

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
THERESA GILBERTSON  
Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
1102 Q Street, Suite 3000  
Sacramento, CA 95811  
Telephone: (916) 322-5771  
Email: [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov)

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

STATE OF CALIFORNIA

In the Matter of	)	FPPC No. 16/100
	)	
	)	
VENTURA COUNTY REPUBLICAN	)	<b>DEFAULT DECISION AND ORDER</b>
PARTY and ARKADY MILGRAM,	)	
	)	
Respondents.	)	(Government Code Sections 11506 and 11520)
	)	
	)	

Complainant, the Enforcement Division of the Fair Political Practices Commission, hereby submits this Default Decision and Order for consideration by the Fair Political Practices Commission at its next regularly scheduled meeting.

Pursuant to the California Administrative Procedure Act,<sup>1</sup> Respondents Ventura County Republican Party and Arkady Milgram have been served with all documents necessary to conduct an administrative hearing regarding the above-captioned matter, including the following:

1. An Order Finding Probable Cause;
2. An Accusation;


<sup>1</sup> The California Administrative Procedure Act, which governs administrative adjudications, is contained in sections 11370 through 11529 of the Government Code.

3. A Notice of Defense (Two Copies per Respondent);
4. A Statement to Respondent; and,
5. Copies of Sections 11506, 11507.5, 11507.6 and 11507.7 of the Government Code.

Government Code section 11506 provides that failure of a respondent to file a Notice of Defense within fifteen days after being served with an Accusation shall constitute a waiver of respondent's right to a hearing on the merits of the Accusation. The Statement to Respondent, served on Ventura County Republican Party and Arkady Milgram, explicitly stated that a Notice of Defense must be filed in order to request a hearing. Ventura County Republican Party and Arkady Milgram filed Notices of Defense within fifteen days of being served with the Accusation. An Administrative Hearing was scheduled with the Office of Administrative Hearings. But on December 6, 2018, after consulting with their legal counsel, Ventura County Republican Party and Arkady Milgram withdrew their Notices of Defense<sup>2</sup>, thereby waiving their right to a hearing on the merits of the Accusation. Government Code Section 11520 provides that, if the respondent fails to file a Notice of Defense, the Commission may take action, by way of a default, based upon the respondent's express admissions or upon other evidence, and that affidavits may be used as evidence without any notice to the respondent.

Ventura County Republican Party and Arkady Milgram violated the Political Reform Act<sup>3</sup> 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 law and evidence in this matter. This Default Decision and Order is submitted to the Commission to obtain a final disposition of this matter.

Dated: 6 DEC 18

  
Galena West, Chief of Enforcement  
Fair Political Practices Commission

///

<sup>2</sup> 1 CCR § 1014, subd. (c).

<sup>3</sup> The Political Reform Act is contained in Government Code §§ 81000 through 91014. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations.



**ORDER**

The Commission issues this Default Decision and Order and imposes an administrative penalty of \$12,000 upon Ventura County Republican Party and Arkady Milgram, payable to the "General Fund of the State of California."

IT IS SO ORDERED, effective upon execution below by the Chair of the Fair Political Practices Commission at Sacramento, California.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Alice T. Germond, Chair  
Fair Political Practices Commission

## EXHIBIT 1

### INTRODUCTION

#### Respondents

Respondent Ventura County Republican Party ("VCRP") was a political party committee located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

#### Commission Prosecutions Against Related Parties

##### Strickland, Strickland for Controller and Ray FPPC Case No. 11/073:

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 were named respondents in the companion case, FPPC Case No. 11/073. On May 19, 2016, the Commission imposed a \$40,000 penalty against Strickland, Strickland for Controller and Ray based upon a stipulated settlement (Certification, Exhibit A-1) in which Strickland, Strickland for Controller and Ray admitted eight violations of the Act as follows: In June 2010, purposefully or negligently caused, or aided and abetted, Templeton to make an earmarked, over-the-limit contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, and purposefully or negligently caused, or aided and abetted, Barth to make an earmarked, over-the-limit contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1) (2 counts); In October 2010, purposefully or negligently caused, or aided and abetted, Templeton to make an earmarked, over-the-limit contribution of \$15,000 to Strickland for Controller in the name of SCRP, and purposefully or negligently caused, or aided and abetted, Swanson to make an earmarked, over-the-limit contribution of \$5,000 to Strickland for Controller in the name of SCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1) (2 counts); Filed four false campaign statements for the reporting periods of May 23 through June 30, 2010, and October 17 through December 31, 2010, concealing the violations described in Counts 1 through 12 by falsely reporting that Strickland for Controller received contributions from VCRP and SCRP, when the contributions were made by other persons, and VCRP and SCRP were the intermediaries for the transactions, violating Government Code Section 84211, subdivision (f) (4 counts).

##### SCRP and McKinsey FPPC Case No. 16/178:

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 SCRP.

SCRIP and McKinsey were named respondents in the companion case, FPPC Case No. 16/178. On March 17, 2016, the Commission imposed a \$10,000 penalty against SCRIP and McKinsey based upon a stipulated settlement (Certification, Exhibit A-2) in which SCRIP and McKinsey admitted two violations of the Act as follows: 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 (1 count); 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 SCRIP 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) (1 count).

Prohibited Conduct: VCRP and Milgram

The Political Reform Act (the "Act")<sup>1</sup> 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, VCRP made \$45,000 in contributions to Strickland for Controller. However, VCRP was not the true source of the contributions, and the true sources of the contributions were concealed. VCRP and Milgram violated the Act by failing to disclose both the intermediary and the original contributor information for the contributions and filing inaccurate campaign statements concealing that activity.

**DEFAULT PROCEEDINGS UNDER  
THE ADMINISTRATIVE PROCEDURE ACT**

When the Commission determines that there is probable cause for believing that the Act has been violated, it may hold a hearing to determine if a violation has occurred.<sup>2</sup> Notice of the hearing, and the hearing itself, must be conducted in accordance with the Administrative Procedure Act (the "APA").<sup>3</sup> A hearing to determine whether the Act has been violated is initiated by the filing of an accusation, which shall be a concise written statement of the charges, specifying the statutes and rules the respondent is alleged to have violated.<sup>4</sup>

---

<sup>1</sup> 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.

<sup>2</sup> § 83116.

<sup>3</sup> The California Administrative Procedure Act, which governs administrative adjudications, is contained in §§ 11370 through 11529 of the Government Code. The Regulations of the Office of Administrative Hearings are contained in §§ 1000 through 1050 of Title 1 of the California Code of Regulations.

<sup>4</sup> § 11503.

Included among the rights afforded a respondent under the APA is the right to file the Notice of Defense with the Commission within 15 days after service of the accusation, by which the respondent may (1) request a hearing, (2) object to the accusation on the ground that it does not state acts or omissions upon which the agency may proceed, (3) object to the form of the accusation on the ground that it is so indefinite or uncertain that the respondent cannot identify the transaction or prepare a defense, (4) admit the accusation in whole or in part, or (5) present new matter by way of a defense, or (6) object to the accusation on the ground that, under the circumstances, compliance with a Commission regulation would result in a material violation of another department's regulation affecting substantive rights.<sup>5</sup>

The APA provides that a respondent's failure to file a Notice of Defense within 15 days after service of an accusation constitutes a waiver of the respondent's right to a hearing.<sup>6</sup> Moreover, when a respondent fails to file a Notice of Defense, the Commission may take action based on the respondent's express admissions or upon other evidence, and affidavits may be used as evidence without any notice to the respondent.<sup>7</sup> The regulations for the Office of Administrative Hearings requires a party who withdraws a Notice of Defense to notify the Office of Administrative Hearings and all other parties.<sup>8</sup>

## **PROCEDURAL REQUIREMENTS AND HISTORY**

Documents supporting the procedural history are included in the attached Exhibit A – Certification of Records (Certification) Exhibits A–3 through A–18, and incorporated herein by reference.

### **A. Initiation of the Administrative Action**

The service of the probable cause hearing notice, as required by Section 83115.5, upon the person alleged to have violated the Act starts the administrative action.<sup>9</sup>

A finding of probable cause may not be made by the Commission unless the person alleged to have violated the Act is 1) notified of the violation by service of process or registered mail with return receipt requested; 2) provided with a summary of the evidence; and 3) informed of his or her right to be present in person and represented by counsel at any proceeding of the Commission held for the purpose of considering whether probable cause exists for believing the person violated the Act.<sup>10</sup> The required notice to the alleged violator is deemed made on the date of service; the date the registered mail receipt is signed; or if the registered mail receipt is not signed, the date returned by the post office.<sup>11</sup>

---

<sup>5</sup> § 11506, subd. (a)(1)-(6).

<sup>6</sup> § 11506, subd. (c).

<sup>7</sup> § 11520, subd. (a).

<sup>8</sup> 1 CCR § 1014, subd. (c).

<sup>10</sup> § 83115.5.

<sup>11</sup> § 83115.5.

No administrative action pursuant to Chapter 3 of the Act alleging a violation of any of the provisions of Act may be commenced more than five years after the date on which the violation occurred.<sup>12</sup>

In accordance with Sections 83115.5 and 91000.5, the Enforcement Division initiated the administrative action against VCRP and Milgram in this matter by serving them with a Report in Support of a Finding of Probable Cause (the "Report") (Certification, Exhibit A-3) by certified mail, return receipt requested,<sup>13</sup> on June 5, 2015 (VCRP) and June 6, 2015 (Milgram). (Certification, Exhibit A-4.) The administrative action commenced on June 5, 2015 (VCRP) and June 6, 2015 (Milgram), the dates the certified mail receipts were signed, and the five-year statute of limitations was effectively tolled on these dates.

As required by Section 83115.5, the packet served on VCRP and Milgram contained a cover letter and a memorandum describing probable cause proceedings, advising that VCRP and Milgram had 21 days in which to request a probable cause conference and/or to file a written response to the Report. (Certification, Exhibit A-5.)

The Enforcement Division served VCRP and Milgram with an Amended Report in Support of a Finding of Probable Cause (Amended Report).<sup>14</sup> (Certification, Exhibit A-6.) VCRP and Milgram were served, through legal counsel, by certified mail, return receipt requested.<sup>15</sup> (Certification, Exhibit A-7.) The original return receipt addressed to VCRP and Milgram was signed on September 23, 2015, and was returned to the Enforcement Division. (Certification, Exhibit A-8.)

VCRP and Milgram requested a probable cause conference, which was held on November 10, 2015.

The Hearing Officer issued an Order re: Probable Cause, which was served on December 4, 2015, finding that probable cause exists to believe VCRP and Milgram violated the Act. (Certification, Exhibit A-9.)

**B. The Issuance and Service of the Accusation**

Under the Act, if the Hearing Officer makes a finding of probable cause, the Enforcement Division must prepare an accusation, pursuant to Section 11503 of the APA, and have it served on the persons who are the subject of the probable cause finding.<sup>16</sup>

///

---

<sup>12</sup> § 91000.5.

<sup>13</sup> § 83115.5.

<sup>14</sup> §§ 83115.5 and 91000.5.

<sup>15</sup> §§ 8311(Mailing by Certified Mail) and 83115.5.

<sup>16</sup> Regulation 18361.4, subd. (e).



Section 11503 states:

A hearing to determine whether a right, authority, license, or privilege should be revoked, suspended, limited, or conditioned shall be initiated by filing an accusation or District Statement of Reduction in Force. The accusation or District Statement of Reduction in Force shall be a written statement of charges that shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his or her defense. It shall specify the statutes and rules that the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of those statutes and rules. The accusation or District Statement of Reduction in Force shall be verified unless made by a public officer acting in his or her official capacity or by an employee of the agency before which the proceeding is to be held. The verification may be on information and belief.

Upon the filing of the accusation, the agency must 1) serve a copy thereof on the respondent as provided in Section 11505, subdivision (c); 2) include a post card or other form entitled Notice of Defense that, when signed by or on behalf of the respondent and returned to the agency, will acknowledge service of the accusation and constitute a notice of defense under Section 11506; 3) include (i) a statement that respondent may request a hearing by filing a notice of defense as provided in Section 11506 within 15 days after service upon the respondent of the accusation, and that failure to do so will constitute a waiver of the respondent's right to a hearing, and (ii) copies of Sections 11507.5, 11507.6, and 11507.7.<sup>17</sup> The APA also sets forth the language required in the accompanying statement to the respondent.<sup>18</sup>

The Accusation and accompanying information may be sent to the respondent by any means selected by the agency, but no order adversely affecting the rights of the respondent may be made by the agency in any case unless the respondent has been served personally or by registered mail as set forth in the APA.<sup>19</sup>

On March 7, 2016, the Commission's Chief of Enforcement, Galena West, issued an Accusation against VCRP and Milgram in this matter. (Certification, Exhibit A-10.) In accordance with Section 11505, the Accusation and accompanying information, consisting of a Statement to Respondent, two copies of a Notice of Defense Form for each respondent, copies of Government Code Sections 11506, 11507.5, 11507.6, and 11507.7, were personally served on counsel for VCRP and Milgram, a person authorized to accept service of process on behalf of VCRP and Milgram, on March 8, 2016. (Certification, Exhibit A-11.)

Along with the Accusation, the Enforcement Division served VCRP and Milgram with a "Statement to Respondent," which notified them that they could request a hearing on the merits and warned that, unless a Notice of Defense was filed within 15 days of service of the Accusation,

---

<sup>17</sup> § 11505, subd. (a).

<sup>18</sup> § 11505, subd. (b).

<sup>19</sup> § 11505, subd. (c).

they would be deemed to have waived the right to a hearing. (Certification, Exhibit A-12.) VCRP and Milgram each signed a Notice of Defense on March 21, 2016. (Certification, Exhibit A-13.)

On February 16, 2018, the Commission's Chief of Enforcement, Galena West, issued a First Amended Accusation against VCRP and Milgram in this matter. (Certification, Exhibit A-14.) In accordance with Section 11507, the First Amended Accusation was personally served on counsel for VCRP and Milgram, a person authorized to accept service of process on behalf of VCRP and Milgram, on February 22, 2018. (Certification, Exhibit A-15.)

On November 29, 2018, the Office of Administrative Hearings served on all parties a Notice of Hearing Dates and of Prehearing Conference and Mandatory Settlement Conference Date and Time, setting the administrative hearing for May 20-29, 2019, and the Prehearing Conference and Mandatory Settlement Conference for April 5, 2019. (Certification, Exhibit A-16.)

On December 6, 2018, VCRP and Milgram, after consulting with their legal counsel, withdrew their notices of defense. (Certification, Exhibit A-17.)

As a result, on December 6, 2018, the Enforcement Division sent a letter to VCRP and Milgram, through their legal counsel, advising that this matter would be submitted for a Default Decision and Order at the Commission's public meeting scheduled for December 20, 2018. (Certification, Exhibit A-18.) A copy of the Default Decision and Order, and this accompanying Exhibit 1 with attachments, was included with the letter.

## **SUMMARY OF THE LAW**

The Act and its regulations are amended from time to time. The violations in this case occurred in 2010. For this reason, all legal references and discussions of law pertain to the Act's provisions as they existed at that time.

### **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.<sup>20</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>21</sup>

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.<sup>22</sup> Another is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced."<sup>23</sup>

---

<sup>20</sup> § 81001, subd. (h).

<sup>21</sup> § 81003.

<sup>22</sup> § 81002, subd. (a).

<sup>23</sup> § 81002, subd. (f).



### 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.<sup>24</sup>

### 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.<sup>25</sup> 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.”<sup>26</sup>

### 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.<sup>27</sup>

In 2010, an individual wishing to contribute to a candidate for California State Controller could not contribute more than \$6,500 per election.<sup>28</sup> However, at that time, there was no limit on contributions from a political party committee (such as a county central committee) to that 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.<sup>29</sup> Individuals could exceed this amount so long as the excess was not used by the committee to support/oppose candidates for elective state office.

### 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.<sup>30</sup>

---

<sup>24</sup> § 85205.

<sup>25</sup> § 84302.

<sup>26</sup> Reg. 18432.5, subd. (a).

<sup>27</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>28</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>29</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

<sup>30</sup> § 84211, subd. (k).

### 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.<sup>31</sup> 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.<sup>32</sup>

### Treasurer Liability

Every committee must have a treasurer.<sup>33</sup> 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.<sup>34</sup> A committee's treasurer may be held jointly and severally liable with the committee for any reporting violations.<sup>35</sup>

### Joint and Several Liability

If two or more parties are responsible for a violation of the Act, they are jointly and severally liable.<sup>36</sup>

## **SUMMARY OF THE EVIDENCE**

The First Amended Accusation in this case (Certification, Exhibit A-14) states the facts supporting the violations charged. The violations are supported by the evidence included in the following attachments: Exhibit A – Certification of Records (Certification), attached Exhibits A-19 through A-37. The evidence is summarized below.

### 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.

---

<sup>31</sup> §§ 83116, and 83116.5.

<sup>32</sup> § 83116.5.

<sup>33</sup> § 84100.

<sup>34</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

<sup>35</sup> §§ 83116.5 and 91006.

<sup>36</sup> § 91006.

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.

In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

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.

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.

Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show that on June 10, 2010, Jubitz sent an email to Barth stating in part:

As per our conversation, I have attached the general election contribution information for Tony. You and Avery can do the max of \$13,000. I also put the form for the Ventura County Republican Party Candidate direct committee.

Really appreciate your support.

On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in 452,700

Jubitz: Have we received any party money?

Wangsaporn: I thought templeton [sic] was doing something with vc gop?

Jubitz: He did. 32,400... but I am not aware of whether or not a donation from VCRP has come in to Strickland for Controller.

Wangsaporn: You're right we have not yet. But should we add a line item for 'vc gop' It would be whatever the amount raised/pledged minus 7%

Jubitz: I know. Tony and I decided no.

Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email to Strickland and Jubitz, subject line: "FYI VCGOP check":

Tony- you received  
32,400 templeton  
15,000 barth

-----  
Total of 47,400  
After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP Chairman] will be cutting you a check for 37,490.

Strickland responded to all:

No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2 million raised for team meg.

A few minutes later, Strickland followed up his response with:

Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do you think sue groff will do anything before the 30th?? If not get 45k check from vcgop.

Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal 45k. 400 not 600.

Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller, \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010. The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and Barth.

///

### Inaccurate Reporting

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

In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

In its campaign statement for June 6 through June 30, 2010, VCRP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

None of the above campaign statements disclose that Templeton and Barth were the true sources of the \$45,000 in contributions from VCRP and that VCRP was the intermediary for the contributions earmarked for Strickland for controller, as required.

///



## **VIOLATIONS**

VCRP and Milgram committed three violations of the Act, as follows:

### **COUNT 1**

#### **Failure to Disclose Intermediary and Original Contributor Information**

VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to disclose both the intermediary and the original contributor information for a contribution of approximately \$30,759 (\$32,400 minus VCRP's approximate 5% fee) from Templeton to Strickland for Controller, violating Section 84302.

### **COUNT 2**

#### **Failure to Disclose Intermediary and Original Contributor Information**

VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose both the intermediary and the original contributor information for a contribution of approximately \$14,241 (\$15,000 minus VCRP's approximate 5% fee) from Barth to Strickland for Controller, violating Section 84302.

### **COUNT 3**

#### **Disclosure of Inaccurate Information in Campaign Statements**

VCRP and Milgram, on or about July 27, 2010, filed an inaccurate campaign statement for the reporting period of June 6 through June 30, 2010, concealing the violations described in Count 1 by inaccurately reporting that VCRP made \$45,000 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 three counts of violating the Act, which carry a maximum administrative penalty total of \$15,000.<sup>37</sup>

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division 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 Enforcement Division considers the facts and circumstances of the violation in the context of the following factors set forth in Regulation 18361.5, subdivision (d)(1) through (6): (1) The seriousness of the violations; 2) The presence or absence of any intention to conceal, deceive or mislead; 3) Whether the violation was deliberate, negligent, or inadvertent; 4) Whether the violator demonstrated good

---

<sup>37</sup> Section 83116, subd. (c).

faith by consulting the Commission staff or any other governmental agency in a manner not constituting complete defense under Government Code Section 83114(b); 5) Whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and 6) Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

In this case, VCRP's and Milgram's conduct misinformed the voting public as to the true sources of the \$45,000 in contributions when they failed to disclose intermediary and original contributor information and filed inaccurate information in VCRP's campaign statement concealing the true sources of the contributions. While the evidence shows that the recipients of the funds – Strickland and his campaign – were intentionally coordinating and concealing the true sources of the funds, the evidence shows that VCRP's and Milgram's conduct related to these violations was at least negligent and at most intentional. VCRP and Milgram have no prior history of violating the Act. As a result of the violations in this case, the public received inaccurate information regarding the campaign activity and the true sources of Strickland's campaign funds.

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

Counts 1 and 2: 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.

Count 3: Disclosure of Inaccurate 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, falsely 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.



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, VCRP's and Milgram's conduct misinformed the voting public as to the true sources of the \$45,000 in contributions when they failed to disclose intermediary and original contributor information and filed inaccurate information in VCRP's campaign statement thereby concealing the true sources of the contributions.

The evidence overall shows that the parties understood that VCRP would act as the undisclosed intermediary for Templeton's and Barth's contributions to Strickland's campaign and that the \$45,000 was to go to Strickland's controller campaign. Templeton and Barth each made maximum contributions to Strickland's campaign. Yet Strickland, an experienced candidate and officeholder, continued to solicit funds from Templeton and Barth and directed them to make contributions to VCRP. Strickland made it clear that the over-the-limit funds were meant for his controller campaign. After notification that Templeton and Barth had sent checks to VCRP, Strickland specifically directed the VCRP chairman to "write a 45k check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland.

As a result of the violations in this case, the public received inaccurate information regarding the campaign activity and the true sources of Strickland's campaign funds.

#### **PROPOSED PENALTY**

Thus, after considering the factors of Regulation 18361.5, the penalties imposed in prior cases, and VCRP's and Milgram's withdrawal of their notices of defense, the following penalties are recommended: \$4,000 for Count 1; \$4,000 for Count 2, and \$4,000 for Count 3, for a total penalty of \$12,000.



**DECLARATION OF CUSTODIAN OF RECORDS  
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION  
Enforcement Division**

**CERTIFICATION OF RECORDS**

The undersigned declares and certifies as follows:

1. I am employed as an Associate Governmental Program Analyst by the California Fair Political Practices Commission (Commission). My business address is: California Fair Political Practices Commission, 1102 Q St, Ste 3000, Sacramento, CA 95811.
2. I am a duly authorized custodian of the records maintained by the Commission in the Enforcement Division. As such, I am authorized to certify copies of those records as being true and correct copies of the original business records which are in the custody of the Commission.
3. I have reviewed documents maintained in *FPPC Case No. 16/100; Ventura County Republican Party and Arkady Milgram*, and have caused copies to be made of documents contained therein. I certify that the copies attached hereto are true and correct copies of the documents prepared in the normal course of business and which are contained in files maintained by the Commission. The attached documents are as follows:

EXHIBIT A-1: FPPC Case No. 11/073, In the Matter of Anthony A. "Tony" Strickland, Strickland for Controller 2010, and Lysa Ray – Executed STIPULATION, DECISION AND ORDER, approved by the Commission May 19, 2016.

