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7

8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**
9 **STATE OF CALIFORNIA**
10

11 In the Matter of) FPPC No. 16/178
12)
13)
14 STANISLAUS REPUBLICAN) **STIPULATION, DECISION and ORDER**
CENTRAL COMMITTEE (State Acct.),)
15 and GARY McKINSEY,)
16 Respondents.)

17 **STIPULATION**

18 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
19 Respondents Stanislaus Republican Central Committee (State Acct.) and Gary McKinsey, hereby agree
20 that this Stipulation will be submitted for consideration by the Fair Political Practices Commission at its
21 next regularly scheduled meeting.

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

25 SCRIP and McKinsey understand, and hereby knowingly and voluntarily waive, any and all
26 procedural rights set forth in Government Code Sections 83115.5, 11503 and 11523, and in California
27 Code of Regulations, title 2, Sections 18361.1 through 18361.9. This includes, but is not limited to the
28 right to personally appear at any administrative hearing held in this matter, to be represented by an

1 attorney at SCRPs and McKinseys own expense, to confront and cross-examine all witnesses
2 testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
3 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
4 reviewed.

5 It is further stipulated and agreed that SCRPs and McKinseys violated the Political Reform Act as
6 described in Exhibit 1: SCRPs and McKinseys, while acting as the intermediary for two persons, failed to
7 disclose both the intermediary and the original contributor information for \$20,000 in contributions
8 from the persons, violating Government Code Section 84302 (1 count); filed an erroneous campaign
9 statement for the reporting period of October 17 through November 20, 2010, which failed to disclose
10 the violations described in Count 1 by erroneously reporting that SCRPs made \$20,000 in contributions
11 to Strickland for Controller, when it was not the true source of the contributions and was the
12 intermediary for the transactions, violating Government Code Section 84211, subdivision (k) (1 count).
13 Exhibit 1 is attached hereto and incorporated by reference as though fully set forth herein. Exhibit 1 is a
14 true and accurate summary of the facts in this matter.

15 SCRPs and McKinseys agree to the issuance of the Decision and Order, which is attached hereto.
16 SCRPs and McKinseys also agree to the Commission imposing an administrative penalty in the total
17 amount of Ten Thousand Dollars (\$10,000). A cashiers check from SCRPs and McKinseys in said
18 amount, made payable to the "General Fund of the State of California," is submitted with this
19 Stipulation as full payment of the administrative penalty, and shall be held by the State of California
20 until the Commission issues its Decision and Order regarding this matter. The parties agree that in the
21 event the Commission refuses to accept this Stipulation, it shall become null and void, and within
22 fifteen (15) business days after the Commission meeting at which the Stipulation is rejected, all
23 payments tendered by SCRPs and McKinseys in connection with this Stipulation shall be reimbursed to
24 SCRPs and McKinseys. SCRPs and McKinseys further stipulate and agree that in the event the
25 Commission rejects the Stipulation, and a full evidentiary hearing before the Commission becomes
26 necessary, neither any member of the Commission, nor the Executive Director, shall be disqualified
27 because of prior consideration of this Stipulation.

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Dated: _____
Galena West, Chief, on Behalf of the Enforcement Division
Fair Political Practices Commission

Dated: _____
Joe David Wright, on behalf of Stanislaus Republican Central
Committee (State Acct.), Respondent

Dated: _____
Gary McKinsey, Respondent

DECISION AND ORDER

The foregoing Stipulation of the parties “In the Matter of Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey,” FPPC Case No. 16/178, 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

Respondent Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party (“SCRP”), was a political party committee located in Modesto, CA. Respondent Gary McKinsey was the treasurer for SCRCP.

Anthony A. “Tony” Strickland served in the California Legislature for ten years: as a State Senator, 19th District, from 2008 through 2012, and as a State Assemblymember, 37th District, from 1998 through 2004. Strickland was an unsuccessful candidate for California State Controller in the November 2, 2010 general election, and he unsuccessfully ran for Congress in 2012 and 2014. Strickland for Controller 2010, was Strickland’s candidate controlled committee. Lysa Ray was the treasurer for Strickland for Controller. Strickland, Strickland for Controller and Ray are named respondents in the companion case, FPPC Case No. 11/073.

