 1999 and has served on the City Council since that time. On January 10, 2010, Respondent Salcido met with Santiago Aguila, the owner of a restaurant. During the meeting, Mr. Aguila gave Respondent Salcido \$2,000 cash as a campaign contribution. Respondent Salcido asked if Mr. Aguila wanted to give him a check instead. Mr. Aguila responded that it was his practice to give campaign contributions in cash. Respondent Salcido took the money. Respondents reported the contribution from Mr. Aguila on Respondents' semi-annual campaign statement for the January 1, 2010 through June 30, 2010 reporting period. It was the only contribution Respondents received during that reporting period.

Check Contributions from La Noria Personnel

On June 28, 2011, Respondent Salcido met with Fernando Lopez, who represented La Noria Entertainment, Inc. ("La Noria"). La Noria operates the Pico Rivera Sports Arena. At the meeting, Mr. Lopez gave Respondent Salcido five checks, each in the amount of \$500, from five different people who Respondent Salcido believed to be employees of La Noria. The names on the checks were Mauricio Hernandez, Paulo Toxqui and Loudes M. Mejias (joint account), Andres Villegas, Caritina Estrada Sanchez, and Marie Castano.

Respondents' semi-annual campaign contribution statement for the January 1, 2011 through June 30, 2011 reporting period does not include the name, street address, occupation, or employer's name for the five parties listed above who provided contributions in the amount of \$500. Respondents documented those five contributions on the statement as a single contribution from La Noria in the amount of \$2,500. The five contributions represented approximately 17% of the total contributions for that reporting period.

COUNT 1

Receiving a Cash Contribution of \$100 or more

On or about January 10, 2010, Respondents received a campaign contribution of \$2,000 in cash from Santiago Aguila in violation of Section 84,300, subdivision (a).

COUNT 2

Failure to Provide Contributor's Information on Campaign Statement

Respondents failed to list on their semi-annual campaign statement for the January 1, 2011 through June 30, 2011 reporting period the name, street address, occupation, and employer for five persons who contributed \$500 to Respondents' campaign on or about June 28, 2011, in violation of Section 84211, subdivision (f).

CONCLUSION

This matter consists of two counts of violating the Act, which carries a maximum administrative penalty of five thousand dollars (\$5,000) per count.

In determining the appropriate penalty for a particular violation of the Act, the Commission considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Commission considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): the seriousness of the violations; the presence or lack of intent to conceal, deceive or mislead; whether the violation was deliberate, negligent, or inadvertent; whether the Respondents demonstrated good faith in consulting with Commission staff; and whether there was a pattern of violations.

Recent similar cases where a respondent accepted a cash contribution in violation Section 84300, subdivision (a) include:

- *In the Matter of Arturo Chacon and Art Chacon for Water Board 2010*, FPPC No. 08/652: The respondents received three cash campaign contributions of \$100 or more that all together totaled \$4,350. The Commission treated the three contributions as a single violation and approved a penalty of \$2,000 for the violation on February 10, 2011.
- *In the Matter of Hubert Walsh, Hub Walsh for Supervisor, and Marcia B. Hall*, FPPC No. 10/771: The respondents received seven cash campaign contributions of \$100 or more that all together totaled \$825. Respondents reported all seven of the contributions on the appropriate campaign statement. Respondents had no prior history of violating the Act. The Commission treated the seven contributions as a single violation and approved a penalty of \$1,500 for the violation on January 28, 2011.
- *In the Matter of Tracy McMahan, Committee to Elect Tracy McMahan and Noreen Considine*, FPPC No. 08/668: The respondent committee received a campaign loan of \$2,000 in cash from respondent Tracy McMahan. The respondents had no history of violating the Act, had never run for political office before, and cooperated with the investigation. The Commission approved a penalty of \$1,000 for the violation on January 28, 2011.

Recent similar cases where a respondent failed to provide a contributor's information on a campaign statement in violation of Section 84211, subdivision (f) include:

- *In the Matter of Marco Robles, Committee to Elect Marco A. Robles, and Rosa Lira*, FPPC No. 08/329: Respondents failed to provide occupation and employer information for 27 individuals who contributed \$100 or more to respondents' campaign. Respondents cooperated with the investigation and eventually

provided occupation and employer information for 18 of the individuals. The Commission treated the 27 contributions as a single violation and approved a penalty of \$1,000 for the violation on February 11, 2010.

- *In the Matter of Hugo A. Argumedo, Charmaine Faulkner, and Friends of Hugh A. Argumedo*, FPPC No. 04/237: Respondents failed to provide occupation and employer information for 15 individuals who contributed \$100 or more to the campaign. The respondents had no prior history of violating the Act. The Commission treated the 15 contributions as a single violation and approved a penalty of \$1,500 for the violation on December 10, 2009.
- *In the Matter of Hector Delgado and Friends of Hector Delgado*, FPPC No. 03/133: Respondents failed to provide the name, address, occupation, and employer for a person who contributed \$1,250 to Respondents' campaign for city council. Respondents did include the amount of the contribution on its total for the reporting period but did not itemize this contribution. The contribution constituted approximately 31% of the amount of the total contributions for that reporting period. On January 10, 2008, the Commission approved a penalty of \$1,500 for the violation.
- *In the Matter of Mike Briggs, Briggs for Assembly and Sharon Nisbett*, FPPC No. 05/771: Respondents failed to provide occupation and employer information for 17 persons who contributed \$100 or more, over four reporting periods. On December 10, 2009, the Commission approved a default judgment and order with four counts of violating Section 84211, subdivision (f) and with a fine of \$2,000 per count for a total fine of \$8,000.

Disclosing the source of campaign contributions is a very important component of the Act. It is difficult to track the amount and source of cash contributions. Hence, cash contributions can be used to subvert reporting requirements and contribution limits, and hide the source of contributions. Conversely, accurate and complete identifying information for individual contributors creates greater transparency in the political process.

In the case at issue, Respondents accepted a cash contribution twenty times above the \$100 limit. Respondents also failed to accurately report the sources of \$2,500 in campaign contributions. These actions could cause confusion regarding the source of campaign contributions and could allow for the concealment as to the true source of a contribution.

But Respondents reported the amount and source of the cash contribution in a timely manner on Respondents' campaign statement. Similarly, Respondents reported the \$2,500 they received from the employees of La Noria, but misidentified the source of the funds because they mistakenly believed it was more accurate to report La Noria as the source of the contribution rather than the individuals who wrote the checks. Respondents' violations were negligent at worst and it does not appear they intended to conceal, mislead, or deceive as to the source of any of the contributions. Also, Respondents do not have a history of violating the Act.

PROPOSED PENALTY

After considering the factors of Regulation 18361.5, and the penalties imposed in prior cases, the imposition of a penalty of \$1,500 for violation of Count 1 and \$1,000 for violation of Count 2 is recommended. The total recommended penalty for all counts is \$2,500.