EXHIBIT A-2: FPPC Case No. 16/178, In the Matter of Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey – Executed STIPULATION, DECISION AND ORDER, approved by the Commission March 17, 2016.

EXHIBIT A-3: Report in Support of a Finding of Probable Cause, dated May 29, 2015.

EXHIBIT A-4: Proof of Service for the Report in Support of a Finding of Probable Cause and applicable statutes and regulations, dated May 29, 2015, and returned certified mail receipts, dated June 5, 2015 and June 6, 2015.

- EXHIBIT A-5: The cover letter, memorandum describing probable cause proceedings, and applicable statutes and regulations served on VCRP and Milgram accompanying the Report in Support of a Finding of Probable Cause, dated May 29, 2015.
- EXHIBIT A-6: Amended Report in Support of a Finding of Probable Cause, dated September 21, 2015.
- EXHIBIT A-7: Proof of Service for the Amended Report in Support of a Finding of Probable Cause, dated September 22, 2015.
- EXHIBIT A-8: Returned certified mail receipt for the Amended Report in Support of a Finding of Probable Cause, dated September 23, 2015.
- EXHIBIT A-9: Finding of Probable Cause and Order to Prepare and Serve an Accusation, dated December 4, 2015.
- EXHIBIT A-10: Accusation, dated March 7, 2016.
- EXHIBIT A-11: Proof of Service for Accusation and accompanying documents, served March 8, 2016.
- EXHIBIT A-12: Statement to Respondent and other accompanying documents for the Accusation served on March 8, 2016.
- EXHIBIT A-13: Notices of Defense for VCRP and Milgram, dated March 21, 2016.
- EXHIBIT A-14: First Amended Accusation, dated February 16, 2018.
- EXHIBIT A-15: Proof of Service for First Amended Accusation, served February 22, 2018.
- EXHIBIT A-16: FPPC Case No. 16/100 and OAH No. 2018110945 – Notice of Hearing Dates and of Prehearing Conference and Mandatory Settlement Conference Date and Time, served by the Office of Administrative Hearings on November 29, 2018.
- EXHIBIT A-17: FPPC Case No. 16/100 and OAH No. 2018110945 – Withdrawal of Notice of Defense by VCRP and Milgram, served December 6, 2018.
- EXHIBIT A-18: Notice of Intent to Enter into Default Decision and Order, dated December 6, 2018, from Angela J. Brereton, Senior Commission Counsel, to VCRP and Milgram, through their legal counsel, Charles H. Bell, Jr.
- EXHIBIT A-19: Contract between Matthew Jubitz Consulting and Ventura County Republican Party.
- EXHIBIT A-20: \$13,000 check from Templeton to Strickland for Controller 2010.

- EXHIBIT A-21: \$32,400 check from Templeton to Ventura County Republican Party.
- EXHIBIT A-22: \$6,500 check from Barth to Strickland for Controller 2010 and contribution card.
- EXHIBIT A-23: \$15,000 check from Barth to Ventura County Republican Party and contribution card.
- EXHIBIT A-24: \$44,100 and \$900 checks from Ventura County Republican Party to Strickland for Controller 2010.
- EXHIBIT A-25: Emails between Jubitz and Templeton, dated March 5, 2010 and March 29, 2010.
- EXHIBIT A-26: Emails between Jubitz and Templeton, dated June 4, 2010.
- EXHIBIT A-27: Emails between Jubitz and Barth, dated June 10, 2010.
- EXHIBIT A-28: Emails between Jubitz, Strickland, Wangsaporn, and Hutson, dated June 15, 2010.
- EXHIBIT A-29: Emails between Jubitz, Strickland, and Wangsaporn, dated June 28, 2010.
- EXHIBIT A-30: Summary of Interview: William Templeton, conducted December 13, 2013.
- EXHIBIT A-31: Summary of Interview: Mike Osborn, conducted July 1, 2014.
- EXHIBIT A-32: Summary of Interview: Chris Collier, conducted July 15, 2014, and emails dated February 16, 2010; February 24, 2010; and May 17, 2010.
- EXHIBIT A-33: Summary of Interview: Matthew Jubitz, conducted August 20, 2014.
- EXHIBIT A-34: Summary of Interview: Andrew Barth, conducted August 13, 2015.
- EXHIBIT A-35: Strickland for Controller 2010 Campaign Statement for the reporting period of March 18 through May 22, 2010.
- EXHIBIT A-36: Strickland for Controller 2010 Campaign Statement for the reporting period of May 23 through June 30, 2010.
- EXHIBIT A-37: VCRP Campaign Statement for the reporting period of June 6 through June 30, 2010.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on December 6, 2018, at Sacramento, California.



---

Dominika Wojenska  
Associate Governmental Program Analyst, Enforcement Division  
Fair Political Practices Commission

**Exhibit A-1**

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5771  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of	) FPPC No. 11/073
	)
	)
ANTHONY A. "TONY" STRICKLAND,	) <b>STIPULATION, DECISION and ORDER</b>
STRICKLAND FOR CONTROLLER	)
2010 and LYSA RAY,	)
	)
	)
Respondents.	)

**STIPULATION**

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents Anthony A. "Tony" Strickland, Strickland For Controller 2010 and Lysa Ray, 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 by this matter and to reach a final disposition without the necessity of holding an additional administrative hearing to determine the liability of Strickland, Strickland for Controller, and Ray.

Strickland, Strickland for Controller, and Ray understand, and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Government Code Sections 83115.5, 11503 and 11523, and in California Code of Regulations, title 2, Sections 18361.1 through 18361.9. This includes, but is not limited to the right to personally appear at any administrative hearing held in this matter, to be



1 represented by an attorney at Strickland's, Strickland for Controller's, and Ray's own expense, to  
2 confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the  
3 hearing, to have an impartial administrative law judge preside over the hearing as a hearing officer, and  
4 to have the matter judicially reviewed.

5 It is further stipulated and agreed that Strickland, Strickland for Controller, and Ray violated the  
6 Political Reform Act as described in Exhibit 1: Strickland, Strickland for Controller, and Ray  
7 purposefully or negligently caused, or aided and abetted, three persons to make four earmarked, over-  
8 the-limit contributions totaling \$65,000 to Strickland for Controller in the names of Ventura County  
9 Republican Party ("VCRP") and Stanislaus Republican Central Committee (State Acct.), also known as  
10 Stanislaus County Republican Party ("SCRCP"), violating Government Code Sections 84301, 85301 and  
11 85704, and Regulation 18545, subdivision (a)(1) (4 counts); and filed false campaign statements for the  
12 reporting periods of May 23 through June 30, 2010, and October 17 through December 31, 2010,  
13 concealing the violations described in Counts 1 through 4 by falsely reporting that Strickland for  
14 Controller received contributions from VCRP and SCRCP, when the contributions were made by other  
15 persons, and VCRP and SCRCP were the intermediaries for the transactions, violating Government Code  
16 Section 84211, subdivision (f) (4 counts). Exhibit 1 is attached hereto and incorporated by reference as  
17 though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

18 Strickland, Strickland for Controller, and Ray agree to the issuance of the Decision and Order,  
19 which is attached hereto. Strickland, Strickland for Controller, and Ray also agree to the Commission  
20 imposing an administrative penalty in the total amount of Forty Thousand Dollars (\$40,000). A cashier's  
21 check from Strickland, Strickland for Controller, and Ray in said amount, made payable to the "General  
22 Fund of the State of California," is submitted with this Stipulation as full payment of the administrative  
23 penalty, and shall be held by the State of California until the Commission issues its Decision and Order  
24 regarding this matter.

25 The parties agree that in the event the Commission refuses to accept this Stipulation, it shall  
26 become null and void, and within fifteen (15) business days after the Commission meeting at which the  
27 Stipulation is rejected, all payments tendered by Strickland, Strickland for Controller, and Ray in  
28 connection with this Stipulation shall be reimbursed to Strickland, Strickland for Controller, and Ray.

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

5  
6 Dated: \_\_\_\_\_

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

8  
9 Dated: \_\_\_\_\_

Anthony A. "Tony" Strickland, Respondent, individually and  
on behalf of Strickland For Controller 2010, Respondent

10  
11 Dated: 5/18/16

  
Lysa Ray, Respondent

12  
13  
14  
15 **DECISION AND ORDER**

16 The foregoing Stipulation of the parties "In the Matter of Anthony A. "Tony" Strickland,  
17 Strickland For Controller 2010 and Lysa Ray," FPPC Case No. 11/073, including all attached exhibits,  
18 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective  
19 upon execution below by the Chair.

20 IT IS SO ORDERED.

21 Dated: \_\_\_\_\_

Joann Remke, Chair  
Fair Political Practices Commission

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

5  
6 Dated:

24 May 16

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

8  
9 Dated:

5/18/16

Anthony A. "Tony" Strickland  
Anthony A. "Tony" Strickland, Respondent, individually and  
on behalf of Strickland For Controller 2010, Respondent

11  
12 Dated:

5/18/16

Lysa Ray  
Lysa Ray, Respondent

14  
15 **DECISION AND ORDER**

16 The foregoing Stipulation of the parties "In the Matter of Anthony A. "Tony" Strickland,  
17 Strickland For Controller 2010 and Lysa Ray," FPPC Case No. 11/073, including all attached exhibits,  
18 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective  
19 upon execution below by the Chair.

20 IT IS SO ORDERED.

21 Dated:

5/25/16

Joann Remke  
Joann Remke, Chair  
Fair Political Practices Commission

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent 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. Respondent Strickland for Controller 2010, was Strickland's candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

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.

Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party ("SCRCP"), was a political party committee located in Modesto, CA. Respondent Gary McKinsey was the treasurer for SCRCP. SCRCP and McKinsey are named respondents in the companion case, FPPC Case No. 16/178, for which a stipulation was approved by the Commission on March 17, 2016.

The Political Reform Act (the "Act")<sup>1</sup> 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, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However VCRP and SCRCP were not the true sources of the contributions, and the true sources of the contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for Controller and filing false campaign statements concealing that activity.

### **SUMMARY OF THE LAW**

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

///

---

<sup>1</sup> 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.<sup>2</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>3</sup>

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.<sup>4</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>5</sup>

### Definition of Controlled Committee

A “committee” includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>6</sup> commonly known as a “recipient committee.” A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.”<sup>7</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>8</sup>

### 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.<sup>9</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>10</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act’s contribution limits.

### 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

---

<sup>2</sup> § 81001, subd. (h).

<sup>3</sup> § 81003.

<sup>4</sup> § 81002, subd. (a).

<sup>5</sup> § 81002, subd. (f).

<sup>6</sup> § 82013, subd. (a).

<sup>7</sup> § 82016.

<sup>8</sup> § 82016, subd. (a).

<sup>9</sup> § 85205.

<sup>10</sup> § 84301.



name, street address, occupation, and employer, and the original contributor's full name, street address, occupation, and employer.<sup>11</sup> 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."<sup>12</sup>

### Prohibition on Earmarking

It is unlawful to make a contribution to a committee on the condition or with the agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to Section 84302.<sup>13</sup>

### 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.<sup>14</sup>

In 2010, an individual wishing to contribute to a candidate for California State Controller could not contribute more than \$6,500 per election.<sup>15</sup> However, at that time, there was no limit on contributions from a political party committee (such as a county central committee) to that 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.<sup>16</sup> 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.<sup>17</sup> An entity is any person, other than an individual.<sup>18</sup> 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.<sup>19</sup>

///

---

<sup>11</sup> § 84302.

<sup>12</sup> Reg. 18432.5, subd. (a).

<sup>13</sup> § 85704.

<sup>14</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>15</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>16</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

<sup>17</sup> § 85311, subd. (b).

<sup>18</sup> § 85311, subd. (a)(1).

<sup>19</sup> § 82047.

### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>20</sup>

### 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.<sup>21</sup> 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.<sup>22</sup>

### Candidate and Treasurer Liability

Every committee must have a treasurer.<sup>23</sup> It is the duty of a committee's candidate and 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.<sup>24</sup> A committee's candidate and treasurer may be held jointly and severally liable with the committee for any reporting violations.<sup>25</sup>

### Joint and Several Liability

If two or more parties are responsible for a violation of the Act, they are jointly and severally liable.<sup>26</sup>

## **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

---

<sup>20</sup> § 84211, subd. (f).

<sup>21</sup> §§ 83116, and 83116.5.

<sup>22</sup> § 83116.5.

<sup>23</sup> § 84100.

<sup>24</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

<sup>25</sup> §§ 83116.5 and 91006.

<sup>26</sup> § 91006.



campaign. Pluvius 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. Pluvius 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.

In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

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.

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.

Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show that on June 10, 2010, Jubitz sent an email to Barth stating in part:

As per our conversation, I have attached the general election contribution information for Tony. You and Avery can do the max of \$13,000. I also put the form for the Ventura County Republican Party Candidate direct committee.

Really appreciate your support.

On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in 452,700

Jubitz: Have we received any party money?

Wangsaporn: I thought templeton [sic] was doing something with vc gop?

Jubitz: He did. 32,400... but I am not aware of whether or not a donation from VCRP has come in to Strickland for Controller.

Wangsaporn: You're right we have not yet. But should we add a line item for 'vc gop' It would be whatever the amount raised/pledged minus 7%

Jubitz: I know. Tony and I decided no.

Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email to Strickland and Jubitz, subject line: "FYI VCGOP check":

Tony- you received

32,400 templeton

15,000 barth

-----

Total of 47,400

After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP Chairman] will be cutting you a check for 37,490.

Strickland responded to all:

No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2 million raised for team meg.

A few minutes later, Strickland followed up his response with:

Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do you think sue groff will do anything before the 30th?? If not get 45k check from vcgop.

Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal 45k. 400 not 600.

Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller, \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010. The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and Barth.

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, "Vcgo," and later followed up:

We should get the 30k to vcgo. That is what the [sic] can get that vcgo 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 SCRP. 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 SCRP.

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 SCRP for \$15,000. Templeton testified that he had no contact with SCRP and sent the contribution check to Jubitz. Jubitz delivered the check to SCRP, 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 SCRP. 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 SCRP.

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 SCRP]..."

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

The evidence shows that Strickland received a total of \$65,000 in contributions from Templeton, Barth and Swanson through VCRP and SCRP.

#### False Reporting

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 May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

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 June 6 through June 30, 2010, VCRP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

///

In its campaign statement for October 17 through November 20, 2010, SCRP 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 SCRP 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

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, Barth and Swanson were the true sources of the \$65,000 in contributions from VCRP and SCRP and that VCRP and SCRP were the intermediaries for the contributions earmarked for Strickland for Controller, as required.

## VIOLATIONS

### Count 1: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused, or aided and abetted, Templeton to make an earmarked, over-the-limit contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

### Count 2: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused, or aided and abetted, Barth to make an earmarked, over-the-limit contribution of \$14,250



(\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

Count 3: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently caused, or aided and abetted, Templeton to make an earmarked, over-the-limit contribution of \$15,000 to Strickland for Controller in the name of SCRCP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

Count 4: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently caused, or aided and abetted, Swanson to make an earmarked, over-the-limit contribution of \$5,000 to Strickland for Controller in the name of SCRCP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

Count 5: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign statement for the reporting period of May 23 through June 30, 2010, concealing the violations described in Count 1 by falsely reporting that Strickland for Controller received a contribution from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

Count 6: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign statement for the reporting period of May 23 through June 30, 2010, concealing the violations described in Count 2 by falsely reporting that Strickland for Controller received a contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

Count 7: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false campaign statement for the reporting period of October 17 through December 31, 2010, concealing the violations described in Count 3 by falsely reporting that Strickland for Controller received a contribution from SCRCP, when the contribution was made by Templeton, and SCRCP was the intermediary for the transaction, violating Section 84211, subdivision (f).

Count 8: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false campaign statement for the reporting period of October 17 through December 31, 2010, concealing the violations described in Count 4 by falsely reporting that Strickland for Controller received a



contribution from SCRP, when the contribution was made by Swanson, and SCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

## CONCLUSION

This matter consists of 8 counts of violating the Act, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000) per count for a total of Forty Thousand Dollars (\$40,000).

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:

### Prohibited Earmarked Over-The-Limit Contributions Made in the Name of Another

- *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 illegally moved money from Nielsen's committee to Williams' committee through the Tehama GOP. The evidence showed that Nielsen, Taxpayers for Nielsen and Bell made an earmarked, over-the-limit contribution totaling \$4,320 to Friends of Williams in the name of Tehama GOP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1) (1 count). In August 2015, the Commission imposed a penalty of \$4,500 for this count.
- *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 (Decision and Order). The six respondents included two brothers, their candidate controlled committees and two Republican central committees. Following a six-day administrative hearing, the Commission found that Tom Berryhill and his controlled committee made contributions in the name of the central committees to his brother's campaign, violating Section 84301 (2 counts). The Commission also found

that Tom Berryhill and his committee made over-the-limit contributions in separate counts. In April 2014, the Commission imposed a penalty of \$5,000 per count.

#### Disclosure of False 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 illegally moved money from Nielsen’s committee to Williams’ committee through the Tehama GOP. The parties violated the Act as follows:  
Nielsen, Taxpayers for Nielsen and Bell falsely reported information regarding the \$4,320 contribution from Taxpayers for Nielsen to Friends of Williams, violating Section 84211, subdivision (k) (1 count). In August 2015, the Commission imposed a penalty of \$4,500 for this count.  
Tehama GOP, Marsh, and Alston, while acting as the intermediary of Taxpayers for Nielsen, falsely 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.

Laundering campaign contributions 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, the parties’ conduct deceived the voting public as to the true sources of \$65,000 in contributions when they caused Templeton, Barth

and Swanson to make earmarked, over-the-limit contributions through VCRP and SCRCP and filed inaccurate information in Strickland for Controller's campaign statements concealing the true sources of the contributions.

The evidence shows that all parties understood that VCRP and SCRCP would act as the undisclosed intermediaries for Templeton's, Barth's and Swanson's contributions to Strickland's campaign and that the \$65,000 was to go to Strickland's controller campaign. Templeton, Barth and Swanson each made maximum contributions to Strickland's campaign. Yet Strickland, an experienced candidate and officeholder, continued to solicit funds from Templeton, Barth and Swanson and directed them to make contributions to VCRP and SCRCP.

Strickland made it clear that the over-the-limit funds were meant for his controller campaign. Strickland told the VCRP chairman that Strickland's campaign would pay Jubitz' commission for the Templeton and Barth contributions so more funds would be received by his campaign toward his \$2 million goal. After notification that Templeton and Barth had sent checks to VCRP, Strickland directed the VCRP chairman to "write a 45k check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland. Strickland caused Templeton, Barth and Swanson to give \$65,000 in contributions to his campaign illegally through VCRP and SCRCP.

The deliberate 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.

Two of the parties have prior enforcement history. Strickland was prosecuted in April 2010 by the Commission for failing to include proper sender identification for a mass mailing. Ray was prosecuted in April 2010 by the Commission for failing to include major donor information in the committee name. And the Commission's Enforcement Division issued three prior warning letters against Ray related to her duties as treasurer for three separate committees.

Strickland, Wangsaporn and Ray did not cooperate with the investigation of this matter. Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on November 19, 2014. None appeared, and their attorney failed to respond to telephone and email inquiries regarding the interviews.

On May 17, 2016, Ray sent a written statement to the Enforcement Division regarding her role as treasurer of the Committee. Ray contends that, for all campaigns for which she serves as treasurer, she verifies that contributions and expenditures "conform on their face" with the Act. She also contends that when political party committees send checks for her clients, she assumes political party committees know campaign laws. And Ray contends that she used "reasonable diligence" in preparing the Committee's campaign statements. Even so, as treasurer of the Committee, the Act holds Ray strictly liable concerning the receipt and expenditure of funds and the reporting of such funds.

///

### PROPOSED PENALTY

The factors listed in Regulation 18361.5, prior similar cases, and other relevant facts, justify a total penalty of \$40,000:

Count	Description	Penalty per count	Total
<b>Strickland, Strickland for Controller, and Ray</b>			
1-4	Accepting Prohibited Earmarked Over-the-Limit Contributions which were Made in Legal Name of Another	\$5,000	\$20,000
5-8	Disclosure of False Information in Campaign Statements	\$5,000	\$20,000
	<b>Total Agreed Upon Penalty</b>		<b>\$40,000</b>

\* \* \* \* \*

**Exhibit A-2**

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5660  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

**BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**

**STATE OF CALIFORNIA**

In the Matter of	) FPPC No. 16/178
	)
	)
STANISLAUS REPUBLICAN	) <b>STIPULATION, DECISION and ORDER</b>
CENTRAL COMMITTEE (State Acct.),	)
and GARY McKINSEY,	)
	)
	)
Respondents.	)

**STIPULATION**

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents Stanislaus Republican Central Committee (State Acct.) and Gary McKinsey, 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 by this matter and to reach a final disposition without the necessity of holding an additional administrative hearing to determine the liability of SCRP and McKinsey.

SCRP and McKinsey understand, and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Government Code Sections 83115.5, 11503 and 11523, and in California Code of Regulations, title 2, Sections 18361.1 through 18361.9. 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

1 attorney at SCRP's and McKinsey's 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 SCRP and McKinsey violated the Political Reform Act as  
6 described in Exhibit 1: SCRP and McKinsey, 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 SCRP 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 SCRP and McKinsey agree to the issuance of the Decision and Order, which is attached hereto.  
16 SCRP and McKinsey also agree to the Commission imposing an administrative penalty in the total  
17 amount of Ten Thousand Dollars (\$10,000). A cashier's check from SCRP and McKinsey 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 SCRP and McKinsey in connection with this Stipulation shall be reimbursed to  
24 SCRP and McKinsey. SCRP and McKinsey 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.



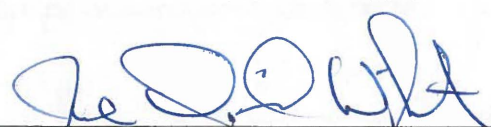
1  
2 Dated:

17 Mar 16

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

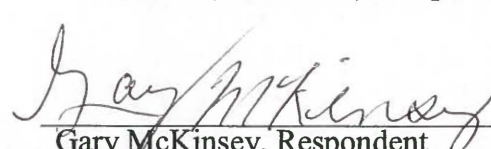
3  
4  
5 Dated:

3-1-2016.