Ventura County Republican Party (“VCRP”) was a political party committee located in Camarillo, CA. Arkady Milgram was the treasurer for VCRP. VCRP and Milgram are named respondents in the companion case, FPPC Case No. 16/100.

The Political Reform Act (the “Act”)¹ requires committees to accurately disclose contributions and expenditures. The Act prohibits contributions made in the name of another, prohibits earmarking contributions unless the intermediary and original contributor information is disclosed, and imposes campaign contribution limits regarding the making and receiving of certain contributions. In 2010, an individual wishing to contribute to a candidate for California State Controller could not contribute more than \$6,500 per election. However, at that time, there was no limit on contributions from a political party county central committee to that same candidate.

In 2010, SCRCP made a \$20,000 contribution to Strickland for Controller. However SCRCP was not the true source of the contribution, and the true sources of the contribution were concealed. SCRCP and McKinsey violated the Act by failing to disclose both the intermediary and the original contributor information for the contributions and filing erroneous campaign statements which failed to disclose that activity.

SUMMARY OF THE LAW

All legal references and discussions of law pertain to the Act’s provisions as they existed in 2010.

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¹ The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act

When enacting the Political Reform Act, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities.² To that end, the Act must be liberally construed to achieve its purposes.³

There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁴ Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”⁵

Definition of Political Party Committee

A “political party committee” includes the county central committee of an organization that meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections Code.⁶

Duty to Disclose Intermediary

The Act prohibits any person from making a contribution while acting as the intermediary of another, without disclosing to the recipient of the contribution both the intermediary’s own full name, street address, occupation, and employer, and the original contributor’s full name, street address, occupation, and employer.⁷ The Act also states that a person is an intermediary for a contribution if the recipient of the contribution “would consider the person to be the contributor without the disclosure of the identity of the true source of the contribution.”⁸

Campaign Contribution Limits

The Act imposes campaign contribution limits with respect to the making and receiving of certain contributions. These limits are adjusted periodically, and different limits apply depending upon who is contributing and who is receiving.⁹

In 2010, an individual wishing to contribute to a candidate for California State Controller could not contribute more than \$6,500 per election.¹⁰ However, at that time, there was no limit on contributions from a political party committee (such as a county central committee) to that

² § 81001, subd. (h).

³ § 81003.

⁴ § 81002, subd. (a).

⁵ § 81002, subd. (f).

⁶ § 85205.

⁷ § 84302.

⁸ Reg. 18432.5, subd. (a).

⁹ §§ 83124, 85301 and 85303, and Reg. 18545.

¹⁰ § 85301, subd. (b); Reg. 18545, subd. (a)(2).

same candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual could contribute to a political party committee for the purpose of making contributions to candidates for State Controller.¹¹ Individuals could exceed this amount so long as the excess was not used by the committee to support/oppose candidates for elective state office.

Aggregation of Campaign Contributions by Affiliated Entities

For purposes of the Act's contribution limits, contributions of an entity whose contributions are directed and controlled by any individual must be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.¹² An entity is any person, other than an individual.¹³ A person is as an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.¹⁴

Duty to Disclose Accurate Expenditure Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about its expenditures, including those expenditures which are contributions to candidates: (1) the payee's full name; (2) his or her street address; (3) the amount of each expenditure; (4) a brief description of the consideration for which each expenditure was made; and (5) in the case of an expenditure which is a contribution to a candidate, elected officer, or committee, the date of the contribution, the cumulative amount of contributions made to that recipient, the full name of the recipient, and the office and district/jurisdiction for which he or she seeks nomination or election.¹⁵

Liability for Violations

Any person who violates any provision of the Act, who purposely or negligently causes any other person to violate any provision of the Act, or who aids and abets any other person in the violation of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.¹⁶ This only applies to persons who have filing or reporting obligations under the Act, or who are compensated for services involving the planning, organizing or directing of any activity regulated or required by the Act.¹⁷

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¹¹ § 85303, subd. (b); Reg. 18545, subd. (a)(8).

¹² § 85311, subd. (b).

¹³ § 85311, subd. (a)(1).

¹⁴ § 82047.

¹⁵ § 84211, subd. (k).

¹⁶ §§ 83116, and 83116.5.

¹⁷ § 83116.5.

