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BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

STATE OF CALIFORNIA

In the Matter of GEORGE S. BRIGGEMAN, JR., Respondent.	FPPC No. 13/936 STIPULATION, DECISION and ORDER

Complainant, the Fair Political Practices Commission, and Respondent George S. Briggeman, Jr. ("Respondent Briggeman"), hereby agree that this Stipulation will be submitted for consideration by the Fair Political Practices Commission at its next regularly scheduled meeting.

The parties agree to enter into this Stipulation to resolve all factual and legal issues raised in this matter, and to reach a final disposition without the necessity of holding an administrative hearing to determine the liability of Respondent Briggeman.

Respondent Briggeman understands, and hereby knowingly and voluntarily waives, any and all procedural rights set forth in Sections 83115.5, 11503, and 11523 of the Government Code, and in Section 18361.1 through 18361.9 of Title 2 of the California Code of Regulations. This includes, but is not limited to, the right to personally appear at any administrative hearing held in this matter, to be represented by an attorney at Respondent's own expense, to confront and cross-examine all witnesses

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

It is further stipulated and agreed that Respondent Briggeman violated the Political Reform Act by making three contributions in a name other than the name by which such person is identified for legal purposes, in violation of Government Code section 84301 (3 Counts), as described in Exhibit 1, which is attached hereto and incorporated by reference, as though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

Respondent Briggeman agrees to the issuance of the Decision and Order, which is attached hereto. Respondent Briggeman also agrees to the Commission imposing upon it an administrative penalty in the amount of ~~Five~~ FIFTEEN Thousand Dollars ($15,000). A cashier's check or money order from Respondent Briggeman in said amount, made payable to the "General Fund of the State of California," is submitted with this Stipulation as full payment of the administrative penalty, and shall be held by the State of California until the Commission issues its decision and order regarding this matter. The parties agree that in the event the Commission refuses to accept this Stipulation, it shall become null and void, and within fifteen (15) business days after the Commission meeting at which the Stipulation is rejected, all payments tendered by Respondent Briggeman in connection with this Stipulation shall be reimbursed to Respondent Briggeman. Respondent further stipulates and agrees that in the event the Commission rejects the Stipulation, and a full evidentiary hearing before the Commission becomes necessary, neither any member of the Commission, nor the Executive Director, shall be disqualified because of prior consideration of this Stipulation.

Dated: _____

_____
Galena West, Chief of Enforcement, on behalf of the Fair Political Practices Commission

Dated: 9-10-2015

[redacted]
George S. Briggeman, Jr., Respondent

DECISION AND ORDER

The foregoing Stipulation of the parties "In the Matter of George S. Briggeman, Jr., FPPC No. 13/936," including all attached exhibits, is hereby accepted as the final Decision and Order of the Fair Political Practices Commission, effective upon execution below by the Chair.

IT IS SO ORDERED.

Dated: _____

_____
Joann Remke, Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

At all relevant times, Respondent George S. Briggeman, Jr. was the owner and chairman of the Briggeman family of companies, including Briggeman Disposal Services, Inc., Briggeman Drive LLC and Briggeman Land & Development Company. Briggeman lives in Southern California. Briggeman created and fully funded Green and Clean LLC, which is located in Cheyenne, Wyoming, for the purpose of making political contributions in California to conceal himself as the true source of the contributions.

Briggeman violated the Act's provisions against making contributions in a name other than one's legal name and failing to identify himself as the true source of funds contributed, in violation of the Political Reform Act[1] ("the Act").

SUMMARY OF THE LAW

The Fair Political Practices Commission is charged with the duty to administer, implement, and enforce the provisions of the Political Reform Act of 1974. By enacting the Act, California voters specifically found and declared that previous laws regulating political practices had suffered from inadequate enforcement, and that it was their purpose to ensure that the Act be vigorously enforced.[2]

Prohibitions: Making Contributions in the Name of Another Person

The Act provides that "receipts and expenditures in election campaigns shall be fully and truthfully disclosed in order that the voters may be fully informed and improper practices may be inhibited."[3] Timely and truthful disclosure of the source of campaign contributions is an essential part of the Act's mandate.

In order to obtain disclosure of the true source of campaign contributions, the Act provides that "no contribution shall be made, directly or indirectly, by any person in a name other than the name by which such person is identified for legal purposes."[4]

SUMMARY OF THE FACTS

Briggeman is a well-known businessman in the Los Angeles area, known especially for his trash hauling businesses. In 2010, citizens of Los Alamitos filed a Petition for Writ of Mandate ("Petition") against the City of Los Alamitos and one of Briggeman's businesses,

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[1] The Political Reform Act is contained in Government Code sections 81000 through 91014. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations.

[2] Sections 81001, subdivision (h), and 81002, subdivision (f).

[3] Section 81002, subdivision (a).

[4] Section 84301.

Consolidated Disposal Service, LLC, amongst others. The Petition alleged that Briggeman made contributions through a general purpose committee, Taxpayer's for a Safer Neighborhood, with the condition that this committee would monetarily support local city council candidates who agreed that they would approve a contract to his business, Consolidated Disposal Service, LLC in 2010. The Petition alleged that the Los Alamitos City Council violated the City Ordinance by entering into this trash hauling contract with Consolidated Disposal Service, LLC.

