

1 GALENA WEST
Chief of Enforcement
2 NEAL BUCKNELL
Senior Commission Counsel
3 Fair Political Practices Commission
428 J Street, Suite 620
4 Sacramento, CA 95814
Telephone: (916) 322-5660
5 Facsimile: (916) 322-1932

6 Attorneys for Complainant

7
8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA

10
11 In the Matter of:

12 APARTMENT ASSOCIATION OF LOS
ANGELES PAC and TREVOR GRIMM,

13 Respondents.
14

FPPC Case No. 14/1359

STIPULATION, DECISION AND ORDER

15 **STIPULATION**

16 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
17 Respondents Apartment Association of Los Angeles PAC and Trevor Grimm hereby agree that this
18 Stipulation will be submitted for consideration by the Fair Political Practices Commission at its next
19 regularly scheduled meeting.

20 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised in this
21 matter and to reach a final disposition without the necessity of holding an additional administrative
22 hearing to determine the liability of Respondents pursuant to section 83116 of the Government Code.

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

28 ///

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 As described in Exhibit 1, it is further stipulated and agreed that Respondents committed two
4 violations of the Political Reform Act. Exhibit 1, which is attached hereto and incorporated by reference
5 as though fully set forth herein, is a true and accurate summary of the facts in this matter.

6 Respondents agree to the issuance of the Decision and Order, which is attached hereto. Also,
7 Respondents agree to the Commission imposing against them an administrative penalty in the amount of
8 \$4,000. One or more cashier's checks or money orders totaling said amount—to be paid to the General
9 Fund of the State of California—is/are submitted with this Stipulation as full payment of the
10 administrative penalty described above, and same shall be held by the State of California until the
11 Commission issues its Decision and Order regarding this matter. The parties agree that in the event the
12 Commission refuses to accept this Stipulation, it shall become null and void, and within fifteen business
13 days after the Commission meeting at which the Stipulation is rejected, all payments tendered by
14 Respondents in connection with this Stipulation shall be reimbursed to Respondents.

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 Respondents further stipulate and agree that in the event the Commission rejects the Stipulation
2 and a full evidentiary hearing before the Commission becomes necessary, neither any member of the
3 Commission, nor the Executive Director, shall be disqualified because of prior consideration of this
4 Stipulation.

5
6
7 Dated: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

8
9
10
11 Dated: _____

Trevor Grimm, individually and on behalf of Apartment
Association of Los Angeles PAC, Respondents

12
13
14 **DECISION AND ORDER**

15 The foregoing Stipulation of the parties “In the Matter of Apartment Association of Los Angeles
16 PAC and Trevor Grimm,” FPPC Case No. 14/1359, including all attached exhibits, is hereby accepted as
17 the final decision and order of the Fair Political Practices Commission, effective upon execution below
18 by the Chair.

19
20 IT IS SO ORDERED.

21
22 Dated: _____

Joann Remke, Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board.

In 2012, the Apartment Association of Los Angeles PAC was an active general purpose committee, which was sponsored by the Apartment Association of Greater Los Angeles. The committee treasurer was Trevor Grimm.

This case involves violations of the Political Reform Act (the “Act”)¹ for failure to file pre-election campaign statements.

SUMMARY OF THE LAW

All legal references and discussions of law pertain to the Act’s provisions as they existed at the time of the violations described above (2012).

Required Filing of Campaign Statements

At the core of the Act’s campaign reporting system is the requirement that committees must file campaign statements for certain reporting periods and by certain deadlines.²

For example, in 2012, the statewide direct primary election was held on June 5 (the first Tuesday after the first Monday of the month), and state general purpose committees were required to file pre-election campaign statements as follows:³

Filing	Reporting Period	Deadline	Notes
Pre-Election Statement	1/1/12-3/17/12	3/22/12	File if contributions or independent expenditures totaling \$500 or more are made during the period.
Pre-Election Statement	3/18/12-5/19/12	5/24/12	

Joint and Several Liability of Committee and Treasurer

It is the duty of a committee treasurer to ensure that the committee complies with the Act.⁴ A treasurer may be held jointly and severally liable, along with the committee, for violations committed by the committee.⁵

¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to this code. 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 this source.

² See Sections 84200, et seq.

³ See Sections 84200.5, subdivision (e), and 84200.7, subdivision (a).