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

6  
7  
8 Dated:

3/1/2016

  
Gary McKinsey, Respondent

9  
10  
11 **DECISION AND ORDER**

12 The foregoing Stipulation of the parties "In the Matter of Stanislaus Republican Central  
13 Committee (State Acct.), and Gary McKinsey," FPPC Case No. 16/178, including all attached exhibits,  
14 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective  
15 upon execution below by the Chair.

16 IT IS SO ORDERED.

17 Dated:

3/21/16

  
Joann Remke, Chair  
Fair Political Practices Commission

RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION  
16 MAR -8 AM 7:47

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party ("SCRCP"), 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")<sup>1</sup> 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.

///

---

<sup>1</sup> 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.<sup>2</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>3</sup>

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.<sup>4</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>5</sup>

## 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.<sup>6</sup>

## 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.<sup>7</sup> 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.”<sup>8</sup>

## 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.<sup>9</sup>

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

---

<sup>2</sup> § 81001, subd. (h).

<sup>3</sup> § 81003.

<sup>4</sup> § 81002, subd. (a).

<sup>5</sup> § 81002, subd. (f).

<sup>6</sup> § 85205.

<sup>7</sup> § 84302.

<sup>8</sup> Reg. 18432.5, subd. (a).

<sup>9</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>10</sup> § 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.<sup>11</sup> 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.<sup>12</sup> An entity is any person, other than an individual.<sup>13</sup> 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.<sup>14</sup>

#### 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.<sup>15</sup>

#### 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.<sup>16</sup> 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.<sup>17</sup>

///

---

<sup>11</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

<sup>12</sup> § 85311, subd. (b).

<sup>13</sup> § 85311, subd. (a)(1).

<sup>14</sup> § 82047.

<sup>15</sup> § 84211, subd. (k).

<sup>16</sup> §§ 83116, and 83116.5.

<sup>17</sup> § 83116.5.

### Treasurer Liability

Every committee must have a treasurer.<sup>18</sup> 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.<sup>19</sup> A committee's treasurer may be held jointly and severally liable with the committee for any reporting violations.<sup>20</sup>

### Joint and Several Liability

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

## **SUMMARY OF THE FACTS**

### Laundered Campaign Contributions

Records show that in 2010, Strickland for Controller hired Pluvius Group, a political fundraising firm located in Los Angeles, CA. Matthew Jubitz, owner of Pluvius Group, told Enforcement Division staff that he worked closely with Strickland, and reported fundraising activity directly to Strickland. Jubitz testified that Pluvius Group maintained a detailed and extensive contributor contact list, which Pluvius Group used when fundraising for Strickland's campaign. Pluvius 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. Pluvius 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.

---

<sup>18</sup> § 84100.

<sup>19</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

<sup>20</sup> §§ 83116.5 and 91006.

<sup>21</sup> § 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 SCRP. 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 SCRP.

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 SCRP for \$15,000. Templeton testified that he had no contact with SCRP and sent the contribution check to Jubitz. Jubitz delivered the check to SCRP, 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 SCRP. 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 SCRP.

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 SCRP]..."

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

///

### 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, SCRП 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 SCRП 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

///

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 Novelty 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
	<b>Total Agreed Upon Penalty</b>	<b>\$10,000</b>

\* \* \* \* \*



1944-1945

1946-1947

1948-1949

**Exhibit A-3**

**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5660  
Facsimile: (916) 322-1932

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

) FPPC No. 11/073

## REPORT IN SUPPORT OF A FINDING OF PROBABLE CAUSE

428 J Street, Suite 620  
Sacramento, CA 95814

### Respondents.

## INTRODUCTION

Respondent 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. Respondent Strickland for Controller 2010, was Strickland's candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

1 Respondent Ventura County Republican Party ("VCRP") was a political party committee  
2 located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

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

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

13 In 2010, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However  
14 VCRP and SCRCP were not the true sources of the contributions, and the true sources of the  
15 contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing  
16 over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for  
17 Controller and filing false campaign statements concealing that activity. VCRP, Milgram, SCRCP and  
18 McKinsey violated the Act by failing to disclose both the intermediary and the original contributor  
19 information for the contributions and filing false campaign statements concealing that activity.

## 20 SUMMARY OF THE LAW

21 All legal references and discussions of law pertain to the Act's provisions as they existed in  
22 2010.

23  
24 ///

25  
26 <sup>1</sup> The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references  
27 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.

1 Jurisdiction

2 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
3 enforce the provisions of the Act.<sup>2</sup>

4 Probable Cause Proceedings

5 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
6 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
7 cause to believe the respondent has violated the Act.<sup>3</sup> After a finding of probable cause, the  
8 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>4</sup> to  
9 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
10 violation.<sup>5</sup>

11 Standard for Finding Probable Cause

12 To make a finding of probable cause, the hearing officer must be presented with sufficient  
13 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
14 that a respondent committed or caused a violation.<sup>6</sup>

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

16 When enacting the Political Reform Act, the people of the state of California found and  
17 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
18 and local authorities.<sup>7</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>8</sup>

19 There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in  
20 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper  
21

22 ///

23 <sup>2</sup> § 83116.

24 <sup>3</sup> § 83115.5, and Reg. 18361 and 18361.4.

25 <sup>4</sup> § 11500, et seq.

26 <sup>5</sup> § 83116, and Reg. 18361.4, subd. (e).

27 <sup>6</sup> Reg. 18361.4, subd. (e).

28 <sup>7</sup> § 81001, subd. (h).

<sup>8</sup> § 81003.



practices are inhibited.<sup>9</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>10</sup>

### Definition of Controlled Committee

A “committee” includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>11</sup> commonly known as a “recipient committee.” A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.”<sup>12</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>13</sup>

### 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.<sup>14</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>15</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act’s contribution limits.

### 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,

///

---

<sup>9</sup> § 81002, subd. (a).

<sup>10</sup> § 81002, subd. (f).

<sup>11</sup> § 82013, subd. (a).

<sup>12</sup> § 82016.

<sup>13</sup> § 82016, subd. (a).

<sup>14</sup> § 85205.

<sup>15</sup> § 84301.

1 occupation, and employer.<sup>16</sup> The Act also states that a person is an intermediary for a contribution if the  
2 recipient of the contribution “would consider the person to be the contributor without the disclosure of  
3 the identity of the true source of the contribution.”<sup>17</sup>

#### 4 Prohibition on Earmarking

5 It is unlawful to make a contribution to a committee on the condition or with the agreement that  
6 it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to  
7 Section 84302.<sup>18</sup>

#### 8 Campaign Contribution Limits

9 The Act imposes campaign contribution limits with respect to the making and receiving of  
10 certain contributions. These limits are adjusted periodically, and different limits apply depending upon  
11 who is contributing and who is receiving.<sup>19</sup>

12 In 2010, an individual wishing to contribute to a candidate for California State Controller could  
13 not contribute more than \$6,500 per election.<sup>20</sup> However, at that time, there was no limit on  
14 contributions from a political party committee (such as a county central committee) to that same  
15 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
16 could contribute to a political party committee for the purpose of making contributions to candidates  
17 for State Controller.<sup>21</sup> Individuals could exceed this amount so long as the excess was not used by the  
18 committee to support/oppose candidates for elective state office.

#### 19 Aggregation of Campaign Contributions by Affiliated Entities

20 For purposes of the Act’s contribution limits, contributions of an entity whose contributions are  
21 directed and controlled by any individual must be aggregated with contributions made by that  
22 individual and any other entity whose contributions are directed and controlled by the same  
23

---

24 <sup>16</sup> § 84302.

25 <sup>17</sup> Reg. 18432.5, subd. (a).

26 <sup>18</sup> § 85704.

27 <sup>19</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

28 <sup>20</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>21</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

individual.<sup>22</sup> An entity is any person, other than an individual.<sup>23</sup> 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.<sup>24</sup>

#### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>25</sup>

#### 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.<sup>26</sup>

#### 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.<sup>27</sup> This only

<sup>22</sup> § 85311, subd. (b).

<sup>23</sup> § 85311, subd. (a)(1).

<sup>24</sup> § 82047.

<sup>25</sup> § 84211, subd. (f).

<sup>26</sup> § 84211, subd. (k).

<sup>27</sup> §§ 83116, and 83116.5.

1 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
2 services involving the planning, organizing or directing of any activity regulated or required by the  
3 Act.<sup>28</sup>

#### 4 Candidate and Treasurer Liability

5 Every committee must have a treasurer.<sup>29</sup> It is the duty of a committee's candidate and treasurer  
6 to ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
7 expenditure of funds and the reporting of such funds.<sup>30</sup> A committee's candidate and treasurer may be  
8 held jointly and severally liable with the committee for any reporting violations.<sup>31</sup>

#### 9 Joint and Several Liability

10 If two or more parties are responsible for a violation of the Act, they are jointly and severally  
11 liable.<sup>32</sup>

### 12 **SUMMARY OF THE EVIDENCE**

#### 13 Laundered Contributions

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

23 ///

24 <sup>28</sup> § 83116.5.

25 <sup>29</sup> § 84100.

26 <sup>30</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

27 <sup>31</sup> §§ 83116.5 and 91006.

28 <sup>32</sup> § 91006.

1 Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the  
2 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of  
3 \$2 million.

4 In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
5 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

6 William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil  
7 and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
8 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
9 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the  
10 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
11 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
12 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
13 Templeton's maximum contribution on April 6, 2010.

14 According to his testimony, Templeton wanted to do more to support pro-business candidates in  
15 Ventura County without getting personally involved in local races. An email thread between Templeton  
16 and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton  
17 making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where  
18 Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius  
19 Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for  
20 candidate support to a political party committee. Templeton testified that he had no contact with VCRP  
21 and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records show that  
22 VCRP received Templeton's check on June 11, 2010, three days after the primary election.

23 Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
24 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show  
25 that on June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for

26 ///

1 the primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz  
2 testified that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

3 On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to  
4 Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

5 Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
6 452,700

7 Jubitz: Have we received any party money?

8 Wangsaporn: I thought templeton [sic] was doing something with vc gop?

9 Jubitz: He did. 32,400... but I am not aware of whether or not a donation from  
10 VCRP has come in to Strickland for Controller.

11 Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
12 It would be whatever the amount raised/pledged minus 7%

13 Jubitz: I know. Tony and I decided no.

14 Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email  
15 to Strickland and Jubitz, subject line: "FYI VCGOP check":

16 Tony- you received  
17 32,400 templeton  
18 15,000 barth

19 -----  
20 Total of 47,400

21 After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
22 Chairman] will be cutting you a check for 37,490.

23 Strickland responded to all:

24 No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
25 million raised for team meg.

26 A few minutes later, Strickland followed up his response with:

27 Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
28 you think sue groff will do anything before the 30th?? If not get 45k check from  
vcgop.

Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
45k. 400 not 600.

///



1 Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller,  
2 \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010.  
3 The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and  
4 Barth.

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

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

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

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

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

26 ///

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

4 Similarly, records show that Matthew Swanson, president of Associated Feed & Supply Co. and  
5 other Swanson Family companies in Turlock, CA, made a maximum contribution to Strickland for  
6 Controller through his business and a large contribution to SCRP. In May 2010, Swanson, through  
7 Associated Feed, made the maximum contribution to Strickland for Controller for the primary election,  
8 \$6,500. In September 2010, Swanson, through his investment company, Prospector, LLC, made the  
9 maximum contribution to Strickland for Controller for the general election, \$6,500. Because Swanson  
10 directed and controlled the contributions of his two companies, the contributions were attributed to  
11 Swanson. So Swanson gave the maximum contributions to Strickland for Controller. Records show that  
12 on or about October 26, 2010, Swanson, again through Prospector, sent a \$5,000 check to SCRP.

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

15 The evidence shows that Strickland received a total of \$65,000 in contributions from  
16 Templeton, Barth and Swanson through VCRP and SCRP.

17 False Reporting

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

20

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

21  
22  
23  
24  
25

26 ///

In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

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 June 6 through June 30, 2010, VCRP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

///

1 In its campaign statement for October 17 through November 20, 2010, SCRP reported the  
2 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

7 And SCRP 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

12 In its campaign statement for October 17 through December 31, 2010, Strickland for Controller  
13 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

17 None of the above campaign statements disclose that Templeton, Barth and Swanson were the  
18 true sources and that VCRP and SCRP were the intermediaries for the contributions earmarked for  
19 Strickland for Controller, as required.

## 20 VIOLATIONS

21 Strickland, Strickland for Controller, and Ray

22 Count 1: Contribution Made in the Name of Another

23 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
24 or aided and abetted, Templeton to make a contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to  
25 Strickland for Controller in the name of VCRP, violating Section 84301.

26 ///

1 Count 2: Contribution Made in the Name of Another

2 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
3 or aided and abetted, Barth to make a contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to  
4 Strickland for Controller in the name of VCRP, violating Section 84301.

5 Count 3: Contribution Made in the Name of Another

6 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
7 caused, or aided and abetted, Templeton to make a contribution of \$15,000 to Strickland for Controller  
8 in the name of SCRP, violating Section 84301.

9 Count 4: Contribution Made in the Name of Another

10 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
11 caused, or aided and abetted, Swanson to make a contribution of \$5,000 to Strickland for Controller in  
12 the name of SCRP, violating Section 84301.

13 Count 5: Prohibited Earmarked Contribution

14 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
15 or aided and abetted, Templeton to make a contribution to VCRP on the condition or with the  
16 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
17 intermediary and original contributor information for the earmarked contribution were not disclosed,  
18 violating Section 85704.

19 Count 6: Prohibited Earmarked Contribution

20 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
21 or aided and abetted, Barth to make a contribution to VCRP on the condition or with the agreement that  
22 the contribution would be ultimately contributed to Strickland for Controller, and the intermediary and  
23 original contributor information for the earmarked contribution were not disclosed, violating Section  
24 85704.

25  
26 ///

1 Count 7: Prohibited Earmarked Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Templeton to make a contribution to SCRP on the condition or with the  
4 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
5 intermediary and original contributor information for the earmarked contribution were not disclosed,  
6 violating Section 85704.

7 Count 8: Prohibited Earmarked Contribution

8 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
9 caused, or aided and abetted, Swanson to make a contribution to SCRP on the condition or with the  
10 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
11 intermediary and original contributor information for the earmarked contribution were not disclosed,  
12 violating Section 85704.

13 Count 9: Accepting an Over-the-Limit Contribution

14 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
15 contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5% fee), violating Section  
16 85301 and Regulation 18545, subdivision (a)(1).

17 Count 10: Accepting an Over-the-Limit Contribution

18 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
19 contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee), violating Section 85301 and  
20 Regulation 18545, subdivision (a)(1).

21 Count 11: Accepting an Over-the-Limit Contribution

22 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
23 contribution from Templeton totaling \$15,000, violating Section 85301 and Regulation 18545,  
24 subdivision (a)(1).

25  
26 ///



1 Count 12: Accepting an Over-the-Limit Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
3 contribution from Swanson totaling \$5,000, violating Section 85301 and Regulation 18545,  
4 subdivision (a)(1).

5 Count 13: Disclosure of False Information in Campaign Statements

6 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
7 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
8 described in Counts 1, 5 and 9 by falsely reporting that Strickland for Controller received a contribution  
9 from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the  
10 transaction, violating Section 84211, subdivision (f).

11 Count 14: Disclosure of False Information in Campaign Statements

12 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
13 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
14 described in Counts 2, 6 and 10 by falsely reporting that Strickland for Controller received a  
15 contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary  
16 for the transaction, violating Section 84211, subdivision (f).

17 Count 15: Disclosure of False Information in Campaign Statements

18 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
19 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
20 violations described in Counts 3, 7 and 11 by falsely reporting that Strickland for Controller received a  
21 contribution from SCRP, when the contribution was made by Templeton, and SCRP was the  
22 intermediary for the transaction, violating Section 84211, subdivision (f).

23 Count 16: Disclosure of False Information in Campaign Statements

24 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
25 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
26 violations described in Counts 4, 8 and 12 by falsely reporting that Strickland for Controller received a  
27

1 contribution from SCRP, when the contribution was made by Swanson, and SCRP was the  
2 intermediary for the transaction, violating Section 84211, subdivision (f).

3 VCRP and Milgram

4 Count 17: Failure to Disclose Intermediary and Original Contributor Information

5 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to  
6 disclose both the intermediary and the original contributor information for a \$30,750 (\$32,400 minus  
7 VCRP's 5% fee) contribution from Templeton to Strickland for Controller, violating Section 84302.

8 Count 18: Failure to Disclose Intermediary and Original Contributor Information

9 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose  
10 both the intermediary and the original contributor information for a \$14,250 (\$15,000 minus VCRP's  
11 5% fee) contribution from Barth to Strickland for Controller, violating Section 84302.

12 Count 19: Disclosure of False Information in Campaign Statements

13 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
14 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1, 2, 5,  
15 6, 9, and 10, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller,  
16 when it was not the true source of the contributions and was the intermediary for the transactions,  
17 violating Section 84211, subdivision (k).

18 SCRP and McKinsey

19 Count 20: Failure to Disclose Intermediary and Original Contributor Information

20 SCRP and McKinsey, in October 2010, while acting as the intermediary for Templeton, failed  
21 to disclose both the intermediary and the original contributor information for a \$15,000 contribution  
22 from Templeton to Strickland for Controller, violating Section 84302.

23 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

1 Count 22: Disclosure of False Information in Campaign Statements

2       SCRP and McKinsey, on or about December 1, 2010, filed a false campaign statement for the  
3 reporting period of October 17 through November 20, 2010, concealing the violations described in  
4 Counts 3, 4, 7, 8, 11 and 12 by falsely reporting that SCRCP made a \$20,000 contribution to Strickland  
5 for Controller, when it was not the true source of the contribution and was the intermediary for the  
6 transaction, violating Section 84211, subdivision (k).

7                   **OTHER RELEVANT MATERIAL AND ARGUMENTS**

8       Campaign money laundering is one of the most serious violations of the Act because such  
9 conduct circumvents campaign contribution limits, violates disclosure requirements, and deceives the  
10 voting public as to the true source of funds. Here, all parties understood that the contributions from  
11 Templeton, Barth and Swanson to VCRP and SCRCP were to go to Strickland's controller campaign.  
12 Strickland was an experienced candidate and officeholder. Templeton, Barth and Swanson each made  
13 maximum contributions to Strickland's campaign. Yet Strickland and his campaign continued to solicit  
14 funds from them, directing Templeton, Barth and Swanson to make contributions to specific party  
15 central committees. Strickland made clear to his campaign staff and the party central committees that  
16 the over-the-limit funds were meant for his State Controller campaign. Strickland even told the VCRP  
17 chairman that his campaign would pay Jubitz' commission for the Templeton and Barth contributions  
18 so more funds would be received by his campaign toward his \$2 million goal. After notification that  
19 Templeton and Barth had sent checks to VCRP, Strickland directed the VCRP chairman to "write a 45k  
20 check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland. Strickland  
21 caused Templeton, Barth and Swanson to give \$65,000 in contributions to his campaign illegally  
22 through VCRP and SCRCP.

23       The parties intended to deceive the voting public as to the true source of the contributions.  
24 Strickland for Controller, VCRP and SCRCP each filed false campaign statements concealing the true  
25 sources of the contributions from the public.

26 ///

1 Based upon the facts and circumstances of this case, it is clear that all parties agreed and/or  
2 understood that VCRP and SCRP would act as the undisclosed intermediaries for Templeton's, Barth's  
3 and Swanson's contributions to Strickland's campaign. These violations deprived the public of  
4 information regarding the campaign activity and the true source of Strickland's campaign funds. Taken  
5 as whole, the evidence shows deliberate conduct which resulted in violations of the Act with significant  
6 non-disclosure. The conduct in this case is more egregious than the conduct in the comparable cases  
7 because of the active involvement of Strickland in coordinating and concealing the money laundering  
8 scheme.

9 Several of the parties have prior enforcement history. Strickland was prosecuted in April 2010  
10 by the Commission for failing to include proper sender identification for a mass mailing. Ray was  
11 prosecuted in April 2010 by the Commission for failing to include major donor information in the  
12 committee name. And the Commission's Enforcement Division issued three prior warning letters  
13 against Ray related to her duties as treasurer for three separate committees. VCRP has no prior  
14 enforcement history. But SCRP was prosecuted by the Commission for its role in a money laundering  
15 scheme in *Bill Berryhill, Tom Berryhill, Bill Berryhill For Assembly – 2008, Berryhill For Assembly*  
16 *2008, Stanislaus Republican Central Committee (State Acct.), and San Joaquin County Republican*  
17 *Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828.

18 Strickland, Wangsaporn and Ray failed to cooperate with the investigation of this matter.  
19 Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on  
20 November 19, 2014. None appeared, and their attorney failed to respond to telephone and email  
21 inquiries regarding the interviews.

#### 22 EXCULPATORY AND MITIGATING INFORMATION

23 The Enforcement Division is not aware of any exculpatory and mitigating information relevant  
24 to the information presented in this Report.

25  
26 ///

1 **CONCLUSION**

2 Probable cause exists to believe that Respondents Anthony A. "Tony" Strickland, Strickland  
3 For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus  
4 Republican Central Committee (State Acct.), and Gary McKinsey committed twenty-two violations of  
5 the Act, as set forth above. The Enforcement Division respectfully requests an order finding probable  
6 cause pursuant to Section 83115.5 and Regulation 18361.4.

7 Dated: May 29, 2015

Respectfully Submitted,

8 **FAIR POLITICAL PRACTICES COMMISSION**

9 By: Galena West

Acting Chief of Enforcement

10 

11 Angela J. Brereton

12 Senior Commission Counsel  
13 Enforcement Division  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**Exhibit A-4**



### PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On May 29, 2015, I served the following document(s):

1. Letter dated May 29, 2015 from Angela J. Brereton;
2. FPPC Case No. 11/073: Report in Support of a Finding of Probable Cause;
3. Fact Sheet regarding Probable Cause Proceedings with selected Sections of the California Government Code and selected Regulations of the Fair Political Practices Commission regarding Probable Cause Proceedings for the Fair Political Practices Commission.

☒ By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☒ By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

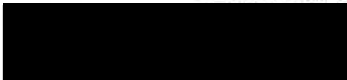
I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

### SERVICE LIST

#### Personal Delivery

John Kim, Commission Assistant  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

#### Certified Mail, Return Receipt Requested

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010  


Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

Certified Mail, Return Receipt Requested


Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Arkady Milgram  


Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey  


I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 29, 2015.