Treasurer Liability

Every committee must have a treasurer.¹⁸ It is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds and the reporting of such funds.¹⁹ A committee's treasurer may be held jointly and severally liable with the committee for any reporting violations.²⁰

Joint and Several Liability

If two or more parties are responsible for a violation of the Act, they are jointly and severally liable.²¹

SUMMARY OF THE FACTS

Laundered Campaign Contributions

Records show that in 2010, Strickland for Controller hired Pluvios Group, a political fundraising firm located in Los Angeles, CA. Matthew Jubitz, owner of Pluvios Group, told Enforcement Division staff that he worked closely with Strickland, and reported fundraising activity directly to Strickland. Jubitz testified that Pluvios Group maintained a detailed and extensive contributor contact list, which Pluvios Group used when fundraising for Strickland's campaign. Pluvios Group promoted Strickland's campaign to contributors and communities, created fundraising materials, planned, organized and hosted fundraisers, and collected contributions for Strickland for Controller related to these efforts. Pluvios Group received a 15% commission for all contributions it secured for Strickland's campaign.

Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of \$2 million.

William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received Templeton's maximum contribution on April 6, 2010.

¹⁸ § 84100.

¹⁹ §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

²⁰ §§ 83116.5 and 91006.

²¹ § 91006.

According to his testimony, Templeton wanted to do more to support pro-business candidates in Ventura County without getting personally involved in local races. An email thread between Templeton and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for candidate support to a political party committee. Templeton testified that he had no contact with VCRP and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP.

Records show that VCRP received Templeton's check on June 11, 2010, three days after the primary election. The evidence shows that on June 28 and 30, 2010, at Strickland's direction, VCRP contributed \$30,750 of Templeton's contribution to Strickland's campaign.

Despite Templeton having made the maximum contribution to Strickland and contributing another \$30,750 through VCRP, Jubitz sent a campaign letter dated August 6, 2010, to Templeton, signed by Strickland, inviting Templeton to attend a fundraising event in Thousand Oaks on September 23, 2010, for Strickland's campaign. Under the subject line "Strickland Event," Templeton emailed Jubitz on August 13, 2010, asking, "Can I contribute any more ??" Jubitz forwarded the email to Strickland, saying, "I'm going to ask for [California Republican Party], unless you say otherwise." Strickland replied, "Vcgop," and later followed up:

We should get the 30k to vcgop. That is what the [sic] can get that vcgop can give directly to candidates. If he has a wife we should ask for 60k

In August 2010, Templeton planned to travel to Sacramento on business. Templeton emailed Wangsaporn on August 22, 2010, requesting to meet with Strickland while he was in Sacramento.

Soon after the meeting, on September 8, 2010, Jubitz sent an email to Templeton confirming his "generous pledge of \$32,400" to SCRCP. Templeton corrected him, replying, "I am still looking at this. I will do something to Stanislaus, but it won't be the \$32,400." Jubitz testified that Pluvius Group did not have a fundraising contract with SCRCP.

On October 5, 2010, Jubitz sent an email to Templeton inviting him to an "intimate" dinner gathering hosted by Strickland, which was eventually held on October 12, 2010 at Sly's, a popular restaurant in Carpinteria, CA. Jubitz testified that between 10 and 13 people attended, including Strickland, his wife, Audra, Jubitz, and Templeton. According to Jubitz' and Templeton's testimony, everyone sat at one large table, and conversation topics included the 2010 Controller's race and the need for more contributions.

One week later, records show that Templeton wrote a check to SCRCP for \$15,000. Templeton testified that he had no contact with SCRCP and sent the contribution check to Jubitz. Jubitz delivered the check to SCRCP, who received Templeton's contribution on October 26, 2010.

Similarly, records show that Matthew Swanson, president of Associated Feed & Supply Co. and other Swanson Family companies in Turlock, CA, made a maximum contribution to Strickland for Controller through his business and a large contribution to SCRCP. In May 2010, Swanson, through Associated Feed, made the maximum contribution to Strickland for Controller for the primary election, \$6,500. In September 2010, Swanson, through his investment company, Prospector, LLC, made the maximum contribution to Strickland for Controller for the general election, \$6,500. Because Swanson directed and controlled the contributions of his two companies, the contributions were attributed to Swanson. So Swanson gave the maximum contributions to Strickland for Controller.