⁴ Sections 81004, 84100, and Regulation 18427.

⁵ Sections 83116.5 and 91006.

SUMMARY OF THE FACTS

In 2012, the Apartment Association of Los Angeles PAC was an active general purpose committee, which was sponsored by the Apartment Association of Greater Los Angeles. The committee treasurer was Trevor Grimm.

For 2012, the PAC did not file any pre-election campaign statements for the reporting periods of January 1 through March 17, and March 18 through May 19.

During these reporting periods, approximate receipts and expenditures of the PAC were as follows:

Filing	Reporting Period	Receipts	Expenditures
Pre-Election Statement	1/1/12-3/17/12	\$15,378	\$30,089
Pre-Election Statement	3/18/12-5/19/12	\$8,506	\$22,227

The Franchise Tax Board noted in its audit report that the activity for these two pre-election reporting periods was disclosed (albeit late) on the semi-annual campaign statement that was filed by the PAC for the period ending June 30, 2012.

The above expenditures included the following contributions that were made by the PAC:

Date	Recipient of Contribution	Amount
02/24/12	Buscaino for City Council 2013	\$500
02/24/12	Joe Buscaino Officeholder Account	\$500
03/02/12	Kevin de Leon for Senate 2014	\$1,500
03/02/12	Lara for Senate 2012	\$1,500
03/02/12	Kevin de Leon for Senate 2014	\$146
03/02/12	Ricardo Lara for Assembly 2012 *	\$146
03/09/12	Assemblyman Cedillo Officeholder Committee 2010	\$500
03/09/12	Blakeslee for Treasurer 2014	\$500
03/09/12	Charles Calderon for Assembly 2010 Officeholder	\$500
03/09/12	DeSaulnier for Senate 2012	\$500
03/09/12	Gloria Negrete McLeod Senate 2010 Officeholder Account	\$500
03/09/12	Hernandez for Assembly 2012	\$500
03/09/12	Jeff Gorell for Assembly 2012	\$500
03/09/12	John A. Perez for Assembly 2012	\$500
03/09/12	Lara for Senate 2012	\$500
03/09/12	Mike Eng for State Senate 2014	\$500
03/09/12	Norby for Assembly 2012	\$500
03/09/12	Senator Ellen Corbett 2010 Officeholder Account	\$500
03/09/12	Steven Bradford for Assembly 2012	\$500
03/09/12	Tim Donnelly for Assembly 2012	\$500
03/09/12	Tom Calderon for Assembly 2012	\$500

Date	Recipient of Contribution	Amount
03/09/12	Tom Harman for Board of Equalization 2014 *	\$500
03/09/12	Tony Strickland Senate 2012 *	\$500
03/09/12	Torres for Assembly 2012	\$500
03/09/12	Wagner for Assembly 2012	\$500
04/09/12	Bocanegra for Assembly 2012	\$500
04/09/12	Kevin de Leon for Senate 2014	\$500
04/09/12	Mike Gatto for Assembly 2012	\$500
04/09/12	Ted Lieu for State Senate 2014	\$500
04/12/12	Bill Rosendahl for City Council 2013	\$700
04/20/12	Felipe Fuentes for City Council 2013	\$700
04/20/12	Padilla for Secretary of State 2014	\$500
05/07/12	Bocanegra for Assembly 2012	\$1,500
05/07/12	John A. Perez for Assembly 2012	\$1,000
05/07/12	Nathan Mintz for Assembly 2012	\$1,000
05/07/12	Tom Calderon for Assembly 2012	\$1,000
05/07/12	Torres for Assembly 2012	\$1,000
05/07/12	Carol Liu for Senate 2012	\$500
05/07/12	Jeff Gorell for Assembly 2012	\$500
05/07/12	Mike Gatto for Assembly 2012	\$500
05/07/12	Steven Bradford for Assembly 2012	\$500
05/07/12	Tom Daly for Assembly 2012	\$500
05/14/12	Bob Blumenfield for Assembly 2012	\$1,000
05/14/12	Friends of Jimmy Gomez for Assembly 2012	\$1,000
05/14/12	Ian Calderon for Assembly 2012	\$1,000
05/14/12	Reginald Jones-Sawyer for Assembly 2012	\$1,000
05/14/12	Ron Calderon for Assembly 2014	\$1,000
05/14/12	Hernandez for Assembly 2010 *	\$500
05/14/12	Holly J. Mitchell for Assembly 2012	\$500
05/14/12	Rendon for Assembly 2012	\$500
05/14/12	Betsy Butler for Assembly 2012	\$500
05/17/12	Taxpayers for Rod Wright 2012	\$1,000
05/17/12	Re-Elect Councilman Koretz 2013	\$700
05/17/12	Bernard Parks for City Council Officeholder	\$500
Total:		\$34,892