In November 2011, the Court granted the Petition and invalidated the contract with Consolidated Disposal Service, LLC, but did not make a decision whether Briggeman made contributions with an agreement to contract with his business. This case created media attention locally, with a public focus on Briggeman's political contributions in connection with city contracts and his businesses and affiliated businesses.

Green and Clean LLC

Green and Clean LLC was created by Wyoming Corporate Services, Inc. Wyoming Corporate Services, Inc. is a company that sells "aged shelf companies." The companies are formed and set aside until purchase. At purchase, each company is provided with a Certificate of Good Standing from the state, Certified Articles of Incorporation from the state, 20 pre-printed stock certificates, corporate seal, suggested meetings minutes and one year of Registered Agent Services. Wyoming Corporate Services, Inc. promotes its service by stating that the state of Wyoming provides more privacy to managers and members of an LLC, effectively concealing the owner's identity.

The Articles of Organization of Green and Clean LLC were filed on August 16, 2011, during the time of the above mentioned case. The registered agent is Corporate Agents LLC, which is located at the same address as Wyoming Corporate Services, Inc.

Green and Clean LLC was fully funded by Briggeman. On or about October 22, 2012, Briggeman signed and deposited a $4,000 check from Briggeman Land and Development Company to open the Green and Clean LLC bank account. Additionally, on or about October 23, 2012, Briggeman transferred $10,000 from Briggeman Drive LLC to Green and Clean LLC.

Counts 1-3

Briggeman made three campaign contributions through Green and Clean LLC to Taxpayers for Safer Neighborhoods, a general purpose committee, between October 22, 2012 and November 15, 2012, while concealing himself as the true source of the contributions. Briggeman used Green and Clean LLC to make contributions to Taxpayers for Safer Neighborhoods, a general purpose committee in Orange County, California, which was used largely to support and oppose city council candidates in Anaheim, Lake Forest and Cypress, California in 2012. All contribution checks were signed by Briggeman and the political contributions to Taxpayers for Safer Neighborhoods were the only financial activity in the Green and Clean LLC bank account during this period.

Through the execution of this campaign contribution scheme, Briggeman was the true source of the following three campaign contributions:

COUNT	DATE RECEIVED	INTERMEDIARY	AMOUNT
1	10/22/12	Green and Clean, LLC	$3,000
2	10/22/12	Green and Clean, LLC	$6,000
3	11/14/12	Green and Clean, LLC	$4,200
			Total: $13,200

By making three contributions in names other than his own legal name, Briggeman committed three counts of violating Section 84301.

CONCLUSION

This matter consists of three counts of violating the Act, which carries a maximum administrative penalty of $5,000 per count, for a total maximum penalty of $15,000.

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 the context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): (1) the seriousness of the violations; (2) the presence or lack of intent to conceal, deceive or mislead; (3) whether the violation was deliberate, negligent, or inadvertent; (4) whether the respondents demonstrated good faith in consulting with Commission staff; (5) whether there was a pattern of violations; and (6) whether, upon learning of the violation, the Respondent voluntarily filed an amendment to provide full disclosure.

The typical administrative penalty for making contributions on behalf of another without disclosing the true source of funds has been in the high range. Other similar cases regarding violations of Section 84301 that have been recently approved by the Commission include:

In the Matter of Wisdom Culture and Education Organization; FPPC No. 11/475. Respondent Wisdom Culture and Education Organization ("Respondent Wisdom") was a California corporation which operates as a 501(c)(3) organization. Mei-Chih Tsai was the Secretary and Officer of Respondent Wisdom. Respondent Wisdom made five campaign contributions to Steve Cho for Mayor in connection with the November 4, 2008 election in Fremont through its employees, by reimbursing them with a company check and/or providing the money for a contribution by company check, for the campaign contributions they made, in violation of Government Code Section 84301 (5 counts). On June 19, 2014, the Commission approved a $5,000 per count fine, for a total fine of $25,000.

In the Matter of Glen Gerson and Malibu Conference Center, Inc., FPPC No. 11/803 (Default Decision). Respondents Malibu Conference Center, Inc., and its Chief Executive Officer, Glen Gerson, made five contributions – in the amount of $1,000 each – to the Committee to Reelect

Barbra Williamson in support of candidate Williamson's bid for Simi Valley City Council. At the time the contributions were made, the local contribution limit was $1,000. Respondents circumvented the limit by making each contribution in the name of another (one affiliated corporation and four management level employees of respondents), in violation of Government Code Section 84301 (5 counts). On May 17, 2014, the Commission approved a $5,000 per count fine, for a total fine of $25,000.

This case involves a series of transactions calculated to intentionally prevent the public from learning the true source of funds. The public harm inherent when someone makes contributions in a name other than their legal name and fails to properly disclose the true source of the contributions made is that the public is deprived of the right to transparency in the political process and the full knowledge of who is supporting a particular position before they make their decision on how to vote. The violations here are especially egregious because they were intentional, deliberate and the activity associated with the violations was intended to circumvent a central purpose of the Act.

PROPOSED PENALTY

The facts of this case, including consideration of the factors of Regulation 18361.5, and the factors discussed above, a penalty of Fifteen Thousand Dollars ($15,000) is recommended.