  
Kathryn Trumbly

7006 0810 0000 5120 8488

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Seal or Seal	
Ventura County Republican Party	
80 Wood Road, Suite 304A	
Camarillo, CA 93010-8310	
PS Form 3800, June 2002	
See Reverse for Instructions	

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *[Signature]* ☒ Agent ☐ Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *6-5-15*

D. Is delivery address different from item 1? ☐ Yes ☒ No  
If YES, enter delivery address below.

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7006 0810 0000 5120 8495

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)®

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To **Arkady Milgram**

Street, A  
or PO Box

City, Sta

PS Form 3800, June 2002 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Arkady Milgram

Temp. Forward

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery **6-6**

D. Is delivery address different from item 1? ☐ Yes ☒ No  
If YES, enter delivery address below:

Temp. Forward

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**Exhibit A-5**



**FAIR POLITICAL PRACTICES COMMISSION**

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

May 29, 2015

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010



Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

✓Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Arkady Milgram



Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey



**In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 11/073**

Dear Mr. Strickland, Strickland For Controller 2010, Ms. Ray, Ventura County Republican Party, Mr. Milgram, Stanislaus Republican Central Committee (State Acct.), and Mr. McKinsey:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with provisions of the Political Reform Act (the "Act"). The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. ***If you wish to submit a written response or request a probable cause conference, it must be filed***

***with the Commission Assistant, John Kim, at the address listed above within 21 days from the date of service of this letter.*** You can reach Mr. Kim at (916) 327-8269.

Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. ***If you are interested in reaching a settlement in this matter, please contact me at (916) 322-5771 or [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov).***

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. ***This request must also be filed with Mr. Kim within 21 days from the date of service of this letter.*** Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

***Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.***

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,



Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division





FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329  
(916) 322-5660 • Fax (916) 322-0886

May 29, 2015

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010  
[REDACTED]

Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

✓ Arkady Milgram  
[REDACTED]

Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey  
[REDACTED]

**In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 11/073**

Dear Mr. Strickland, Strickland For Controller 2010, Ms. Ray, Ventura County Republican Party, Mr. Milgram, Stanislaus Republican Central Committee (State Acct.), and Mr. McKinsey:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with provisions of the Political Reform Act (the "Act"). The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. ***If you wish to submit a written response or request a probable cause conference, it must be filed***

*with the Commission Assistant, John Kim, at the address listed above within 21 days from the date of service of this letter.* You can reach Mr. Kim at (916) 327-8269.

Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. *If you are interested in reaching a settlement in this matter, please contact me at (916) 322-5771 or [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov).*

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. *This request must also be filed with Mr. Kim within 21 days from the date of service of this letter.* Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

*Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.*

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,



Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division

## **PROBABLE CAUSE FACT SHEET**

---

### **INTRODUCTION**

The Fair Political Practices Commission is required by law to determine whether probable cause exists to believe that the Political Reform Act (the "Act") was violated before a public administrative accusation may be issued.

The probable cause proceedings before the Fair Political Practices Commission are unique, and most respondents and their attorneys are unfamiliar with them. Therefore, we have prepared this summary to acquaint you with the process.

### **THE LAW**

Government Code sections 83115.5 and 83116 set forth the basic requirement that a finding of probable cause be made in a "private" proceeding before a public accusation is issued and a public hearing conducted in accordance with the Administrative Procedure Act.

The Commission has promulgated regulations further defining the probable cause procedure and delegating to the General Counsel (the "Hearing Officer" for purposes of these proceedings) the authority to preside over such proceedings and decide probable cause. A copy of these statutes and regulations are attached for your convenience.

In summary, the statutes and regulations entitle you to the following:

- a) A written probable cause report containing a summary of the law alleged to have been violated, and a summary of the evidence, including any exculpatory and mitigating information and any other relevant material and arguments;
- b) The opportunity to request discovery, respond in writing, and to request a probable cause conference within 21 days of service of the probable cause report;
- c) If the Commission met to consider whether a civil lawsuit should be filed in this matter, a copy of any staff memoranda submitted to the Commission and a transcript of staff discussions with the Commission at any such meeting; and
- d) If a timely request was made, a non-public conference with the General Counsel and the Enforcement Division staff to consider whether or not probable cause exists to believe the Act was violated.

### **THE PROCEDURE**

#### **Probable Cause Report**

Administrative enforcement proceedings are commenced with the service, by registered or certified mail or in person, of a probable cause report. The report will contain a summary of the law and the evidence, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. It is filed with the Hearing Officer.

## **Discovery**

Within 21 calendar days following the service of the probable cause report, you may request discovery of the evidence in the possession of the Enforcement Division. This is not a right to full discovery of the Enforcement Division file, but to the evidence relied upon by the Division along with any exculpatory or mitigating evidence<sup>1</sup>.

This request must be sent by registered or certified mail to the Commission Assistant.

## **Response to Probable Cause Report**

Within 21 calendar days following the service of the probable cause report (or, if you timely requested discovery, within 21 calendar days from the service of the evidence) you may submit a response to the Report. By regulation, the written response may contain, "... a summary of evidence, legal arguments, and any mitigating or exculpatory information." (Cal. Code Regs., tit. 2, § 18361.4, subd. (c).)

You must file your response with the Commission Assistant and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report.

## **Staff Reply**

Within 10 calendar days following the date the response was filed with the Commission Assistant, Commission staff may submit any evidence or argument in rebuttal. You will be served with a copy of any such reply.

## **Probable Cause Conference**

Probable cause conferences are held at the offices of the Fair Political Practices Commission, which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone. The proceedings are not public unless all proposed respondents agree to open the conference to the public. Otherwise, the probable cause report, any written responses, and the probable cause conference itself are confidential.

Unless the probable cause conference is public, the only persons who may attend are the staff of the Commission, any proposed respondent and his or her attorney or representative, and, at the discretion of the Hearing Officer, witnesses.

The Hearing Officer may, but need not, permit testimony from witnesses. Probable cause conferences are less formal than court proceedings. The rules of evidence do not apply. The conferences will be recorded and a copy of the recording will be provided upon request.

Since it has the burden of proof, the Enforcement Division is permitted to open and close the conference presentations. The Hearing Officer may also hold the record open to receive additional evidence or arguments.

Probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether or not there is probable cause to believe that the

---

<sup>1</sup> But see Title 2, California Code of Regulations, Section 18362, which states that the Commission provides access to complaints, responses to complaints, and investigative files and information in accordance with the requirements of the Public Records Act. (Govt. Code § 6250, et seq.)

Political Reform Act was violated. Anyone who wishes to discuss settlement with the Enforcement Division may do so before or after the probable cause conference but not during the conference.

Pursuant to Title 2, California Code of Regulations, Section 18361.4, subdivision (e), the Hearing Officer will find probable cause "if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation."

Ordinarily, probable cause determinations are made based upon the written probable cause report, any written response by the respondent, any written reply by the Enforcement Division, and the oral arguments presented at the conference. Timely written presentations are strongly recommended.

### **Probable Cause Order and Accusation**

Once the matter is submitted to the Hearing Officer, the probable cause decision will normally be made within ten days. If the Hearing Officer finds probable cause, he will issue a Finding of Probable Cause, which will be publicly announced at the next Commission Meeting. An accusation will be issued soon after the Finding of Probable Cause is publicly announced.

### **Continuances**

Every reasonable effort is made to accommodate the schedules of parties and counsel. However, once a date has been set it is assumed to be firm and will not be continued except upon the order of the Hearing Officer after a showing of good cause. Settlement negotiations will be considered good cause only if the Hearing Officer is presented with a fully executed settlement, or is convinced that settlement is imminent.

### **Settlements**

Settlement discussions may take place at any time except during the probable cause conference. In order to open settlement discussions, a proposed respondent or his or her counsel or representative should present a written offer to settle stating, where appropriate, the violations to be admitted, and the monetary penalty or other remedy to be tendered.

The Enforcement Division attorney assigned to the case will negotiate any potential settlement on behalf of the Fair Political Practices Commission, and will draft the language of the settlement agreement. The Hearing Officer will not directly participate in the negotiations, but will be represented by Enforcement Division attorneys. Staff attorneys will present settlement offers to the Hearing Officer for his/her approval.

### **CONCLUSION**

This fact sheet was intended to give you a brief summary of the probable cause process at the Fair Political Practices Commission. Such a summary cannot answer every question that might arise in such proceedings. Therefore, if you have any questions that are not addressed by this fact sheet or the copies of the law and regulations we have attached, feel free to contact the attorney whose name appears on the probable cause report.

*Attachments: Relevant Sections of (1) California Government Code , and (2) Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations.*

## CALIFORNIA GOVERNMENT CODE

### Probable Cause Statutes

---

#### **§ 83115.5. Probable cause; violation of title; notice of violation; summary of evidence; notice of rights; private proceedings**

No finding of probable cause to believe this title has been violated shall be made by the commission unless, at least 21 days prior to the commission's consideration of the alleged violation, the person alleged to have violated this title is notified of the violation by service of process or registered mail with return receipt requested, provided with a summary of the evidence, and informed of his right to be present in person and represented by counsel at any proceeding of the commission held for the purpose of considering whether probable cause exists for believing the person violated this title. Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office. A proceeding held for the purpose of considering probable cause shall be private unless the alleged violator files with the commission a written request that the proceeding be public.

#### **§ 83116. Violation of title; probable cause; hearing; order**

When the Commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code). The Commission shall have all the powers granted by that chapter. When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

- (a) Cease and desist violation of this title.
- (b) File any reports, statements, or other documents or information required by this title.
- (c) Pay a monetary penalty of up to five thousand dollars (\$5,000) per violation to the General Fund of the state. When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

**REGULATIONS OF THE FAIR POLITICAL PRACTICES COMMISSION  
TITLE 2, DIVISION 6 OF THE CALIFORNIA CODE OF REGULATIONS**

**Probable Cause Regulations**

---

**§ 18361 (b). Delegation by the Executive Director Pertaining to Enforcement Proceedings and Authority to Hear Probable Cause Proceedings.**

Probable cause proceedings under Regulation 18361.4 shall be heard by the General Counsel or an attorney from the Legal Division. The General Counsel may delegate the authority to hear probable cause proceedings, in writing, to an administrative law judge.

**§ 18361.4. Probable Cause Proceedings**

(a) Probable Cause Report. If the Chief of the Enforcement Division decides to commence probable cause proceedings pursuant to Sections 83115.5 and 83116, he or she shall direct the Enforcement Division staff to prepare a written report, hereafter referred to as "the probable cause report." The probable cause report shall contain a summary of the law and evidence gathered in connection with the investigation, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. The evidence recited in the probable cause report may include hearsay, including declarations of investigators or others relating the statements of witnesses or concerning the examination of physical evidence.

(b) No probable cause hearing will take place until at least 21 calendar days after the Enforcement Division staff provides the following, by service of process or registered or certified mail with return receipt requested, to all proposed respondents:

- (1) A copy of the probable cause report;
- (2) Notification that the proposed respondents have the right to respond in writing to the probable cause report and to request a probable cause conference at which the proposed respondent may be present in person and represented by counsel, and;
- (3) If the Commission met in executive session on this matter pursuant to Regulation 18361.2, a copy of any staff memoranda submitted to the Commission at that time along with the recording of any discussion between the Commission and the staff at the executive session as required in subdivision (b) of Regulation 18361.2.

(c) Response to Probable Cause Report.

- (1) Each proposed respondent may submit a written response to the probable cause report. The response may contain a summary of evidence, legal arguments, and any mitigating or exculpatory information. A proposed respondent who submits a response must file it with the Commission Assistant who will forward the response to the General Counsel or an attorney in the Legal Division (the "hearing officer") and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report not later than 21 days following service of the probable cause report.
- (2) Within 21 calendar days following the service of the probable cause report, a proposed



respondent may request discovery of evidence in the possession of the Enforcement Division. This request must be sent by registered or certified mail to the Commission Assistant. Upon receipt of the request, the Enforcement Division shall provide discovery of evidence relied upon by the Enforcement Division sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation, along with any exculpatory or mitigating evidence. This is not a right to full discovery of the Enforcement Division file. The Enforcement Division shall provide access to documents for copying by the Respondent, or upon agreement among the parties, the Enforcement Division will provide copies of the requested documents upon payment of a fee for direct costs of duplication. The Enforcement Division shall provide such evidence by service of process or registered or certified mail with return receipt requested to all respondents, with a copy to the Commission Assistant. A respondent may submit a written response to the probable cause report described in subsection (1) no later than 21 calendar days after service of discovery.

- (3) The Commission staff may submit any evidence or argument in rebuttal to the response. When the Commission staff submits evidence or argument in rebuttal to the response, it shall provide a copy, by service of process or registered or certified mail with return receipt requested, to all proposed respondents listed in the probable cause report not later than 10 calendar days following the date the response was filed with the Commission Assistant. The hearing officer may extend the time limitations in this section for good cause. At any time prior to a determination of probable cause, the hearing officer may allow additional material to be submitted as part of the initial response or rebuttal.

(d) Probable Cause Conference. Any proposed respondent may request a probable cause conference. The request shall be served upon the Commission Assistant and all other proposed respondents not later than 21 days after service of the probable cause report unless the hearing officer extends the time for good cause. The Commission Assistant shall fix a time for the probable cause conference and the hearing officer shall conduct the conference informally. The conference shall be closed to the public unless a proposed respondent requests and all other proposed respondents agree to a public conference. If the conference is not public, only members of the Commission staff, any proposed respondent and his or her legal counsel or representative shall have the right to be present and participate. The hearing officer may allow witnesses to attend and participate in part or all of the probable cause conference. In making this determination, the hearing officer shall consider the relevancy of the witness' proposed testimony, whether the witness has a substantial interest in the proceedings, and whether fairness requires that the witness be allowed to participate. Representatives of any civil or criminal prosecutor with jurisdiction may attend the conference at the discretion of the hearing officer if they agree to respect the confidential nature of the proceedings. If the conference is not open to the public and none of the parties and the presiding officer object, the conference may be conducted in whole or in part by telephone. The probable cause conference shall be recorded. The hearing officer may determine whether there is probable cause based solely on the probable cause report, any responses or rebuttals filed and any arguments presented at the probable cause conference by the interested parties. If the hearing officer requires additional information before determining whether there is probable cause, he or she may permit any party to submit additional evidence at the probable cause conference.

(e) Finding of Probable Cause. The hearing officer may find there is probable cause to believe a violation has occurred if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation. A finding of probable cause by the hearing officer does not constitute a finding that a violation has actually occurred. The hearing officer shall not make a finding of probable cause if he or she is presented with clear and convincing evidence that, at a time prior to the alleged violation, the violator consulted with the staff of the Commission in good faith, disclosed truthfully all the material facts, and committed the acts complained of either in reliance on the advice of the staff or because of the staff's failure to provide advice. If the hearing officer makes a finding of probable cause, the Enforcement Division shall prepare an Accusation pursuant to Section 11503 and have it served upon the person or persons who are subjects of the probable cause finding. The hearing officer shall publicly announce the finding of probable cause. The announcement shall contain a summary of the allegations and a cautionary statement that the respondent is presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding. The Chief of the Enforcement Division shall be responsible for the presentation of the case in support of the Accusation at an administrative hearing held pursuant to Section 83116.

#### **§ 18362. Access to Complaint Files**

(a) Access to complaints, responses thereto, and investigative files and information shall be granted in accordance with the requirements of the Public Records Act (Government Code Section 6250, et seq.).

(b) When release of material is requested pursuant to subdivision (a), the Executive Director, or his or her designee, shall review the material prior to its release or prior to a claim of exemption to determine that the requirements of the Public Records Act have been satisfied.

(c) Any person requesting copies of material pursuant to subdivision (a) shall reimburse the Commission \$0.10 per page for each page copied or supply copying equipment and make copies in the offices of the Commission. Documents may not be removed from the offices of the Commission. If the request is for copies totaling ten pages or less, the copies shall be provided without charge for copying since the administrative costs do not warrant collection of \$1.00 or less. If the request is for copies totaling more than ten pages, reimbursements of copying costs shall include the cost for the first ten pages. Charges imposed pursuant to this subdivision are for the purpose of recovering the cost of copying.

(d) Requests for access and copies pursuant to subdivision (a) shall be made in writing and shall specifically identify the documents sought.

#### **§ 18361.2. Memorandum Respecting Civil Litigation.**

(a) If the Executive Director concludes civil litigation should be initiated, he or she shall submit to the Commission a written memorandum, which shall be first reviewed by the General Counsel, or an attorney from the Legal Division, summarizing the facts and the applicable law of the case and recommending the initiation of a lawsuit. The memorandum shall include all exculpatory and mitigating information known to the staff.

(b) The Commission shall review the memorandum at an executive session. The General Counsel, or an attorney from the Legal Division, and the Commission Assistant shall be in attendance. No other member of the staff may be present unless the Commission meets with a member of the staff for that person to answer questions. The Commission may not resume its deliberations until the person is no longer present. Any communication between the Commission and the person during the executive session shall be recorded. After review of the memorandum, the Commission may direct the Executive Director to do any of the following:

- (1) Initiate civil litigation.
- (2) Decide whether probable cause proceedings should be commenced pursuant to 2 Cal. Code of Regulations Section 18361.4.
- (3) Return the matter to the staff for further investigation.
- (4) Take no further action on the matter or take any other action it deems appropriate.

(c) If the Commission decides to initiate civil litigation, the Commission may then permit other members of the staff to attend the executive session.

(d) If the Executive Director deems it necessary, he or she may call a special meeting of the Commission to review a staff memorandum recommending the initiation of civil litigation.

(e) It is the intent of the Commission in adopting this section to preserve for the members of the Commission the authority to decide whether alleged violations should be adjudicated in administrative hearings or in civil litigation, while at the same time avoiding the possibility that discussions with members of the staff might cause members of the Commission to prejudge a case that might be heard by the Commission under Government Code Section 83116.

**Exhibit A-6**

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

## STATE OF CALIFORNIA

) FPPC No. 11/073

## AMENDED REPORT IN SUPPORT OF A FINDING OF PROBABLE CAUSE

428 J Street, Suite 620  
Sacramento, CA 95814

### Respondents.

Respondent 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. Respondent Strickland for Controller 2010, was Strickland’s candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

1 Respondent Ventura County Republican Party ("VCRP") was a political party committee  
2 located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

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

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

13 In 2010, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However  
14 VCRP and SCRCP were not the true sources of the contributions, and the true sources of the  
15 contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing  
16 over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for  
17 Controller and filing false campaign statements concealing that activity. VCRP, Milgram, SCRCP and  
18 McKinsey violated the Act by failing to disclose both the intermediary and the original contributor  
19 information for the contributions and filing false campaign statements concealing that activity.

## 20 SUMMARY OF THE LAW

21 All legal references and discussions of law pertain to the Act's provisions as they existed in  
22 2010.

23  
24 ///

---

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

1 Jurisdiction

2 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
3 enforce the provisions of the Act.<sup>2</sup>

4 Probable Cause Proceedings

5 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
6 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
7 cause to believe the respondent has violated the Act.<sup>3</sup> After a finding of probable cause, the  
8 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>4</sup> to  
9 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
10 violation.<sup>5</sup>

11 Standard for Finding Probable Cause

12 To make a finding of probable cause, the hearing officer must be presented with sufficient  
13 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
14 that a respondent committed or caused a violation.<sup>6</sup>

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

16 When enacting the Political Reform Act, the people of the state of California found and  
17 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
18 and local authorities.<sup>7</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>8</sup>

19 There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in  
20 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper  
21

22 ///

23 <sup>2</sup> § 83116.

24 <sup>3</sup> § 83115.5, and Reg. 18361 and 18361.4.

25 <sup>4</sup> § 11500, et seq.

26 <sup>5</sup> § 83116, and Reg. 18361.4, subd. (e).

27 <sup>6</sup> Reg. 18361.4, subd. (e).

28 <sup>7</sup> § 81001, subd. (h).

<sup>8</sup> § 81003.



practices are inhibited.<sup>9</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>10</sup>

### Definition of Controlled Committee

A “committee” includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>11</sup> commonly known as a “recipient committee.” A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.”<sup>12</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>13</sup>

### 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.<sup>14</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>15</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act’s contribution limits.

### 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,

///

---

<sup>9</sup> § 81002, subd. (a).

<sup>10</sup> § 81002, subd. (f).

<sup>11</sup> § 82013, subd. (a).

<sup>12</sup> § 82016.

<sup>13</sup> § 82016, subd. (a).

<sup>14</sup> § 85205.

<sup>15</sup> § 84301.

1 occupation, and employer.<sup>16</sup> The Act also states that a person is an intermediary for a contribution if the  
2 recipient of the contribution “would consider the person to be the contributor without the disclosure of  
3 the identity of the true source of the contribution.”<sup>17</sup>

#### 4 Prohibition on Earmarking

5 It is unlawful to make a contribution to a committee on the condition or with the agreement that  
6 it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to  
7 Section 84302.<sup>18</sup>

#### 8 Campaign Contribution Limits

9 The Act imposes campaign contribution limits with respect to the making and receiving of  
10 certain contributions. These limits are adjusted periodically, and different limits apply depending upon  
11 who is contributing and who is receiving.<sup>19</sup>

12 In 2010, an individual wishing to contribute to a candidate for California State Controller could  
13 not contribute more than \$6,500 per election.<sup>20</sup> However, at that time, there was no limit on  
14 contributions from a political party committee (such as a county central committee) to that same  
15 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
16 could contribute to a political party committee for the purpose of making contributions to candidates  
17 for State Controller.<sup>21</sup> Individuals could exceed this amount so long as the excess was not used by the  
18 committee to support/oppose candidates for elective state office.

#### 19 Aggregation of Campaign Contributions by Affiliated Entities

20 For purposes of the Act’s contribution limits, contributions of an entity whose contributions are  
21 directed and controlled by any individual must be aggregated with contributions made by that  
22 individual and any other entity whose contributions are directed and controlled by the same  
23

---

24 <sup>16</sup> § 84302.

25 <sup>17</sup> Reg. 18432.5, subd. (a).

26 <sup>18</sup> § 85704.

27 <sup>19</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

28 <sup>20</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>21</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

individual.<sup>22</sup> An entity is any person, other than an individual.<sup>23</sup> 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.<sup>24</sup>

#### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>25</sup>

#### 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.<sup>26</sup>

#### 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.<sup>27</sup> This only

---

<sup>22</sup> § 85311, subd. (b).

<sup>23</sup> § 85311, subd. (a)(1).

<sup>24</sup> § 82047.

<sup>25</sup> § 84211, subd. (f).

<sup>26</sup> § 84211, subd. (k).

<sup>27</sup> §§ 83116, and 83116.5.