Records show that on October 25, 2010, Maria Stavrakas of Pluvios Group sent an email to Deanna Lascano, executive assistant to Swanson, as follows:

Hi DeeAnna [sic],

The check should be made payable to
Stanislaus County Republican Party
and overnight to our office:

Matthew Jubitz
515 S. Figueroa Street
16th Floor
Los Angeles, CA 90071

Did Matt [Swanson] say how much he decided to contribute?

I will also send you Major Donor forms in a separate email.

Thanks so much for your help.

Lascano responded on October 26, 2010: “He asked me to fill out a check for \$5,000. Thanks for the forms and address. I will have Ron cut the check today if possible, otherwise it will go out tomorrow.” Stavrakas forwarded the email thread to Jubitz the same day. Records show that on October 26, 2010, Swanson, again through Prospector, sent a \$5,000 check to SCRCP.

Records also show that on October 28, 2010, Stavrakas sent an email to Strickland, stating, “Matt Swanson called. He is calling your cell.” Strickland responded a few minutes later, “Had a great talk. Wanted to make sure we got his check [from SCRCP]...”

Records show that on October 28, 2010, SCRCP sent a \$20,000 check to Strickland for Controller, who received SCRCP’s \$20,000 check on October 30, 2010.

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Campaign Statements

In its campaign statement for March 18 through May 22, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
04/06/2010	Templeton	2010P: \$6,500	\$6,500	\$13,000
04/06/2010	Templeton	2010G: \$6,500	\$6,500	\$13,000
05/22/2010	Associated Feed (Swanson)	2010P: \$6,500	\$6,500	\$6,500

In its campaign statement for July 1 through September 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
09/09/2010	Prospector, LLC (Swanson)	2010G: \$6,500	\$6,500	\$6,500

In its campaign statement for October 17 through November 20, 2010, SCRCP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
10/26/2010	Templeton	None	\$15,000	\$15,000
10/29/2010	Prospector, LLC (Swanson)	None	\$5,000	\$5,000

And SCRCP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
D and E	10/28/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$20,000

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In its campaign statement for October 17 through December 31, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
10/30/2010	SCRP	2010G: \$20,000	\$20,000	\$20,000

None of the above campaign statements disclose that Templeton and Swanson were the true sources of the \$20,000 contribution from SCRCP and that SCRCP was the intermediary for the contributions earmarked for Strickland for Controller, as required.

VIOLATIONS

Count 1: Failure to Disclose Intermediary and Original Contributor Information

SCRCP and McKinsey, in October 2010, while acting as the intermediary for Templeton and Swanson, failed to disclose both the intermediary and the original contributor information for a \$15,000 contribution from Templeton to Strickland for Controller and for a \$5,000 contribution from Swanson to Strickland for Controller, violating Government Code Section 84302.

Count 2: Disclosure of Erroneous Information in Campaign Statements

SCRCP and McKinsey, on or about December 1, 2010, filed an erroneous campaign statement for the reporting period of October 17 through November 20, 2010, which failed to disclose the violations described in Count 1 by erroneously reporting that SCRCP made \$20,000 in contributions to Strickland for Controller, when it was not the true source of the contributions and was the intermediary for the transactions, violating Section 84211, subdivision (k).

CONCLUSION

This matter consists of 2 counts of violating the Act, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000) per count for a total of Ten Thousand Dollars (\$10,000).

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 context of the factors set forth in Regulation 18361.5, subdivision (d): 1) the seriousness of the violations; 2) the presence or lack of intent to deceive the voting public; 3) whether the violation was deliberate, negligent, or inadvertent; 4) whether the Respondent 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 violator voluntarily provided amendments to provide full disclosure.

The Commission also considers penalties in prior cases involving similar violations. Recent cases for similar violations include:

Failure to Disclose Intermediary and Original Contributor Information

- *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, FPPC No. 12/377.* The nine respondents included an incumbent State Assemblymember, a candidate for State Assembly, their candidate controlled committees, a Republican central committee (“Tehama GOP”) and the committees’ treasurers. The parties impermissibly moved money from Nielsen’s committee to Williams’ committee through the Tehama GOP. The evidence showed that 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 the \$4,320 contribution from Taxpayers for Nielsen to Friends of Williams, violating Section 84302 (1 count). In August 2015, the Commission imposed a penalty of \$4,000 for this count.
- *Republican Central Committee of Los Angeles County, also known as Republican Party of Los Angeles County, FPPC No. 11/224 (Default Decision).* Respondent, a political party central committee, served as the intermediary for contributions from four members of the Novelty family, for contributions totaling \$32,400, to Committee to Elect Rabbi Shifren, in violation of Government Code Section 84302 (2 counts). In October 2014, the Commission imposed a penalty of \$5,000 per count.