* Asterisks denote recipients who did not properly report receipt of the above contributions on campaign filings. Other recipients (not marked with an asterisk) did report receipt of the above contributions.

///

///

VIOLATIONS

Count 1: Failure to File Pre-Election Campaign Statement for Period Ending March 17, 2012

As noted above, for the period ending March 17, 2012, receipts and expenditures of the PAC totaled approximately \$15,378 and \$30,089, respectively. Due to this activity, the PAC and its treasurer, Grimm, were required to file a pre-election campaign statement for this reporting period, but they failed to do so in violation of Sections 84200.5, subdivision (e), and 84200.7, subdivision (a).

Count 2: Failure to File Pre-Election Campaign Statement for Period Ending May 19, 2012

As noted above, for the period ending May 19, 2012, receipts and expenditures of the PAC totaled approximately \$8,506 and \$22,227, respectively. Due to this activity, the PAC and Grimm were required to file a pre-election campaign statement for this reporting period, but they failed to do so in violation of Sections 84200.5, subdivision (e), and 84200.7, subdivision (a).

PROPOSED PENALTY

This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per count—or \$10,000 total.⁶

In determining the appropriate penalty for a particular violation of the Act, the Commission considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d) whether the violation was isolated or part of a pattern; and (e) whether the violator has a prior record of violations.⁷ Additionally, the Commission considers penalties in prior cases with similar violations.

The public harm inherent in campaign reporting violations is that the public is deprived of important, time-sensitive information regarding contributions and expenditures made in support of a candidate. The harm is even greater with respect to non-filing of pre-election campaign statements because the public is deprived of information that has the potential to affect how votes are cast.

Regarding Counts 1 and 2 (failure to timely file pre-election campaign statements), the Commission recently approved a settlement imposing a penalty in the mid-range for this type of violation. See *In the Matter of Virginia Mari Goodman, Mari Goodman for Assembly 34-2012, and Joan Slater Treasurer*, FPPC Case No. 13/1327 (approved Jun. 18, 2015), where a penalty in the amount of \$2,500 was imposed against a candidate for California State Assembly who failed to timely file two pre-election campaign statements. Receipts for the two reporting periods totaled approximately \$8,694, and expenditures totaled approximately \$9,398. Failure to

⁶ See Section 83116, subdivision (c).

⁷ Regulation 18361.5, subdivision (d).

file for both reporting periods was charged as a single account—most likely due to the limited amount of committee activity for the reporting periods in question.

The current case involves substantially higher dollar amounts in terms of committee activity for the two pre-election reporting periods that are in question. Receipts and expenditures at issue for the current case total approximately \$23,884 and \$52,316, respectively—as opposed to \$8,694 and \$9,398, respectively, in the comparable case discussed above. This warrants charging two separate counts instead of charging one count for both periods.

Regarding the penalty amount, the comparable case above imposed a penalty in the amount of \$2,500. In the current case, there is reason to reduce the fine to \$2,000 per count for Counts 1 and 2 because nearly all of the contributions made by the PAC during the periods in question were reported on the campaign filings of the recipients—so the public had some disclosure prior to the June election. Also, the PAC’s financial activity in question ultimately was reported on the PAC’s campaign statement (albeit after the election) for the period ending June 30, 2012. Additionally, the PAC and its treasurer cooperated with the Enforcement Division by agreeing to an early settlement of this matter.

A lower penalty is not being sought because the foregoing violations were carried out by a longstanding committee with ample reason to be familiar with the Act’s filing requirements. In March 2007, a streamline penalty was imposed against the PAC in the approximate amount of \$2,918. The stipulation involved failure to report late contributions.

CONCLUSION

For the foregoing reasons, an agreed upon penalty of \$4,000 is recommended.