1 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
2 services involving the planning, organizing or directing of any activity regulated or required by the  
3 Act.<sup>28</sup>

#### 4 Candidate and Treasurer Liability

5 Every committee must have a treasurer.<sup>29</sup> It is the duty of a committee's candidate and treasurer  
6 to ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
7 expenditure of funds and the reporting of such funds.<sup>30</sup> A committee's candidate and treasurer may be  
8 held jointly and severally liable with the committee for any reporting violations.<sup>31</sup>

#### 9 Joint and Several Liability

10 If two or more parties are responsible for a violation of the Act, they are jointly and severally  
11 liable.<sup>32</sup>

### 12 **SUMMARY OF THE EVIDENCE**

#### 13 Laundered Contributions

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

23 ///

---

24 <sup>28</sup> § 83116.5.

25 <sup>29</sup> § 84100.

26 <sup>30</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

27 <sup>31</sup> §§ 83116.5 and 91006.

28 <sup>32</sup> § 91006.

1 Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the  
2 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of  
3 \$2 million.

4 In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
5 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

6 William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil  
7 and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
8 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
9 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the  
10 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
11 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
12 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
13 Templeton's maximum contribution on April 6, 2010.

14 According to his testimony, Templeton wanted to do more to support pro-business candidates in  
15 Ventura County without getting personally involved in local races. An email thread between Templeton  
16 and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton  
17 making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where  
18 Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius  
19 Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for  
20 candidate support to a political party committee. Templeton testified that he had no contact with VCRP  
21 and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records show that  
22 VCRP received Templeton's check on June 11, 2010, three days after the primary election.

23 Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
24 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show  
25 that on June 10, 2010, Jubitz sent an email to Barth stating in part:

26 ///

1 As per our conversation, I have attached the general election contribution information  
2 for Tony. You and Avery can do the max of \$13,000. I also put the form for the  
Ventura County Republican Party Candidate direct committee.

3 Really appreciate your support.

4 On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the  
5 primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified  
6 that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

7 On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to  
8 Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

9 Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
452,700

10 Jubitz: Have we received any party money?

11 Wangsaporn: I thought templetom [sic] was doing something with vc gop?

12 Jubitz: He did. 32,400... but I am not aware of whether or not a donation from  
VCRP has come in to Strickland for Controller.

13 Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
It would be whatever the amount raised/pledged minus 7%

14 Jubitz: I know. Tony and I decided no.

15 Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email  
16 to Strickland and Jubitz, subject line: "FYI VCGOP check":

17 Tony- you received  
32,400 templetom  
18 15,000 barth

19 -----  
Total of 47,400

20 After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
Chairman] will be cutting you a check for 37,490.

21 Strickland responded to all:

22 No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
23 million raised for team meg.

24 A few minutes later, Strickland followed up his response with:

25 Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
26 you think sue groff will do anything before the 30th?? If not get 45k check from  
vcgop.

1 Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

2 47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
3 45k. 400 not 600.

4 Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller,  
5 \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010.  
6 The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and  
7 Barth.

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

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

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

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

23 On October 5, 2010, Jubitz sent an email to Templeton inviting him to an "intimate" dinner  
24 gathering hosted by Strickland, which was eventually held on October 12, 2010 at Sly's, a popular  
25 restaurant in Carpinteria, CA. Jubitz testified that between 10 and 13 people attended, including  
26 Strickland, his wife, Audra, Jubitz, and Templeton. According to Jubitz' and Templeton's testimony,  
27



1 everyone sat at one large table, and conversation topics included the 2010 Controller's race and the  
2 need for more contributions.

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

6 Similarly, records show that Matthew Swanson, president of Associated Feed & Supply Co. and  
7 other Swanson Family companies in Turlock, CA, made a maximum contribution to Strickland for  
8 Controller through his business and a large contribution to SCRP. In May 2010, Swanson, through  
9 Associated Feed, made the maximum contribution to Strickland for Controller for the primary election,  
10 \$6,500. In September 2010, Swanson, through his investment company, Prospector, LLC, made the  
11 maximum contribution to Strickland for Controller for the general election, \$6,500. Because Swanson  
12 directed and controlled the contributions of his two companies, the contributions were attributed to  
13 Swanson. So Swanson gave the maximum contributions to Strickland for Controller.

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

16 Hi DeeAnna [sic],

17 The check should be made payable to

18 Stanislaus County Republican Party

19 and overnight to our office:

20 Matthew Jubitz

21 515 S. Figueroa Street

22 16<sup>th</sup> Floor

23 Los Angeles, CA 90071

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

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

26 Thanks so much for your help.

27 ///

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 SCRP.

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..."

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

The evidence shows that Strickland received a total of \$65,000 in contributions from Templeton, Barth and Swanson through VCRP and SCRP.

#### False Reporting

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 May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

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

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

6 In its campaign statement for June 6 through June 30, 2010, VCRP reported the following  
7 contributions:

<b>Date Received</b>	<b>Contributor</b>	<b>Description</b>	<b>Amount Received this Period</b>	<b>Cumulative to Date</b>
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

12 And VCRP reported the following expenditures supporting candidates/committees:

<b>Schedule(s)</b>	<b>Date</b>	<b>Recipient</b>	<b>Description</b>	<b>Amount</b>
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

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

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

26 ///

And SCRP 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

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, Barth and Swanson were the true sources and that VCRP and SCRP were the intermediaries for the contributions earmarked for Strickland for Controller, as required.

## **VIOLATIONS**

### Strickland, Strickland for Controller, and Ray

#### Count 1: Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused, or aided and abetted, Templeton to make a contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Section 84301.

#### Count 2: Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused, or aided and abetted, Barth to make a contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Section 84301.

///

1 Count 3: Contribution Made in the Name of Another

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Templeton to make a contribution of \$15,000 to Strickland for Controller  
4 in the name of SCRP, violating Section 84301.

5 Count 4: Contribution Made in the Name of Another

6 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
7 caused, or aided and abetted, Swanson to make a contribution of \$5,000 to Strickland for Controller in  
8 the name of SCRP, violating Section 84301.

9 Count 5: Prohibited Earmarked Contribution

10 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
11 or aided and abetted, Templeton to make a contribution to VCRP on the condition or with the  
12 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
13 intermediary and original contributor information for the earmarked contribution were not disclosed,  
14 violating Section 85704.

15 Count 6: Prohibited Earmarked Contribution

16 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
17 or aided and abetted, Barth to make a contribution to VCRP on the condition or with the agreement that  
18 the contribution would be ultimately contributed to Strickland for Controller, and the intermediary and  
19 original contributor information for the earmarked contribution were not disclosed, violating Section  
20 85704.

21 Count 7: Prohibited Earmarked Contribution

22 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
23 caused, or aided and abetted, Templeton to make a contribution to SCRP on the condition or with the  
24 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
25 intermediary and original contributor information for the earmarked contribution were not disclosed,  
26 violating Section 85704.

1 Count 8: Prohibited Earmarked Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Swanson to make a contribution to SCRP on the condition or with the  
4 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
5 intermediary and original contributor information for the earmarked contribution were not disclosed,  
6 violating Section 85704.

7 Count 9: Accepting an Over-the-Limit Contribution

8 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
9 contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5% fee), violating Section  
10 85301 and Regulation 18545, subdivision (a)(1).

11 Count 10: Accepting an Over-the-Limit Contribution

12 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
13 contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee), violating Section 85301 and  
14 Regulation 18545, subdivision (a)(1).

15 Count 11: Accepting an Over-the-Limit Contribution

16 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
17 contribution from Templeton totaling \$15,000, violating Section 85301 and Regulation 18545,  
18 subdivision (a)(1).

19 Count 12: Accepting an Over-the-Limit Contribution

20 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
21 contribution from Swanson totaling \$5,000, violating Section 85301 and Regulation 18545,  
22 subdivision (a)(1).

23 Count 13: Disclosure of False Information in Campaign Statements

24 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
25 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
26 described in Counts 1, 5 and 9 by falsely reporting that Strickland for Controller received a contribution  
27

1 from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the  
2 transaction, violating Section 84211, subdivision (f).

3 Count 14: Disclosure of False Information in Campaign Statements

4 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
5 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
6 described in Counts 2, 6 and 10 by falsely reporting that Strickland for Controller received a  
7 contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary  
8 for the transaction, violating Section 84211, subdivision (f).

9 Count 15: Disclosure of False Information in Campaign Statements

10 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
11 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
12 violations described in Counts 3, 7 and 11 by falsely reporting that Strickland for Controller received a  
13 contribution from SCRP, when the contribution was made by Templeton, and SCRP was the  
14 intermediary for the transaction, violating Section 84211, subdivision (f).

15 Count 16: Disclosure of False Information in Campaign Statements

16 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
17 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
18 violations described in Counts 4, 8 and 12 by falsely reporting that Strickland for Controller received a  
19 contribution from SCRP, when the contribution was made by Swanson, and SCRP was the  
20 intermediary for the transaction, violating Section 84211, subdivision (f).

21 VCRP and Milgram

22 Count 17: Failure to Disclose Intermediary and Original Contributor Information

23 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to  
24 disclose both the intermediary and the original contributor information for a \$30,750 (\$32,400 minus  
25 VCRP's 5% fee) contribution from Templeton to Strickland for Controller, violating Section 84302.

26 ///



1 Count 18: Failure to Disclose Intermediary and Original Contributor Information

2 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose  
3 both the intermediary and the original contributor information for a \$14,250 (\$15,000 minus VCRP's  
4 5% fee) contribution from Barth to Strickland for Controller, violating Section 84302.

5 Count 19: Disclosure of False Information in Campaign Statements

6 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
7 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1, 2, 5,  
8 6, 9, and 10, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller,  
9 when it was not the true source of the contributions and was the intermediary for the transactions,  
10 violating Section 84211, subdivision (k).

11 SCRP and McKinsey

12 Count 20: Failure to Disclose Intermediary and Original Contributor Information

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

16 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

20 Count 22: Disclosure of False Information in Campaign Statements

21 SCRП and McKinsey, on or about December 1, 2010, filed a false campaign statement for the  
22 reporting period of October 17 through November 20, 2010, concealing the violations described in  
23 Counts 3, 4, 7, 8, 11 and 12 by falsely reporting that SCRП made a \$20,000 contribution to Strickland  
24 for Controller, when it was not the true source of the contribution and was the intermediary for the  
25 transaction, violating Section 84211, subdivision (k).

26 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8

2 Campaign money laundering is one of the most serious violations of the Act because such  
3 conduct circumvents campaign contribution limits, violates disclosure requirements, and deceives the  
4 voting public as to the true source of funds. Here, all parties understood that the contributions from  
5 Templeton, Barth and Swanson to VCRP and SCRP were to go to Strickland's controller campaign.  
6 Strickland was an experienced candidate and officeholder. Templeton, Barth and Swanson each made  
7 maximum contributions to Strickland's campaign. Yet Strickland and his campaign continued to solicit  
8 funds from them, directing Templeton, Barth and Swanson to make contributions to specific party  
9 central committees. Strickland made clear to his campaign staff and the party central committees that  
0 the over-the-limit funds were meant for his State Controller campaign. Strickland even told the VCRP  
1 chairman that his campaign would pay Jubitz' commission for the Templeton and Barth contributions  
2 so more funds would be received by his campaign toward his \$2 million goal. After notification that  
3 Templeton and Barth had sent checks to VCRP, Strickland directed the VCRP chairman to "write a 45k  
4 check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland. Strickland  
5 caused Templeton, Barth and Swanson to give \$65,000 in contributions to his campaign illegally  
6 through VCRP and SCRP.

7           The parties intended to deceive the voting public as to the true source of the contributions.  
8 Strickland for Controller, VCRP and SCRP each filed false campaign statements concealing the true  
9 sources of the contributions from the public.

Based upon the facts and circumstances of this case, it is clear that all parties agreed and/or understood that VCRP and SCRP would act as the undisclosed intermediaries for Templeton's, Barth's and Swanson's contributions to Strickland's campaign. These violations deprived the public of information regarding the campaign activity and the true source of Strickland's campaign funds. Taken as whole, the evidence shows deliberate conduct which resulted in violations of the Act with significant non-disclosure. The conduct in this case is more egregious than the conduct in the comparable cases

1 because of the active involvement of Strickland in coordinating and concealing the money laundering  
2 scheme.

3 Several of the parties have prior enforcement history. Strickland was prosecuted in April 2010  
4 by the Commission for failing to include proper sender identification for a mass mailing. Ray was  
5 prosecuted in April 2010 by the Commission for failing to include major donor information in the  
6 committee name. And the Commission's Enforcement Division issued three prior warning letters  
7 against Ray related to her duties as treasurer for three separate committees. VCRP has no prior  
8 enforcement history. But SCRP was prosecuted by the Commission for its role in a money laundering  
9 scheme in *Bill Berryhill, Tom Berryhill, Bill Berryhill For Assembly – 2008, Berryhill For Assembly*  
10 *2008, Stanislaus Republican Central Committee (State Acct.), and San Joaquin County Republican*  
11 *Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828.

12 Strickland, Wangsaporn and Ray failed to cooperate with the investigation of this matter.  
13 Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on  
14 November 19, 2014. None appeared, and their attorney failed to respond to telephone and email  
15 inquiries regarding the interviews.

### 16 EXCULPATORY AND MITIGATING INFORMATION

17 The Enforcement Division is not aware of any exculpatory and mitigating information relevant  
18 to the information presented in this Report.

19  
20  
21  
22  
23  
24  
25  
26 ///

1 **CONCLUSION**


2 Probable cause exists to believe that Respondents Anthony A. "Tony" Strickland, Strickland  
3 For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus  
4 Republican Central Committee (State Acct.), and Gary McKinsey committed twenty-two violations of  
5 the Act, as set forth above. The Enforcement Division respectfully requests an order finding probable  
6 cause pursuant to Section 83115.5 and Regulation 18361.4.

7 Dated: September 21, 2015

Respectfully Submitted,

8 **FAIR POLITICAL PRACTICES COMMISSION**

9 By: Galena West  
Chief of Enforcement

10   
11 Angela J. Brereton  
12 Senior Commission Counsel  
13 Enforcement Division  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**Exhibit A-7**

## PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On September 22, 2015, I served the following document(s):

1. FPPC Case No. 11/073 AMENDED REPORT IN SUPPORT OF A FINDING OF PROBABLE CAUSE;

☒ By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☒ By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

## SERVICE LIST

### Personal Delivery

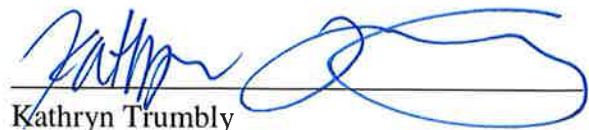
John Kim, Commission Assistant  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

### Certified Mail, Return Receipt Requested

Steven D. Baric, Esq.  
Baric & Associates  
o/b/o Anthony A. "Tony" Strickland,  
Strickland For Controller 2010, Lysa Ray  
2601 Main Street #560  
Irvine, CA 92614

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
o/b/o Ventura County Republican Party,  
Arkady Milgram, Stanislaus Republican Central  
Committee (State Acct.), and Gary McKinsey  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on September 22, 2015.

  
Kathryn Trumbly

**Exhibit A-8**

7012 3460 0000 2695 5714

U.S. Postal Service™

**CERTIFIED MAIL™ RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)®**OFFICIAL USE**

Postage \$

Certified

Return Receipt  
(Endorsement Required)Restricted Delivery  
(Endorsement Required)

Total Postage &amp;

Sent To

Street, Apt. No.,  
or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

Charles H. Bell, Jr., Esq.  
 Bell, McAndrews & Hiltachk, LLP  
 O/b/o Ventura County Republican Party, Arkady Milgram, Stanislaus  
 Republican Central Committee (State Acct.), and Gary McKinsey  
 455 Capitol Mall, Suite 600  
 Sacramento, CA 95814

**2. Article Number**  
(Transfer from service label)

7012 3460 0000 2695 5714

PS Form 3811, July 2013

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY****A. Signature**
☒ Agent  
☐ Addressee
**B. Received by (Printed Name)**Courtney  
Mack-Johnsen**C. Date of Delivery**

9/23/15

**D. Is delivery address different from item 1? ☐ Yes**If Yes, enter delivery address below: ☐ No**3. Service type**
☒ Certified Mail®  
☐ Registered  
☐ Insured Mail  
☐ Priority Mail Express™  
☒ Return Receipt for Merchandise  
☐ Collect on Delivery
**4. Restricted Delivery? (Extra Fee)**☐ Yes



**Exhibit A-9**

**FPPC No. 11/073, In the matter of Anthony A. "Tony" Strickland, Strickland for Controller 2010,  
Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central  
Committee (State Acct.), and Gary McKinsey**

**PROOF OF SERVICE**

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, CA 95814. On the date below, I served the following document:

**Order Re: Probable Cause**

---

**MANNER OF SERVICE**

**(U.S. Mail)** By causing a true copy thereof to be served on the parties in this action through the U.S. Mail and addressed as listed below. I am familiar with the procedure of the Fair Political Practices Commission for collection and processing of correspondence for mailing with the United States Postal Service, and the fact that the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business.

**SERVICE LIST**

Charles H. Bell, Jr.  
Bell, McAndrews & Hiltachk, LLP  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

Steven Baric  
Baric & Associates  
2601 Main St., Ste. 560  
Irvine, CA 92614

**(By Personal Service) On Friday, December 04, 2015, at approximately 1:40 p.m., I personally served:**

Angela Brereton, Senior Commission Counsel, Enforcement Division, at 428 J Street, Suite 700,  
Sacramento, CA 95814.  
Galena West, Chief of Enforcement, at 428 J Street, Suite 700, Sacramento, CA 95814.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this document is executed at Sacramento, California, on December 04, 2015.

  
\_\_\_\_\_  
John Kim

1 **FAIR POLITICAL PRACTICES COMMISSION**

2 428 J Street, Suite 620

3 Sacramento, CA 95814

4 Telephone: (916) 322-5660

5 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**

6 **STATE OF CALIFORNIA**

7  
8 In the Matter of:

9  
10 ANTHONY A. "TONY"  
11 STRICKLAND, STRICKLAND FOR  
12 CONTROLLER 2010, LYSA RAY,  
13 VENTURA COUNTY REPUBLICAN  
14 PARTY, ARKADY MILGRAM,  
15 STANISLAUS REPUBLICAN  
CENTRAL COMMITTEE (STATE  
ACCT.), and GARY McKINSEY

Respondents.

FPPC No. 11/073

ORDER RE: PROBABLE CAUSE

16  
17 This matter came on for a probable cause conference pursuant to Regulation 18361.4 on  
18 November 10, 2014. Authority to conduct this proceeding and to determine the issue of probable cause  
19 was delegated to Senior Commission Counsel Heather M. Rowan under Regulation 18361. Appearing  
20 for the Enforcement Division were Commission Counsel Angela Brereton and Investigator Jeffrey  
21 Kamigaki. Steve Baric, counsel for Respondents Tony Strickland, Strickland for Controller, and Lysa  
22 Ray, appeared by telephone. Charles Bell appeared in person on behalf of the Ventura County  
23 Republican Party ("VCRP"), Arkady Milgram, the Stanislaus County Republican Central Committee  
24 ("SCRCP"), and Gary McKinsey.

25 The purpose of a probable cause conference is for the Executive Director, or a duly authorized  
26 designee, to determine whether probable cause exists to believe that a respondent violated the Political  
27  
28

1 Reform Act (the "Act")<sup>1</sup> as alleged by the Enforcement Division in its Report in Support of a Finding of  
2 Probable Cause.

3 Probable cause to believe a violation has occurred will be found to exist when "the evidence is  
4 sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion  
5 that a proposed respondent committed or caused a violation." (Regulation 18361.4(e).) A finding of  
6 probable cause does not constitute a finding that a violation has actually occurred. (*Id.*) The Report in  
7 Support of a Finding of Probable Cause alleges that Respondents violated the Act as follows:

8  
9 **Strickland, Strickland for Controller, and Ray**

10 **Count 1: Contribution Made in the Name of Another**

11 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
12 negligently caused, or aided and abetted, Templeton to make a contribution of  
13 \$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name  
14 of VCRP, violating Section 84301.

15 **Count 2: Contribution Made in the Name of Another**

16 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
17 negligently caused, or aided and abetted, Barth to make a contribution of \$14,250  
18 (\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of  
19 VCRP, violating Section 84301.

20 **Count 3: Contribution Made in the Name of Another**

21 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
22 negligently caused, or aided and abetted, Templeton to make a contribution of  
23 \$15,000 to Strickland for Controller in the name of SCRP, violating Section  
24 84301.

25 **Count 4: Contribution Made in the Name of Another**

26 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
27 negligently caused, or aided and abetted, Swanson to make a contribution of  
28 \$5,000 to Strickland for Controller in the name of SCRP, violating Section 84301.

**Count 5: Prohibited Earmarked Contribution**

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
negligently caused, or aided and abetted, Templeton to make a contribution to  
VCRP on the condition or with the agreement that the contribution would be  
ultimately contributed to Strickland for Controller, and the intermediary and

---

<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated.

1 original contributor information for the earmarked contribution were not disclosed,  
2 violating Section 85704.

3 Count 6: Prohibited Earmarked Contribution

4 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
5 negligently caused, or aided and abetted, Barth to make a contribution to VCRP on  
6 the condition or with the agreement that the contribution would be ultimately  
7 contributed to Strickland for Controller, and the intermediary and original  
8 contributor information for the earmarked contribution were not disclosed,  
9 violating Section 85704.

10 Count 7: Prohibited Earmarked Contribution

11 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
12 negligently caused, or aided and abetted, Templeton to make a contribution to  
13 SCRCP on the condition or with the agreement that the contribution would be  
14 ultimately contributed to Strickland for Controller, and the intermediary and  
15 original contributor information for the earmarked contribution were not disclosed,  
16 violating Section 85704.

17 Count 8: Prohibited Earmarked Contribution

18 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
19 negligently caused, or aided and abetted, Swanson to make a contribution to SCRCP  
20 on the condition or with the agreement that the contribution would be ultimately  
21 contributed to Strickland for Controller, and the intermediary and original  
22 contributor information for the earmarked contribution were not disclosed,  
23 violating Section 85704.

24 Count 9: Accepting an Over-the-Limit Contribution

25 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-  
26 limit contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5%  
27 fee), violating Section 85301 and Regulation 18545, subdivision (a)(1).

28 Count 10: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-  
limit contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee),  
violating Section 85301 and Regulation 18545, subdivision (a)(1).

Count 11: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-  
the-limit contribution from Templeton totaling \$15,000, violating Section 85301  
and Regulation 18545, subdivision (a)(1).