Disclosure of Erroneous Contributor Information in Campaign Statements

- *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, FPPC No. 12/377.* The nine respondents included an incumbent State Assemblymember, a candidate for State Assembly, their candidate controlled committees, a Republican central committee (“Tehama GOP”) and the committees’ treasurers. The parties impermissibly moved money from Nielsen’s committee to Williams’ committee through the Tehama GOP. The evidence showed that Tehama GOP, Marsh, and Alston, while acting as the intermediary of Taxpayers for Nielsen, erroneously reported that Tehama GOP made a \$4,320 contribution to Friends of Williams, instead of disclosing that Tehama GOP was the intermediary, violating Section 84211, subdivision (k) (1 count). In August 2015, the Commission imposed a penalty of \$4,000 for this count.
- *Republican Central Committee of Los Angeles County, also known as Republican Party of Los Angeles County, FPPC No. 11/224 (Default Decision).* Respondent, a political party central committee, filed a false campaign statement reporting that it

made a \$32,400 contribution to Committee to Elect Rabbi Shifren, when in fact RPLAC was merely the intermediary for contributions made by four members of the Novelly family to Committee to Elect Rabbi Shifren, in violation of Government Code Section 84211, subdivision (k) (1 count). In October 2014, the Commission imposed a penalty of \$5,000 per count.

- *Bill Berryhill, et al.*, FPPC No. 10/828 (Decision and Order). The six respondents included two brothers, their candidate controlled committees and two Republican central committees, including SCRP. Following a six-day administrative hearing, the Commission found that Tom Berryhill and his controlled committee, disclosed false information in campaign statements to conceal the true source of earmarked contributions, in violation of Government Code section 84211, subdivision (f) (3 counts). In April 2014, the Commission imposed a penalty of \$5,000 per count against Tom Berryhill and his controlled committee.

Failing to disclose intermediary and original contributor information is one of the most serious violations of the Act because such conduct circumvents campaign contribution limits, violates disclosure requirements, and deceives the voting public as to the true source of funds. Here, SCRP's and McKinsey's conduct deceived the voting public as to the true sources of the \$20,000 contribution when they failed to disclose intermediary and original contributor information and filed inaccurate information in SCRP's campaign statement concealing the true sources of the contribution.

The evidence shows that all parties understood that SCRP would act as the undisclosed intermediary for Templeton's and Swanson's contributions to Strickland's campaign and that the \$20,000 was to go to Strickland's controller campaign. Templeton and Swanson each made maximum contributions to Strickland's campaign. Yet Strickland, an experienced candidate and officeholder, continued to solicit funds from Templeton and Swanson and directed them to make contributions to SCRP. Strickland made it clear that the over-the-limit funds were meant for his controller campaign.

The conduct in this matter resulted in significant non-disclosure, depriving the public of information regarding the campaign activity and the true sources of Strickland's campaign funds. The conduct in this case is more egregious than the conduct in the comparable cases because of the active involvement of Strickland and his campaign in coordinating and concealing the true sources of the funds.

Additionally, SCRP has concurrent enforcement history for similar conduct. SCRP was prosecuted by the Commission for its role in the laundered campaign contributions in *Bill Berryhill*, *Tom Berryhill*, *Bill Berryhill For Assembly – 2008*, *Berryhill For Assembly 2008*, *Stanislaus Republican Central Committee (State Acct.)*, and *San Joaquin County Republican Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828. The Enforcement Division investigation in the *Berryhill* case, which focused on 2008 conduct, began several months before the conduct in this case occurred.

SCRP and McKinsey cooperated with the investigation of this case.

PROPOSED PENALTY

The factors listed in Regulation 18361.5, prior similar cases, and other relevant facts, justify a total penalty of \$10,000:

Count	Description	Total
1	Failure to Disclose Intermediary and Original Contributor Information	\$5,000
2	Disclosure of Erroneous Information in Campaign Statements	\$5,000
	Total Agreed Upon Penalty	\$10,000

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