Count 12: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-  
the-limit contribution from Swanson totaling \$5,000, violating Section 85301 and  
Regulation 18545, subdivision (a)(1).

1 Count 13: Disclosure of False Information in Campaign Statements

2 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a  
3 false campaign statement for the reporting period of May 23 through June 30,  
4 2010, concealing the violations described in Counts 1, 5 and 9 by falsely reporting  
5 that Strickland for Controller received a contribution from VCRP, when the  
contribution was made by Templeton, and VCRP was the intermediary for the  
transaction, violating Section 84211, subdivision (f).

6 Count 14: Disclosure of False Information in Campaign Statements

7 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a  
8 false campaign statement for the reporting period of May 23 through June 30,  
9 2010, concealing the violations described in Counts 2, 6 and 10 by falsely  
reporting that Strickland for Controller received a contribution from VCRP, when  
the contribution was made by Barth, and VCRP was the intermediary for the  
transaction, violating Section 84211, subdivision (f).

10 Count 15: Disclosure of False Information in Campaign Statements

11 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed  
12 a false campaign statement for the reporting period of October 17 through  
13 December 31, 2010, concealing the violations described in Counts 3, 7 and 11 by  
14 falsely reporting that Strickland for Controller received a contribution from SCRP,  
when the contribution was made by Templeton, and SCRP was the intermediary  
for the transaction, violating Section 84211, subdivision (f).

15 Count 16: Disclosure of False Information in Campaign Statements

16 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed  
17 a false campaign statement for the reporting period of October 17 through  
18 December 31, 2010, concealing the violations described in Counts 4, 8 and 12 by  
19 falsely reporting that Strickland for Controller received a contribution from SCRP,  
when the contribution was made by Swanson, and SCRP was the intermediary for  
the transaction, violating Section 84211, subdivision (f).

20 **VCRP and Milgram**

21 Count 17: Failure to Disclose Intermediary and Original Contributor Information

22 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton,  
23 failed to disclose both the intermediary and the original contributor information for  
a \$30,750 (\$32,400 minus VCRP's 5% fee) contribution from Templeton to  
Strickland for Controller, violating Section 84302.

24 Count 18: Failure to Disclose Intermediary and Original Contributor Information

25 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed  
26 to disclose both the intermediary and the original contributor information for a  
\$14,250 (\$15,000 minus VCRP's 5% fee) contribution from Barth to Strickland for  
27 Controller, violating Section 84302.

1        Count 19: Disclosure of False Information in Campaign Statements

2        VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement  
3        for the reporting period of June 6 through June 30, 2010, concealing the violations  
4        described in Counts 1, 2, 5, 6, 9, and 10, by falsely reporting that VCRP made a  
5        \$45,000 contribution to Strickland for Controller, when it was not the true source  
6        of the contributions and was the intermediary for the transactions, violating  
7        Section 84211, subdivision (k).

8        SCRP and McKinsey

9        Count 20: Failure to Disclose Intermediary and Original Contributor Information

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

14       Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

19       Count 22: Disclosure of False Information in Campaign Statements

20       SCRCP and McKinsey, on or about December 1, 2010, filed a false campaign  
21       statement for the reporting period of October 17 through November 20, 2010,  
22       concealing the violations described in Counts 3, 4, 7, 8, 11 and 12 by falsely  
23       reporting that SCRCP made a \$20,000 contribution to Strickland for Controller,  
24       when it was not the true source of the contribution and was the intermediary for the  
25       transaction, violating Section 84211, subdivision (k).

26       Based on the facts presented to me in documents submitted by the Enforcement Division and by  
27       Respondents, and on evidence and argument presented by the parties during the probable cause  
28       conference, I find that notice was given as provided by Section 83115.5 and Regulation 18361.4. I  
29       further find that there is probable cause to believe Respondents Tony Strickland, Strickland for  
30       Controller, Lysa Ray, the Ventura County Republican Committee, Arkady Milgram, the Stanislaus  
31       County Republican Committee, and Gary McKinsey violated the Political Reform Act as alleged in the  
32       Report in Support of a Finding of Probable Cause. Notwithstanding this finding of probable cause,  
33       Respondents are presumed to be innocent of any violation of the Act unless and until a violation is  
34       proved in a subsequent proceeding.

1  
2 I therefore direct that the Enforcement Division issue an Accusation against Respondents in  
3 accordance with this Finding.

4 IT IS SO ORDERED.

5 Dated: December 4, 2015

By: Heather M. Rowan

6  
7 Heather M. Rowan, Senior Commission Counsel  
8 Fair Political Practices Commission  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



**Exhibit A-10**

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5771  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of	) FPPC Nos. 16/100
	)
VENTURA COUNTY REPUBLICAN	)
PARTY and ARKADY MILGRAM,	) <b>ACCUSATION</b>
	)
	)
Respondents.	) (Gov. Code §11503)

Complainant, the Enforcement Division of the Fair Political Practices Commission, after a finding of probable cause pursuant to Government Code Section 83115.5, alleges the following:

**JURISDICTION**

1. Complainant is the Enforcement Division of the Fair Political Practices Commission and makes this Accusation pursuant to the Political Reform Act (the "Act"),<sup>1</sup> in its official capacity and in the public interest.<sup>2</sup>

///

<sup>1</sup> 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.

<sup>2</sup> §§ 83111, 83116, and 91000.5; Reg. 18361 and 18361.4, subd. (e).

1           2.     In 1974, California voters found and declared that previous laws regulating political  
2 practices had suffered from inadequate enforcement, and they intended that the Act be vigorously  
3 enforced.<sup>3</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>4</sup>

4           3.     The Act is intended to ensure that receipts and expenditures in election campaigns are  
5 fully and truthfully disclosed so that voters are fully informed and improper practices are inhibited.<sup>5</sup>

6                                   **RESPONDENTS**

7           4.     Respondent Ventura County Republican Party ("VCRP") was a political party committee  
8 located in Camarillo, CA.

9           5.     Respondent Arkady Milgram was the treasurer for VCRP.

10          6.     The actions of VCRP and Milgram – failing to disclose both the intermediary and the  
11 original contributor information for earmarked contributions, and filing false campaign statements  
12 concealing that activity – are in violation of the law and public policies of the State of California.

13                                   **RELATED CASES**

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

21          8.     Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County  
22 Republican Party ("SCRCP"), was a political party committee located in Modesto, CA. Gary McKinsey  
23 was the treasurer for SCRCP. SCRCP and McKinsey are named respondents in the companion case, FPPC  
24 Case No. 16/178.

25  
26 ///

27                   <sup>3</sup> §§ 81001, subd. (h), and 81002, subd. (f).

28                   <sup>4</sup> § 81003.

<sup>5</sup> § 81002, subd. (a).

1 APPLICABLE LAW

2 9. All applicable law in this Accusation is the law as it existed during 2010, the relevant  
3 time for the alleged violations.

4 Definition of Political Party Committee

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

8 Duty to Disclose Intermediary

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

15 Prohibition on Earmarking

16 12. It is unlawful to make a contribution to a committee on the condition or with the  
17 agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed  
18 pursuant to Section 84302.<sup>9</sup>

19 Campaign Contribution Limits

20 13. The Act imposes campaign contribution limits with respect to the making and receiving  
21 of certain contributions. These limits are adjusted periodically, and different limits apply depending  
22 upon who is contributing and who is receiving.<sup>10</sup>

23 14. In 2010, an individual wishing to contribute to a candidate for California State Controller  
24 could not contribute more than \$6,500 per election.<sup>11</sup> However, at that time, there was no limit on  
25

---

26 <sup>6</sup> § 85205.

27 <sup>7</sup> § 84302.

28 <sup>8</sup> Reg. 18432.5, subd. (a).

<sup>9</sup> § 85704.

<sup>10</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>11</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

1 contributions from a political party committee (such as a county central committee) to that same  
2 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
3 could contribute to a political party committee for the purpose of making contributions to candidates for  
4 State Controller.<sup>12</sup> Individuals could exceed this amount so long as the excess was not used by the  
5 committee to support/oppose candidates for elective state office.

#### 6 Duty to Disclose Accurate Expenditure Information on Campaign Statements

7 15. The Act requires committees to report on campaign statements the following information  
8 about its expenditures, including those expenditures which are contributions to candidates:  
9 (1) the payee's full name; (2) his or her street address; (3) the amount of each expenditure; (4) a brief  
10 description of the consideration for which each expenditure was made; and (5) in the case of an  
11 expenditure which is a contribution to a candidate, elected officer, or committee, the date of the  
12 contribution, the cumulative amount of contributions made to that recipient, the full name of the  
13 recipient, and the office and district/jurisdiction for which he or she seeks nomination or election.<sup>13</sup>

#### 14 Liability for Violations

15 16. Any person who violates any provision of the Act, who purposely or negligently causes  
16 any other person to violate any provision of the Act, or who aids and abets any other person in the  
17 violation of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.<sup>14</sup>  
18 This only applies to persons who have filing or reporting obligations under the Act, or who are  
19 compensated for services involving the planning, organizing or directing of any activity regulated or  
20 required by the Act.<sup>15</sup>

#### 21 Treasurer Liability

22 17. Every committee must have a treasurer.<sup>16</sup> It is the duty of a committee's treasurer to  
23 ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
24  
25

---

26 <sup>12</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

27 <sup>13</sup> § 84211, subd. (k).

<sup>14</sup> §§ 83116, and 83116.5.

28 <sup>15</sup> § 83116.5.

<sup>16</sup> § 84100.

1 expenditure of funds and the reporting of such funds.<sup>17</sup> A committee's treasurer may be held jointly and  
2 severally liable with the committee for any reporting violations.<sup>18</sup>

### 3 Joint and Several Liability

4 18. If two or more parties are responsible for a violation of the Act, they are jointly and  
5 severally liable.<sup>19</sup>

### 6 Probable Cause Proceedings

7 19. "Service of the probable cause hearing notice, as required by Section 83115.5, upon the  
8 person alleged to have violated this title shall constitute the commencement of the administrative  
9 action."<sup>20</sup>

10 20. A finding of probable cause is prohibited unless the person alleged to have violated the  
11 Act is 1) notified of the violation by service of process or registered mail with return receipt requested;  
12 2) provided with a summary of the evidence; and 3) informed of his right to be present in person and  
13 represented by counsel at any proceeding of the Fair Political Practices Commission held for the purpose  
14 of considering whether probable cause exists for believing the person violated the Act.<sup>21</sup> The required  
15 notice to the alleged violator shall be deemed made on the date of service, the date the registered mail  
16 receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office.<sup>22</sup>

17 21. Administrative action alleging a violation of the Act must be commenced within five  
18 years after the date on which the violation occurred.<sup>23</sup>

### 19 Factors to be Considered by the Fair Political Practices Commission

20 22. In framing a proposed order following a finding of a violation pursuant to Section 83116,  
21 the Fair Political Practices Commission and the administrative law judge shall consider all the  
22 surrounding circumstances including but not limited to: (1) The seriousness of the violation; (2) The  
23 presence or absence of any intention to conceal, deceive or mislead; (3) Whether the violation was  
24 deliberate, negligent or inadvertent; (4) Whether the violator demonstrated good faith by consulting the

25 <sup>17</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

26 <sup>18</sup> §§ 83116.5 and 91006.

27 <sup>19</sup> § 91006.

28 <sup>20</sup> § 91000.5, subd. (a).

<sup>21</sup> § 83115.5.

<sup>22</sup> *Ibid.*

<sup>23</sup> § 91000.5.

Commission staff or any other government agency in a manner not constituting a complete defense under Section 83114(b); (5) Whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and (6) Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.<sup>24</sup>

### **GENERAL FACTS**

23. Complainant incorporates paragraphs 4 – 8 of this Accusation, as though completely set forth herein.

#### **Laundered Campaign Contributions**

24. Records show that in 2010, Strickland for Controller hired Pluvius Group, a political fundraising firm located in Los Angeles, CA. Matthew Jubitz, owner of Pluvius Group, told Enforcement Division staff that he worked closely with Strickland, and reported fundraising activity directly to Strickland. Jubitz testified that Pluvius Group maintained a detailed and extensive contributor contact list, which Pluvius Group used when fundraising for Strickland's campaign. Pluvius 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. Pluvius Group received a 15% commission for all contributions it secured for Strickland's campaign.

25. 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.

26. In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

27. 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

---

<sup>24</sup> Reg. 18361.5, subd. (d).

1 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
2 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
3 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
4 Templeton's maximum contribution on April 6, 2010.

5 28. According to his testimony, Templeton wanted to do more to support pro-business  
6 candidates in Ventura County without getting personally involved in local races. An email thread  
7 between Templeton and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had  
8 discussed Templeton making contributions to VCRP and to Meg Whitman, and Strickland was to ask  
9 Jubitz where Templeton should send his checks. Jubitz instructed Templeton to send both checks to him  
10 at Pluvius Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum  
11 allowed for candidate support to a political party committee. Templeton testified that he had no contact  
12 with VCRP and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records  
13 show that VCRP received Templeton's check on June 11, 2010, three days after the primary election.

14 29. Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
15 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show that  
16 on June 10, 2010, Jubitz sent an email to Barth stating in part:

17 As per our conversation, I have attached the general election contribution information  
18 for Tony. You and Avery can do the max of \$13,000. I also put the form for the  
Ventura County Republican Party Candidate direct committee.

19 Really appreciate your support.

20 On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the  
21 primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified  
22 that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

23  
24  
25  
26  
27  
28 ///



1           30.     On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for  
2 Controller to Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread  
3 followed:

4           Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
5                           452,700

6           Jubitz:       Have we received any party money?

7           Wangsaporn: I thought templeton [sic] was doing something with vc gop?

8           Jubitz:       He did. 32,400... but I am not aware of whether or not a donation from  
9                           VCRP has come in to Strickland for Controller.

10          Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
11                           It would be whatever the amount raised/pledged minus 7%

12          Jubitz:       I know. Tony and I decided no.

13           31.     Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an  
14 email to Strickland and Jubitz, subject line: "FYI VCGOP check":

15           Tony- you received  
16           32,400 templeton  
17           15,000 barth

18           -----  
19           Total of 47,400

20           After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
21           Chairman] will be cutting you a check for 37,490.

22          Strickland responded to all:

23           No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
24           million raised for team meg.

25          A few minutes later, Strickland followed up his response with:

26           Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
27           you think sue groff will do anything before the 30th?? If not get 45k check from  
28           vcgop.

29          Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

30           47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
31           45k. 400 not 600.

32           32.     Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for  
33 Controller, \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on  
34 June 30, 2010. The evidence shows that VCRP actually retained approximately 5% of the original  
35 amounts from Templeton and Barth.

36          ///

33. The evidence shows that Strickland for Controller received a total of \$45,000 in contributions from Templeton and Barth through VCRP.

False Reporting

34. 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

35. In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

36. In its campaign statement for June 6 through June 30, 2010, VCRP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

///

37. None of the above campaign statements disclose that Templeton and Barth were the true sources of the \$45,000 in contributions from VCRP and that VCRP was the intermediary for the contributions earmarked for Strickland for controller, as required.

## PROCEDURAL HISTORY

38. The Enforcement Division initiated the administrative action against VCRP and Milgram in this matter by serving them with a packet containing a cover letter, a Report in Support of a Finding of Probable Cause (Report), a fact sheet regarding probable cause proceedings, selected sections of the California Government Code regarding probable cause proceedings for the Fair Political Practices Commission, and selected regulations of the Fair Political Practices Commission regarding probable cause proceedings.<sup>25</sup>

39. VCRP and Milgram were served by certified mail, return receipt requested.<sup>26</sup> The original return receipt addressed to VCRP and was signed on June 5, 2015, and was returned to the Enforcement Division, and the original return receipt addressed to Milgram and was signed on June 6, 2015, and was returned to the Enforcement Division.<sup>27</sup> So the administrative action commenced on June 5 and 6, 2015, the dates the certified mail receipt was signed, and the five year statute of limitations was effectively tolled on those dates.

40. The Enforcement Division served VCRP and Milgram with an Amended Report in Support of a Finding of Probable Cause (Amended Report).<sup>28</sup>

41. VCRP and Milgram were served by certified mail, return receipt requested.<sup>29</sup> The original return receipt addressed to VCRP and Milgram was signed on September 23, 2015, and was returned to the Enforcement Division.<sup>30</sup>

42. The information contained in the packet advised VCRP and Milgram that they each had 21 days in which to request a probable cause conference and/or to file a written response to the Report.

///

<sup>25</sup> §§ 83115.5 and 91000.5. See attached Exhibit A.

<sup>26</sup> §§ 8311(Mailing by Certified Mail) and 83115.5.

<sup>27</sup> See attached Exhibit B.

<sup>28</sup> §§ 83115.5 and 91000.5. See attached Exhibit C.

<sup>29</sup> §§ 8311(Mailing by Certified Mail) and 83115.5.

<sup>30</sup> See attached Exhibit D.

43. VCRP and Milgram requested a probable cause conference, which was held on November 10, 2015.

44. The Hearing Officer issued an Order re: Probable Cause, which was served on December 4, 2015, finding that probable cause exists to believe VCRP and Milgram violated the Act.<sup>31</sup>

### **VIOLATIONS**

45. Complainant incorporates paragraphs 1 – 44 of this Accusation, as though completely set forth herein.

46. VCRP and Milgram committed three violations of the Act, as follows:

#### **Count 1: Failure to Disclose Intermediary and Original Contributor Information**

47. VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to disclose both the intermediary and the original contributor information for a contribution of approximately \$30,759 (\$32,400 minus VCRP's approximate 5% fee) from Templeton to Strickland for Controller, violating Section 84302.

#### **Count 2: Failure to Disclose Intermediary and Original Contributor Information**

48. VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose both the intermediary and the original contributor information for a contribution of approximately \$14,241 (\$15,000 minus VCRP's approximate 5% fee) from Barth to Strickland for Controller, violating Section 84302.

#### **Count 3: Disclosure of False Information in Campaign Statements**

49. VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1 and 2, by falsely reporting that VCRP made a \$45,000 contribution 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).

### **EXCULPATORY AND MITIGATING INFORMATION**

50. Complainant incorporates paragraphs 1 – 49 of this Accusation, as though completely set forth herein.

---

<sup>31</sup> See attached Exhibit E.

1           51.     VCRP and Milgram have no prior history of violating the Act, and cooperated with the  
2 investigation of this case.

3                   **AGGRAVATING FACTORS AND OTHER RELEVANT MATERIALS**

4           52.     Complainant incorporates paragraphs 1 – 51 of this Accusation, as though completely set  
5 forth herein.

6           53.     Failing to disclose intermediary and original contributor information is one of the most  
7 serious violations of the Act because such conduct circumvents campaign contribution limits, violates  
8 disclosure requirements, and deceives the voting public as to the true source of funds. Here, VCRP's and  
9 Milgram's conduct deceived the voting public as to the true sources of the \$45,000 in contributions  
10 when they failed to disclose intermediary and original contributor information and filed inaccurate  
11 information in VCRP's campaign statement concealing the true sources of the contributions.

12           54.     The evidence shows that all parties understood that VCRP would act as the undisclosed  
13 intermediary for Templeton's and Barth's contributions to Strickland's campaign and that the \$45,000  
14 was to go to Strickland's controller campaign. Templeton and Barth each made maximum contributions  
15 to Strickland's campaign. Yet Strickland, an experienced candidate and officeholder, continued to solicit  
16 funds from Templeton and Barth and directed them to make contributions to VCRP. Strickland made it  
17 clear that the over-the-limit funds were meant for his controller campaign. After notification that  
18 Templeton and Barth had sent checks to VCRP, Strickland specifically directed the VCRP chairman to  
19 "write a 45k check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland.

20           55.     These violations, taken as whole, show deliberate conduct which resulted in a significant  
21 lack of disclosure and deprived the public of information regarding Strickland for Controller's campaign  
22 activity and the true sources of Strickland for Controller's funds. The conduct in this case is more  
23 egregious than the conduct in comparable cases because of the active involvement of Strickland and his  
24 campaign in coordinating and concealing the true sources of the funds.

25  
26  
27  
28 ///

**PRAYER**

WHEREFORE, Complainant prays as follows:

56. That the Fair Political Practices Commission hold a hearing pursuant to Government Code Section 83116 and Title 2, California Code of Regulations, Section 18361.5, and at such hearing find that VCRP and Milgram violated the Act as alleged herein;

57. That the Commission, pursuant to Government Code Section 83116, subdivision (c), order VCRP and Milgram to pay a monetary penalty of Five Thousand Dollars (\$5,000) per count for the violations of the Political Reform Act alleged herein in **Counts 1 – 3**;

58. That the Commission, pursuant to Title 2, California Code of Regulations, Section 18361.5, subdivision (d), consider the following factors in framing a proposed order following a finding of a violation pursuant to Government Code Section 83116: (1) the seriousness of the violation; (2) the presence or absence of any intention to conceal, deceive or mislead; (3) whether the violation was deliberate, negligent or inadvertent; (4) whether the violator demonstrated good faith by consulting the Commission staff or any other government agency in a manner not constituting a complete defense under Government Code Section 83114(b); (5) whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and (6) whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

59. That the Commission grant such other and further relief as it deems just and proper.

Dated: 7 March 16

  
\_\_\_\_\_  
Galena West  
Chief of Enforcement  
Fair Political Practices Commission

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

**EXHIBIT A**



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329  
(916) 322-5660 • Fax (916) 322-0886

May 29, 2015

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010  
[REDACTED]

Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

✓Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Arkady Milgram  
[REDACTED]

Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey  
[REDACTED]

**In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 11/073**

Dear Mr. Strickland, Strickland For Controller 2010, Ms. Ray, Ventura County Republican Party, Mr. Milgram, Stanislaus Republican Central Committee (State Acct.), and Mr. McKinsey:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with provisions of the Political Reform Act (the "Act"). The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. *If you wish to submit a written response or request a probable cause conference, it must be filed*



*with the Commission Assistant, John Kim, at the address listed above within 21 days from the date of service of this letter.* You can reach Mr. Kim at (916) 327-8269.

Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. *If you are interested in reaching a settlement in this matter, please contact me at (916) 322-5771 or [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov).*

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. *This request must also be filed with Mr. Kim within 21 days from the date of service of this letter.* Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

*Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.*

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,



Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

May 29, 2015

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

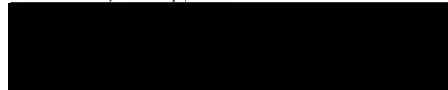
Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010



Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

✓ Arkady Milgram



Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey



**In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 11/073**

Dear Mr. Strickland, Strickland For Controller 2010, Ms. Ray, Ventura County Republican Party, Mr. Milgram, Stanislaus Republican Central Committee (State Acct.), and Mr. McKinsey:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with provisions of the Political Reform Act (the "Act"). The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. *If you wish to submit a written response or request a probable cause conference, it must be filed*

*with the Commission Assistant, John Kim, at the address listed above within 21 days from the date of service of this letter.* You can reach Mr. Kim at (916) 327-8269.

Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. *If you are interested in reaching a settlement in this matter, please contact me at (916) 322-5771 or [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov).*

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. *This request must also be filed with Mr. Kim within 21 days from the date of service of this letter.* Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

*Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.*

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,



Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division

**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5660  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of

) FPPC No. 11/073

ANTHONY A. "TONY" STRICKLAND,  
STRICKLAND FOR CONTROLLER  
2010, LYSA RAY, VENTURA  
COUNTY REPUBLICAN PARTY,  
ARKADY MILGRAM, STANISLAUS  
REPUBLICAN CENTRAL  
COMMITTEE (STATE ACCT.), and  
GARY McKINSEY

## REPORT IN SUPPORT OF A FINDING OF PROBABLE CAUSE

Conference Date: TBA

Conference Time: TBA

Conference Location: Commission Offices  
428 J Street, Suite 620  
Sacramento, CA 95814

Respondents.

## INTRODUCTION

Respondent 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. Respondent Strickland for Controller 2010, was Strickland's candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

1 Respondent Ventura County Republican Party ("VCRP") was a political party committee  
2 located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

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

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

13 In 2010, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However  
14 VCRP and SCRCP were not the true sources of the contributions, and the true sources of the  
15 contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing  
16 over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for  
17 Controller and filing false campaign statements concealing that activity. VCRP, Milgram, SCRCP and  
18 McKinsey violated the Act by failing to disclose both the intermediary and the original contributor  
19 information for the contributions and filing false campaign statements concealing that activity.

## 20 SUMMARY OF THE LAW

21 All legal references and discussions of law pertain to the Act's provisions as they existed in  
22 2010.

23  
24 ///

25  
26 <sup>1</sup> The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references  
27 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of  
28 Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 Jurisdiction

2 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
3 enforce the provisions of the Act.<sup>2</sup>

4 Probable Cause Proceedings

5 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
6 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
7 cause to believe the respondent has violated the Act.<sup>3</sup> After a finding of probable cause, the  
8 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>4</sup> to  
9 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
10 violation.<sup>5</sup>

11 Standard for Finding Probable Cause

12 To make a finding of probable cause, the hearing officer must be presented with sufficient  
13 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
14 that a respondent committed or caused a violation.<sup>6</sup>

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

16 When enacting the Political Reform Act, the people of the state of California found and  
17 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
18 and local authorities.<sup>7</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>8</sup>

19 There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in  
20 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper  
21

22 ///

23 <sup>2</sup> § 83116.

24 <sup>3</sup> § 83115.5, and Reg. 18361 and 18361.4.

25 <sup>4</sup> § 11500, et seq.

26 <sup>5</sup> § 83116, and Reg. 18361.4, subd. (e).

27 <sup>6</sup> Reg. 18361.4, subd. (e).

28 <sup>7</sup> § 81001, subd. (h).

<sup>8</sup> § 81003.

practices are inhibited.<sup>9</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>10</sup>

### Definition of Controlled Committee

A “committee” includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>11</sup> commonly known as a “recipient committee.” A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.”<sup>12</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>13</sup>

### 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.<sup>14</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>15</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act’s contribution limits.

### 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,

///

---

<sup>9</sup> § 81002, subd. (a).

<sup>10</sup> § 81002, subd. (f).

<sup>11</sup> § 82013, subd. (a).

<sup>12</sup> § 82016.

<sup>13</sup> § 82016, subd. (a).

<sup>14</sup> § 85205.

<sup>15</sup> § 84301.

1 occupation, and employer.<sup>16</sup> The Act also states that a person is an intermediary for a contribution if the  
2 recipient of the contribution “would consider the person to be the contributor without the disclosure of  
3 the identity of the true source of the contribution.”<sup>17</sup>

#### 4 Prohibition on Earmarking

5 It is unlawful to make a contribution to a committee on the condition or with the agreement that  
6 it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to  
7 Section 84302.<sup>18</sup>

#### 8 Campaign Contribution Limits

9 The Act imposes campaign contribution limits with respect to the making and receiving of  
10 certain contributions. These limits are adjusted periodically, and different limits apply depending upon  
11 who is contributing and who is receiving.<sup>19</sup>

12 In 2010, an individual wishing to contribute to a candidate for California State Controller could  
13 not contribute more than \$6,500 per election.<sup>20</sup> However, at that time, there was no limit on  
14 contributions from a political party committee (such as a county central committee) to that same  
15 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
16 could contribute to a political party committee for the purpose of making contributions to candidates  
17 for State Controller.<sup>21</sup> Individuals could exceed this amount so long as the excess was not used by the  
18 committee to support/oppose candidates for elective state office.

#### 19 Aggregation of Campaign Contributions by Affiliated Entities

20 For purposes of the Act’s contribution limits, contributions of an entity whose contributions are  
21 directed and controlled by any individual must be aggregated with contributions made by that  
22 individual and any other entity whose contributions are directed and controlled by the same  
23

---

24 <sup>16</sup> § 84302.

25 <sup>17</sup> Reg. 18432.5, subd. (a).

26 <sup>18</sup> § 85704.

27 <sup>19</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

28 <sup>20</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>21</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).



individual.<sup>22</sup> An entity is any person, other than an individual.<sup>23</sup> 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.<sup>24</sup>

#### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>25</sup>

#### 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.<sup>26</sup>

#### 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.<sup>27</sup> This only

<sup>22</sup> § 85311, subd. (b).

<sup>23</sup> § 85311, subd. (a)(1).

<sup>24</sup> § 82047.

<sup>25</sup> § 84211, subd. (f).

<sup>26</sup> § 84211, subd. (k).

<sup>27</sup> §§ 83116, and 83116.5.

1 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
2 services involving the planning, organizing or directing of any activity regulated or required by the  
3 Act.<sup>28</sup>

#### 4 Candidate and Treasurer Liability

5 Every committee must have a treasurer.<sup>29</sup> It is the duty of a committee's candidate and treasurer  
6 to ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
7 expenditure of funds and the reporting of such funds.<sup>30</sup> A committee's candidate and treasurer may be  
8 held jointly and severally liable with the committee for any reporting violations.<sup>31</sup>

#### 9 Joint and Several Liability

10 If two or more parties are responsible for a violation of the Act, they are jointly and severally  
11 liable.<sup>32</sup>

### 12 SUMMARY OF THE EVIDENCE

#### 13 Laundered Contributions

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

23 ///

24 <sup>28</sup> § 83116.5.

25 <sup>29</sup> § 84100.

26 <sup>30</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

27 <sup>31</sup> §§ 83116.5 and 91006.

28 <sup>32</sup> § 91006.

1 Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the  
2 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of  
3 \$2 million.

4 In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
5 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

6 William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil  
7 and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
8 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
9 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the  
10 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
11 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
12 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
13 Templeton's maximum contribution on April 6, 2010.

14 According to his testimony, Templeton wanted to do more to support pro-business candidates in  
15 Ventura County without getting personally involved in local races. An email thread between Templeton  
16 and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton  
17 making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where  
18 Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius  
19 Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for  
20 candidate support to a political party committee. Templeton testified that he had no contact with VCRP  
21 and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records show that  
22 VCRP received Templeton's check on June 11, 2010, three days after the primary election.

23 Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
24 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show  
25 that on June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for  
26 ///

1 the primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz  
2 testified that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

3 On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to  
4 Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

5 Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
6 452,700

7 Jubitz: Have we received any party money?

8 Wangsaporn: I thought templeton [sic] was doing something with vc gop?

9 Jubitz: He did. 32,400... but I am not aware of whether or not a donation from  
10 VCRP has come in to Strickland for Controller.

11 Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
12 It would be whatever the amount raised/pledged minus 7%

13 Jubitz: I know. Tony and I decided no.

14 Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email  
15 to Strickland and Jubitz, subject line: "FYI VCGOP check":

16 Tony- you received  
17 32,400 templeton  
18 15,000 barth  
19 -----

20 Total of 47,400

21 After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
22 Chairman] will be cutting you a check for 37,490.

23 Strickland responded to all:

24 No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
25 million raised for team meg.

26 A few minutes later, Strickland followed up his response with:

27 Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
28 you think sue groff will do anything before the 30th?? If not get 45k check from  
vcgop.

Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
45k. 400 not 600.

///

1 Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller,  
2 \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010.  
3 The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and  
4 Barth.

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

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

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

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

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

26 ///

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

4 Similarly, records show that Matthew Swanson, president of Associated Feed & Supply Co. and  
5 other Swanson Family companies in Turlock, CA, made a maximum contribution to Strickland for  
6 Controller through his business and a large contribution to SCRCP. In May 2010, Swanson, through  
7 Associated Feed, made the maximum contribution to Strickland for Controller for the primary election,  
8 \$6,500. In September 2010, Swanson, through his investment company, Prospector, LLC, made the  
9 maximum contribution to Strickland for Controller for the general election, \$6,500. Because Swanson  
10 directed and controlled the contributions of his two companies, the contributions were attributed to  
11 Swanson. So Swanson gave the maximum contributions to Strickland for Controller. Records show that  
12 on or about October 26, 2010, Swanson, again through Prospector, sent a \$5,000 check to SCRCP.

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

15 The evidence shows that Strickland received a total of \$65,000 in contributions from  
16 Templeton, Barth and Swanson through VCRP and SCRCP.

#### 17 False Reporting

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

20

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

21  
22  
23  
24  
25  
26  
27

26 ///

1 In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported  
2 the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

7 In its campaign statement for July 1 through September 30, 2010, Strickland for Controller  
8 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

12 In its campaign statement for June 6 through June 30, 2010, VCRP reported the following  
13 contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

18 And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

26 ///

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

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

7 And SCRP reported the following expenditures supporting candidates/committees:

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

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

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

17 None of the above campaign statements disclose that Templeton, Barth and Swanson were the  
18 true sources and that VCRP and SCRP were the intermediaries for the contributions earmarked for  
19 Strickland for Controller, as required.

## 20 VIOLATIONS

21 Strickland, Strickland for Controller, and Ray

22 Count 1: Contribution Made in the Name of Another

23 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
24 or aided and abetted, Templeton to make a contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to  
25 Strickland for Controller in the name of VCRP, violating Section 84301.

26 ///



1 Count 2: Contribution Made in the Name of Another

2 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
3 or aided and abetted, Barth to make a contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to  
4 Strickland for Controller in the name of VCRP, violating Section 84301.

5 Count 3: Contribution Made in the Name of Another

6 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
7 caused, or aided and abetted, Templeton to make a contribution of \$15,000 to Strickland for Controller  
8 in the name of SCRP, violating Section 84301.

9 Count 4: Contribution Made in the Name of Another

10 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
11 caused, or aided and abetted, Swanson to make a contribution of \$5,000 to Strickland for Controller in  
12 the name of SCRP, violating Section 84301.

13 Count 5: Prohibited Earmarked Contribution

14 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
15 or aided and abetted, Templeton to make a contribution to VCRP on the condition or with the  
16 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
17 intermediary and original contributor information for the earmarked contribution were not disclosed,  
18 violating Section 85704.

19 Count 6: Prohibited Earmarked Contribution

20 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
21 or aided and abetted, Barth to make a contribution to VCRP on the condition or with the agreement that  
22 the contribution would be ultimately contributed to Strickland for Controller, and the intermediary and  
23 original contributor information for the earmarked contribution were not disclosed, violating Section  
24 85704.

25  
26 ///

1 Count 7: Prohibited Earmarked Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Templeton to make a contribution to SCRP on the condition or with the  
4 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
5 intermediary and original contributor information for the earmarked contribution were not disclosed,  
6 violating Section 85704.

7 Count 8: Prohibited Earmarked Contribution

8 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
9 caused, or aided and abetted, Swanson to make a contribution to SCRP on the condition or with the  
10 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
11 intermediary and original contributor information for the earmarked contribution were not disclosed,  
12 violating Section 85704.

13 Count 9: Accepting an Over-the-Limit Contribution

14 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
15 contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5% fee), violating Section  
16 85301 and Regulation 18545, subdivision (a)(1).

17 Count 10: Accepting an Over-the-Limit Contribution

18 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
19 contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee), violating Section 85301 and  
20 Regulation 18545, subdivision (a)(1).

21 Count 11: Accepting an Over-the-Limit Contribution

22 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
23 contribution from Templeton totaling \$15,000, violating Section 85301 and Regulation 18545,  
24 subdivision (a)(1).

25  
26 ///

1 Count 12: Accepting an Over-the-Limit Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
3 contribution from Swanson totaling \$5,000, violating Section 85301 and Regulation 18545,  
4 subdivision (a)(1).

5 Count 13: Disclosure of False Information in Campaign Statements

6 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
7 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
8 described in Counts 1, 5 and 9 by falsely reporting that Strickland for Controller received a contribution  
9 from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the  
10 transaction, violating Section 84211, subdivision (f).

11 Count 14: Disclosure of False Information in Campaign Statements

12 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
13 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
14 described in Counts 2, 6 and 10 by falsely reporting that Strickland for Controller received a  
15 contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary  
16 for the transaction, violating Section 84211, subdivision (f).

17 Count 15: Disclosure of False Information in Campaign Statements

18 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
19 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
20 violations described in Counts 3, 7 and 11 by falsely reporting that Strickland for Controller received a  
21 contribution from SCRP, when the contribution was made by Templeton, and SCRP was the  
22 intermediary for the transaction, violating Section 84211, subdivision (f).

23 Count 16: Disclosure of False Information in Campaign Statements

24 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
25 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
26 violations described in Counts 4, 8 and 12 by falsely reporting that Strickland for Controller received a  
27

1 contribution from SCRP, when the contribution was made by Swanson, and SCRP was the  
2 intermediary for the transaction, violating Section 84211, subdivision (f).

3 VCRP and Milgram

4 Count 17: Failure to Disclose Intermediary and Original Contributor Information

5 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to  
6 disclose both the intermediary and the original contributor information for a \$30,750 (\$32,400 minus  
7 VCRP's 5% fee) contribution from Templeton to Strickland for Controller, violating Section 84302.

8 Count 18: Failure to Disclose Intermediary and Original Contributor Information

9 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose  
10 both the intermediary and the original contributor information for a \$14,250 (\$15,000 minus VCRP's  
11 5% fee) contribution from Barth to Strickland for Controller, violating Section 84302.

12 Count 19: Disclosure of False Information in Campaign Statements

13 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
14 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1, 2, 5,  
15 6, 9, and 10, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller,  
16 when it was not the true source of the contributions and was the intermediary for the transactions,  
17 violating Section 84211, subdivision (k).

18 SCRP and McKinsey

19 Count 20: Failure to Disclose Intermediary and Original Contributor Information

20 SCRP and McKinsey, in October 2010, while acting as the intermediary for Templeton, failed  
21 to disclose both the intermediary and the original contributor information for a \$15,000 contribution  
22 from Templeton to Strickland for Controller, violating Section 84302.

23 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

1 Count 22: Disclosure of False Information in Campaign Statements

2       SCRCP and McKinsey, on or about December 1, 2010, filed a false campaign statement for the  
3 reporting period of October 17 through November 20, 2010, concealing the violations described in  
4 Counts 3, 4, 7, 8, 11 and 12 by falsely reporting that SCRCP made a \$20,000 contribution to Strickland  
5 for Controller, when it was not the true source of the contribution and was the intermediary for the  
6 transaction, violating Section 84211, subdivision (k).

7                   **OTHER RELEVANT MATERIAL AND ARGUMENTS**

8       Campaign money laundering is one of the most serious violations of the Act because such  
9 conduct circumvents campaign contribution limits, violates disclosure requirements, and deceives the  
10 voting public as to the true source of funds. Here, all parties understood that the contributions from  
11 Templeton, Barth and Swanson to VCRP and SCRCP were to go to Strickland's controller campaign.  
12 Strickland was an experienced candidate and officeholder. Templeton, Barth and Swanson each made  
13 maximum contributions to Strickland's campaign. Yet Strickland and his campaign continued to solicit  
14 funds from them, directing Templeton, Barth and Swanson to make contributions to specific party  
15 central committees. Strickland made clear to his campaign staff and the party central committees that  
16 the over-the-limit funds were meant for his State Controller campaign. Strickland even told the VCRP  
17 chairman that his campaign would pay Jubitz' commission for the Templeton and Barth contributions  
18 so more funds would be received by his campaign toward his \$2 million goal. After notification that  
19 Templeton and Barth had sent checks to VCRP, Strickland directed the VCRP chairman to "write a 45k  
20 check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland. Strickland  
21 caused Templeton, Barth and Swanson to give \$65,000 in contributions to his campaign illegally  
22 through VCRP and SCRCP.

23       The parties intended to deceive the voting public as to the true source of the contributions.  
24 Strickland for Controller, VCRP and SCRCP each filed false campaign statements concealing the true  
25 sources of the contributions from the public.

26 ///

1 Based upon the facts and circumstances of this case, it is clear that all parties agreed and/or  
2 understood that VCRP and SCRP would act as the undisclosed intermediaries for Templeton's, Barth's  
3 and Swanson's contributions to Strickland's campaign. These violations deprived the public of  
4 information regarding the campaign activity and the true source of Strickland's campaign funds. Taken  
5 as whole, the evidence shows deliberate conduct which resulted in violations of the Act with significant  
6 non-disclosure. The conduct in this case is more egregious than the conduct in the comparable cases  
7 because of the active involvement of Strickland in coordinating and concealing the money laundering  
8 scheme.

9 Several of the parties have prior enforcement history. Strickland was prosecuted in April 2010  
10 by the Commission for failing to include proper sender identification for a mass mailing. Ray was  
11 prosecuted in April 2010 by the Commission for failing to include major donor information in the  
12 committee name. And the Commission's Enforcement Division issued three prior warning letters  
13 against Ray related to her duties as treasurer for three separate committees. VCRP has no prior  
14 enforcement history. But SCRP was prosecuted by the Commission for its role in a money laundering  
15 scheme in *Bill Berryhill, Tom Berryhill, Bill Berryhill For Assembly – 2008, Berryhill For Assembly*  
16 *2008, Stanislaus Republican Central Committee (State Acct.), and San Joaquin County Republican*  
17 *Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828.

18 Strickland, Wangsaporn and Ray failed to cooperate with the investigation of this matter.  
19 Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on  
20 November 19, 2014. None appeared, and their attorney failed to respond to telephone and email  
21 inquiries regarding the interviews.

### 22 EXCULPATORY AND MITIGATING INFORMATION

23 The Enforcement Division is not aware of any exculpatory and mitigating information relevant  
24 to the information presented in this Report.

25  
26 ///

1 **CONCLUSION**

2 Probable cause exists to believe that Respondents Anthony A. "Tony" Strickland, Strickland  
3 For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus  
4 Republican Central Committee (State Acct.), and Gary McKinsey committed twenty-two violations of  
5 the Act, as set forth above. The Enforcement Division respectfully requests an order finding probable  
6 cause pursuant to Section 83115.5 and Regulation 18361.4.

7 Dated: May 29, 2015

Respectfully Submitted,

8 **FAIR POLITICAL PRACTICES COMMISSION**

9 By: Galena West

Acting Chief of Enforcement

10 

11 Angela J. Brereton  
12 Senior Commission Counsel  
13 Enforcement Division  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

## **PROBABLE CAUSE FACT SHEET**

---

### **INTRODUCTION**

The Fair Political Practices Commission is required by law to determine whether probable cause exists to believe that the Political Reform Act (the "Act") was violated before a public administrative accusation may be issued.

The probable cause proceedings before the Fair Political Practices Commission are unique, and most respondents and their attorneys are unfamiliar with them. Therefore, we have prepared this summary to acquaint you with the process.

### **THE LAW**

Government Code sections 83115.5 and 83116 set forth the basic requirement that a finding of probable cause be made in a "private" proceeding before a public accusation is issued and a public hearing conducted in accordance with the Administrative Procedure Act.

The Commission has promulgated regulations further defining the probable cause procedure and delegating to the General Counsel (the "Hearing Officer" for purposes of these proceedings) the authority to preside over such proceedings and decide probable cause. A copy of these statutes and regulations are attached for your convenience.

In summary, the statutes and regulations entitle you to the following:

- a) A written probable cause report containing a summary of the law alleged to have been violated, and a summary of the evidence, including any exculpatory and mitigating information and any other relevant material and arguments;
- b) The opportunity to request discovery, respond in writing, and to request a probable cause conference within 21 days of service of the probable cause report;
- c) If the Commission met to consider whether a civil lawsuit should be filed in this matter, a copy of any staff memoranda submitted to the Commission and a transcript of staff discussions with the Commission at any such meeting; and
- d) If a timely request was made, a non-public conference with the General Counsel and the Enforcement Division staff to consider whether or not probable cause exists to believe the Act was violated.

### **THE PROCEDURE**

#### **Probable Cause Report**

Administrative enforcement proceedings are commenced with the service, by registered or certified mail or in person, of a probable cause report. The report will contain a summary of the law and the evidence, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. It is filed with the Hearing Officer.



## **Discovery**

Within 21 calendar days following the service of the probable cause report, you may request discovery of the evidence in the possession of the Enforcement Division. This is not a right to full discovery of the Enforcement Division file, but to the evidence relied upon by the Division along with any exculpatory or mitigating evidence<sup>1</sup>.

This request must be sent by registered or certified mail to the Commission Assistant.

## **Response to Probable Cause Report**

Within 21 calendar days following the service of the probable cause report (or, if you timely requested discovery, within 21 calendar days from the service of the evidence) you may submit a response to the Report. By regulation, the written response may contain, "... a summary of evidence, legal arguments, and any mitigating or exculpatory information." (Cal. Code Regs., tit. 2, § 18361.4, subd. (c).)

You must file your response with the Commission Assistant and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report.

## **Staff Reply**

Within 10 calendar days following the date the response was filed with the Commission Assistant, Commission staff may submit any evidence or argument in rebuttal. You will be served with a copy of any such reply.

## **Probable Cause Conference**

Probable cause conferences are held at the offices of the Fair Political Practices Commission, which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone. The proceedings are not public unless all proposed respondents agree to open the conference to the public. Otherwise, the probable cause report, any written responses, and the probable cause conference itself are confidential.

Unless the probable cause conference is public, the only persons who may attend are the staff of the Commission, any proposed respondent and his or her attorney or representative, and, at the discretion of the Hearing Officer, witnesses.

The Hearing Officer may, but need not, permit testimony from witnesses. Probable cause conferences are less formal than court proceedings. The rules of evidence do not apply. The conferences will be recorded and a copy of the recording will be provided upon request.

Since it has the burden of proof, the Enforcement Division is permitted to open and close the conference presentations. The Hearing Officer may also hold the record open to receive additional evidence or arguments.

Probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether or not there is probable cause to believe that the

---

<sup>1</sup> But see Title 2, California Code of Regulations, Section 18362, which states that the Commission provides access to complaints, responses to complaints, and investigative files and information in accordance with the requirements of the Public Records Act. (Govt. Code § 6250, et seq.)

Political Reform Act was violated. Anyone who wishes to discuss settlement with the Enforcement Division may do so before or after the probable cause conference but not during the conference.

Pursuant to Title 2, California Code of Regulations, Section 18361.4, subdivision (e), the Hearing Officer will find probable cause "if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation."

Ordinarily, probable cause determinations are made based upon the written probable cause report, any written response by the respondent, any written reply by the Enforcement Division, and the oral arguments presented at the conference. Timely written presentations are strongly recommended.

### **Probable Cause Order and Accusation**

Once the matter is submitted to the Hearing Officer, the probable cause decision will normally be made within ten days. If the Hearing Officer finds probable cause, he will issue a Finding of Probable Cause, which will be publicly announced at the next Commission Meeting. An accusation will be issued soon after the Finding of Probable Cause is publicly announced.

### **Continuances**

Every reasonable effort is made to accommodate the schedules of parties and counsel. However, once a date has been set it is assumed to be firm and will not be continued except upon the order of the Hearing Officer after a showing of good cause. Settlement negotiations will be considered good cause only if the Hearing Officer is presented with a fully executed settlement, or is convinced that settlement is imminent.

### **Settlements**

Settlement discussions may take place at any time except during the probable cause conference. In order to open settlement discussions, a proposed respondent or his or her counsel or representative should present a written offer to settle stating, where appropriate, the violations to be admitted, and the monetary penalty or other remedy to be tendered.

The Enforcement Division attorney assigned to the case will negotiate any potential settlement on behalf of the Fair Political Practices Commission, and will draft the language of the settlement agreement. The Hearing Officer will not directly participate in the negotiations, but will be represented by Enforcement Division attorneys. Staff attorneys will present settlement offers to the Hearing Officer for his/her approval.

### **CONCLUSION**

This fact sheet was intended to give you a brief summary of the probable cause process at the Fair Political Practices Commission. Such a summary cannot answer every question that might arise in such proceedings. Therefore, if you have any questions that are not addressed by this fact sheet or the copies of the law and regulations we have attached, feel free to contact the attorney whose name appears on the probable cause report.

*Attachments: Relevant Sections of (1) California Government Code , and (2) Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations.*

## CALIFORNIA GOVERNMENT CODE

### Probable Cause Statutes

---

#### **§ 83115.5. Probable cause; violation of title; notice of violation; summary of evidence; notice of rights; private proceedings**

No finding of probable cause to believe this title has been violated shall be made by the commission unless, at least 21 days prior to the commission's consideration of the alleged violation, the person alleged to have violated this title is notified of the violation by service of process or registered mail with return receipt requested, provided with a summary of the evidence, and informed of his right to be present in person and represented by counsel at any proceeding of the commission held for the purpose of considering whether probable cause exists for believing the person violated this title. Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office. A proceeding held for the purpose of considering probable cause shall be private unless the alleged violator files with the commission a written request that the proceeding be public.

#### **§ 83116. Violation of title; probable cause; hearing; order**

When the Commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code). The Commission shall have all the powers granted by that chapter. When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

- (a) Cease and desist violation of this title.
- (b) File any reports, statements, or other documents or information required by this title.
- (c) Pay a monetary penalty of up to five thousand dollars (\$5,000) per violation to the General Fund of the state. When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

**REGULATIONS OF THE FAIR POLITICAL PRACTICES COMMISSION  
TITLE 2, DIVISION 6 OF THE CALIFORNIA CODE OF REGULATIONS**

**Probable Cause Regulations**

---

**§ 18361 (b). Delegation by the Executive Director Pertaining to Enforcement Proceedings and Authority to Hear Probable Cause Proceedings.**

Probable cause proceedings under Regulation 18361.4 shall be heard by the General Counsel or an attorney from the Legal Division. The General Counsel may delegate the authority to hear probable cause proceedings, in writing, to an administrative law judge.

**§ 18361.4. Probable Cause Proceedings**

(a) Probable Cause Report. If the Chief of the Enforcement Division decides to commence probable cause proceedings pursuant to Sections 83115.5 and 83116, he or she shall direct the Enforcement Division staff to prepare a written report, hereafter referred to as "the probable cause report." The probable cause report shall contain a summary of the law and evidence gathered in connection with the investigation, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. The evidence recited in the probable cause report may include hearsay, including declarations of investigators or others relating the statements of witnesses or concerning the examination of physical evidence.

(b) No probable cause hearing will take place until at least 21 calendar days after the Enforcement Division staff provides the following, by service of process or registered or certified mail with return receipt requested, to all proposed respondents:

- (1) A copy of the probable cause report;
- (2) Notification that the proposed respondents have the right to respond in writing to the probable cause report and to request a probable cause conference at which the proposed respondent may be present in person and represented by counsel, and;
- (3) If the Commission met in executive session on this matter pursuant to Regulation 18361.2, a copy of any staff memoranda submitted to the Commission at that time along with the recording of any discussion between the Commission and the staff at the executive session as required in subdivision (b) of Regulation 18361.2.

(c) Response to Probable Cause Report.

- (1) Each proposed respondent may submit a written response to the probable cause report. The response may contain a summary of evidence, legal arguments, and any mitigating or exculpatory information. A proposed respondent who submits a response must file it with the Commission Assistant who will forward the response to the General Counsel or an attorney in the Legal Division (the "hearing officer") and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report not later than 21 days following service of the probable cause report.
- (2) Within 21 calendar days following the service of the probable cause report, a proposed

respondent may request discovery of evidence in the possession of the Enforcement Division. This request must be sent by registered or certified mail to the Commission Assistant. Upon receipt of the request, the Enforcement Division shall provide discovery of evidence relied upon by the Enforcement Division sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation, along with any exculpatory or mitigating evidence. This is not a right to full discovery of the Enforcement Division file. The Enforcement Division shall provide access to documents for copying by the Respondent, or upon agreement among the parties, the Enforcement Division will provide copies of the requested documents upon payment of a fee for direct costs of duplication. The Enforcement Division shall provide such evidence by service of process or registered or certified mail with return receipt requested to all respondents, with a copy to the Commission Assistant. A respondent may submit a written response to the probable cause report described in subsection (1) no later than 21 calendar days after service of discovery.

- (3) The Commission staff may submit any evidence or argument in rebuttal to the response. When the Commission staff submits evidence or argument in rebuttal to the response, it shall provide a copy, by service of process or registered or certified mail with return receipt requested, to all proposed respondents listed in the probable cause report not later than 10 calendar days following the date the response was filed with the Commission Assistant. The hearing officer may extend the time limitations in this section for good cause. At any time prior to a determination of probable cause, the hearing officer may allow additional material to be submitted as part of the initial response or rebuttal.

(d) Probable Cause Conference. Any proposed respondent may request a probable cause conference. The request shall be served upon the Commission Assistant and all other proposed respondents not later than 21 days after service of the probable cause report unless the hearing officer extends the time for good cause. The Commission Assistant shall fix a time for the probable cause conference and the hearing officer shall conduct the conference informally. The conference shall be closed to the public unless a proposed respondent requests and all other proposed respondents agree to a public conference. If the conference is not public, only members of the Commission staff, any proposed respondent and his or her legal counsel or representative shall have the right to be present and participate. The hearing officer may allow witnesses to attend and participate in part or all of the probable cause conference. In making this determination, the hearing officer shall consider the relevancy of the witness' proposed testimony, whether the witness has a substantial interest in the proceedings, and whether fairness requires that the witness be allowed to participate. Representatives of any civil or criminal prosecutor with jurisdiction may attend the conference at the discretion of the hearing officer if they agree to respect the confidential nature of the proceedings. If the conference is not open to the public and none of the parties and the presiding officer object, the conference may be conducted in whole or in part by telephone. The probable cause conference shall be recorded. The hearing officer may determine whether there is probable cause based solely on the probable cause report, any responses or rebuttals filed and any arguments presented at the probable cause conference by the interested parties. If the hearing officer requires additional information before determining whether there is probable cause, he or she may permit any party to submit additional evidence at the probable cause conference.

(e) Finding of Probable Cause. The hearing officer may find there is probable cause to believe a violation has occurred if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation. A finding of probable cause by the hearing officer does not constitute a finding that a violation has actually occurred. The hearing officer shall not make a finding of probable cause if he or she is presented with clear and convincing evidence that, at a time prior to the alleged violation, the violator consulted with the staff of the Commission in good faith, disclosed truthfully all the material facts, and committed the acts complained of either in reliance on the advice of the staff or because of the staff's failure to provide advice. If the hearing officer makes a finding of probable cause, the Enforcement Division shall prepare an Accusation pursuant to Section 11503 and have it served upon the person or persons who are subjects of the probable cause finding. The hearing officer shall publicly announce the finding of probable cause. The announcement shall contain a summary of the allegations and a cautionary statement that the respondent is presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding. The Chief of the Enforcement Division shall be responsible for the presentation of the case in support of the Accusation at an administrative hearing held pursuant to Section 83116.

#### **§ 18362. Access to Complaint Files**

(a) Access to complaints, responses thereto, and investigative files and information shall be granted in accordance with the requirements of the Public Records Act (Government Code Section 6250, et seq.).

(b) When release of material is requested pursuant to subdivision (a), the Executive Director, or his or her designee, shall review the material prior to its release or prior to a claim of exemption to determine that the requirements of the Public Records Act have been satisfied.

(c) Any person requesting copies of material pursuant to subdivision (a) shall reimburse the Commission \$0.10 per page for each page copied or supply copying equipment and make copies in the offices of the Commission. Documents may not be removed from the offices of the Commission. If the request is for copies totaling ten pages or less, the copies shall be provided without charge for copying since the administrative costs do not warrant collection of \$1.00 or less. If the request is for copies totaling more than ten pages, reimbursements of copying costs shall include the cost for the first ten pages. Charges imposed pursuant to this subdivision are for the purpose of recovering the cost of copying.

(d) Requests for access and copies pursuant to subdivision (a) shall be made in writing and shall specifically identify the documents sought.

#### **§ 18361.2. Memorandum Respecting Civil Litigation.**

(a) If the Executive Director concludes civil litigation should be initiated, he or she shall submit to the Commission a written memorandum, which shall be first reviewed by the General Counsel, or an attorney from the Legal Division, summarizing the facts and the applicable law of the case and recommending the initiation of a lawsuit. The memorandum shall include all exculpatory and mitigating information known to the staff.

(b) The Commission shall review the memorandum at an executive session. The General Counsel, or an attorney from the Legal Division, and the Commission Assistant shall be in attendance. No other member of the staff may be present unless the Commission meets with a member of the staff for that person to answer questions. The Commission may not resume its deliberations until the person is no longer present. Any communication between the Commission and the person during the executive session shall be recorded. After review of the memorandum, the Commission may direct the Executive Director to do any of the following:

- (1) Initiate civil litigation.
- (2) Decide whether probable cause proceedings should be commenced pursuant to 2 Cal. Code of Regulations Section 18361.4.
- (3) Return the matter to the staff for further investigation.
- (4) Take no further action on the matter or take any other action it deems appropriate.

(c) If the Commission decides to initiate civil litigation, the Commission may then permit other members of the staff to attend the executive session.

(d) If the Executive Director deems it necessary, he or she may call a special meeting of the Commission to review a staff memorandum recommending the initiation of civil litigation.

(e) It is the intent of the Commission in adopting this section to preserve for the members of the Commission the authority to decide whether alleged violations should be adjudicated in administrative hearings or in civil litigation, while at the same time avoiding the possibility that discussions with members of the staff might cause members of the Commission to prejudge a case that might be heard by the Commission under Government Code Section 83116.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT B**



## PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On May 29, 2015, I served the following document(s):

1. Letter dated May 29, 2015 from Angela J. Brereton;
2. FPPC Case No. 11/073: Report in Support of a Finding of Probable Cause;
3. Fact Sheet regarding Probable Cause Proceedings with selected Sections of the California Government Code and selected Regulations of the Fair Political Practices Commission regarding Probable Cause Proceedings for the Fair Political Practices Commission.

☒ By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☒ By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.


I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

## SERVICE LIST

### Personal Delivery

John Kim, Commission Assistant  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

### Certified Mail, Return Receipt Requested

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010  


Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

Certified Mail, Return Receipt Requested

Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Arkady Milgram  


Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey  


I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 29, 2015.

  
Kathryn Trumbly

7006 0810 0000 5120 8488

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

Se-  
Si  
or  
Ci  
Ventura County Republican Party  
 80 Wood Road, Suite 304A  
 Camarillo, CA 93010-8310

PS Form 3800, June 2002

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

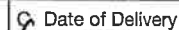
1. Article Addressed to:

Ventura County Republican Party  
 80 Wood Road, Suite 304A  
 Camarillo, CA 93010-8310

2. Article Number  
 (Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 x  Agent  
 Addressee

B. Received by (Printed Name)  Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7006 0810 0000 5120 8488

7006 0810 0000 5120 8495

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

Sent To	Arkady Milgram
Street, A or PO Box	
City, Sta	

PS Form 3800, June 2002

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Arkady Milgram


**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  ☐ Agent  
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

6-6

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

Temp. Forward  


3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number  
 (Transfer from service label)

7006 0810 0000 5120 8495

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

**EXHIBIT C**

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5771  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of	) FPPC No. 11/073
	)
	)
	)
ANTHONY A. "TONY" STRICKLAND,	) <b>AMENDED REPORT IN SUPPORT OF A</b>
STRICKLAND FOR CONTROLLER	) <b>FINDING OF PROBABLE CAUSE</b>
2010, LYSA RAY, VENTURA	)
COUNTY REPUBLICAN PARTY,	) Conference Date: TBA
ARKADY MILGRAM, STANISLAUS	) Conference Time: TBA
REPUBLICAN CENTRAL	) Conference Location: Commission Offices
COMMITTEE (STATE ACCT.), and	) 428 J Street, Suite 620
GARY McKINSEY	) Sacramento, CA 95814
	)
	)
	)
	)
Respondents.	)

**INTRODUCTION**

Respondent 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. Respondent Strickland for Controller 2010, was Strickland's candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

1 Respondent Ventura County Republican Party ("VCRP") was a political party committee  
2 located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

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

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

13 In 2010, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However  
14 VCRP and SCRCP were not the true sources of the contributions, and the true sources of the  
15 contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing  
16 over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for  
17 Controller and filing false campaign statements concealing that activity. VCRP, Milgram, SCRCP and  
18 McKinsey violated the Act by failing to disclose both the intermediary and the original contributor  
19 information for the contributions and filing false campaign statements concealing that activity.

## 20 SUMMARY OF THE LAW

21 All legal references and discussions of law pertain to the Act's provisions as they existed in  
22 2010.

23  
24 ///

25  
26 <sup>1</sup> The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references  
27 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of  
28 Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 Jurisdiction

2 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
3 enforce the provisions of the Act.<sup>2</sup>

4 Probable Cause Proceedings

5 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
6 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
7 cause to believe the respondent has violated the Act.<sup>3</sup> After a finding of probable cause, the  
8 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>4</sup> to  
9 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
10 violation.<sup>5</sup>

11 Standard for Finding Probable Cause

12 To make a finding of probable cause, the hearing officer must be presented with sufficient  
13 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
14 that a respondent committed or caused a violation.<sup>6</sup>

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

16 When enacting the Political Reform Act, the people of the state of California found and  
17 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
18 and local authorities.<sup>7</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>8</sup>

19 There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in  
20 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper

21  
22 ///

23  
24 <sup>2</sup> § 83116.

<sup>3</sup> § 83115.5, and Reg. 18361 and 18361.4.

<sup>4</sup> § 11500, et seq.

<sup>5</sup> § 83116, and Reg. 18361.4, subd. (e).

<sup>6</sup> Reg. 18361.4, subd. (e).

<sup>7</sup> § 81001, subd. (h).

<sup>8</sup> § 81003.



practices are inhibited.<sup>9</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>10</sup>

### Definition of Controlled Committee

A “committee” includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>11</sup> commonly known as a “recipient committee.” A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.”<sup>12</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>13</sup>

### 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.<sup>14</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>15</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act’s contribution limits.

### 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,

///

---

<sup>9</sup> § 81002, subd. (a).

<sup>10</sup> § 81002, subd. (f).

<sup>11</sup> § 82013, subd. (a).

<sup>12</sup> § 82016.

<sup>13</sup> § 82016, subd. (a).

<sup>14</sup> § 85205.

<sup>15</sup> § 84301.

1 occupation, and employer.<sup>16</sup> The Act also states that a person is an intermediary for a contribution if the  
2 recipient of the contribution “would consider the person to be the contributor without the disclosure of  
3 the identity of the true source of the contribution.”<sup>17</sup>

#### 4 Prohibition on Earmarking

5 It is unlawful to make a contribution to a committee on the condition or with the agreement that  
6 it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to  
7 Section 84302.<sup>18</sup>

#### 8 Campaign Contribution Limits

9 The Act imposes campaign contribution limits with respect to the making and receiving of  
10 certain contributions. These limits are adjusted periodically, and different limits apply depending upon  
11 who is contributing and who is receiving.<sup>19</sup>

12 In 2010, an individual wishing to contribute to a candidate for California State Controller could  
13 not contribute more than \$6,500 per election.<sup>20</sup> However, at that time, there was no limit on  
14 contributions from a political party committee (such as a county central committee) to that same  
15 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
16 could contribute to a political party committee for the purpose of making contributions to candidates  
17 for State Controller.<sup>21</sup> Individuals could exceed this amount so long as the excess was not used by the  
18 committee to support/oppose candidates for elective state office.

#### 19 Aggregation of Campaign Contributions by Affiliated Entities

20 For purposes of the Act’s contribution limits, contributions of an entity whose contributions are  
21 directed and controlled by any individual must be aggregated with contributions made by that  
22 individual and any other entity whose contributions are directed and controlled by the same  
23

---

24 <sup>16</sup> § 84302.

25 <sup>17</sup> Reg. 18432.5, subd. (a).

26 <sup>18</sup> § 85704.

27 <sup>19</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

28 <sup>20</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>21</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

individual.<sup>22</sup> An entity is any person, other than an individual.<sup>23</sup> 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.<sup>24</sup>

#### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>25</sup>

#### 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.<sup>26</sup>

#### 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.<sup>27</sup> This only

---

<sup>22</sup> § 85311, subd. (b).

<sup>23</sup> § 85311, subd. (a)(1).

<sup>24</sup> § 82047.

<sup>25</sup> § 84211, subd. (f).

<sup>26</sup> § 84211, subd. (k).

<sup>27</sup> §§ 83116, and 83116.5.

1 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
2 services involving the planning, organizing or directing of any activity regulated or required by the  
3 Act.<sup>28</sup>

#### 4 Candidate and Treasurer Liability

5 Every committee must have a treasurer.<sup>29</sup> It is the duty of a committee's candidate and treasurer  
6 to ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
7 expenditure of funds and the reporting of such funds.<sup>30</sup> A committee's candidate and treasurer may be  
8 held jointly and severally liable with the committee for any reporting violations.<sup>31</sup>

#### 9 Joint and Several Liability

10 If two or more parties are responsible for a violation of the Act, they are jointly and severally  
11 liable.<sup>32</sup>

### 12 **SUMMARY OF THE EVIDENCE**

#### 13 Laundered Contributions

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

23 ///

---

24 <sup>28</sup> § 83116.5.

25 <sup>29</sup> § 84100.

26 <sup>30</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

27 <sup>31</sup> §§ 83116.5 and 91006.

28 <sup>32</sup> § 91006.

1 Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the  
2 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of  
3 \$2 million.

4 In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
5 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

6 William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil  
7 and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
8 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
9 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the  
10 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
11 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
12 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
13 Templeton's maximum contribution on April 6, 2010.

14 According to his testimony, Templeton wanted to do more to support pro-business candidates in  
15 Ventura County without getting personally involved in local races. An email thread between Templeton  
16 and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton  
17 making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where  
18 Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius  
19 Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for  
20 candidate support to a political party committee. Templeton testified that he had no contact with VCRP  
21 and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records show that  
22 VCRP received Templeton's check on June 11, 2010, three days after the primary election.

23 Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
24 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show  
25 that on June 10, 2010, Jubitz sent an email to Barth stating in part:

26 ///

1 As per our conversation, I have attached the general election contribution information  
2 for Tony. You and Avery can do the max of \$13,000. I also put the form for the  
Ventura County Republican Party Candidate direct committee.

3 Really appreciate your support.

4 On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the  
5 primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified  
6 that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

7 On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to  
8 Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

9 Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
452,700

10 Jubitz: Have we received any party money?

11 Wangsaporn: I thought templeton [sic] was doing something with vc gop?

12 Jubitz: He did. 32,400... but I am not aware of whether or not a donation from  
VCRP has come in to Strickland for Controller.

13 Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
It would be whatever the amount raised/pledged minus 7%

14 Jubitz: I know. Tony and I decided no.

15 Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email  
16 to Strickland and Jubitz, subject line: "FYI VCGOP check":

17 Tony- you received  
32,400 templeton  
18 15,000 barth

19 -----  
Total of 47,400

20 After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
Chairman] will be cutting you a check for 37,490.

21 Strickland responded to all:

22 No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
23 million raised for team meg.

24 A few minutes later, Strickland followed up his response with:

25 Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
26 you think sue groff will do anything before the 30th?? If not get 45k check from  
vcgop.

1 Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

2 47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
3 45k. 400 not 600.

4 Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller,  
5 \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010.  
6 The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and  
7 Barth.

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

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

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

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

23 On October 5, 2010, Jubitz sent an email to Templeton inviting him to an "intimate" dinner  
24 gathering hosted by Strickland, which was eventually held on October 12, 2010 at Sly's, a popular  
25 restaurant in Carpinteria, CA. Jubitz testified that between 10 and 13 people attended, including  
26 Strickland, his wife, Audra, Jubitz, and Templeton. According to Jubitz' and Templeton's testimony,

1 everyone sat at one large table, and conversation topics included the 2010 Controller's race and the  
2 need for more contributions.

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

6 Similarly, records show that Matthew Swanson, president of Associated Feed & Supply Co. and  
7 other Swanson Family companies in Turlock, CA, made a maximum contribution to Strickland for  
8 Controller through his business and a large contribution to SCRP. In May 2010, Swanson, through  
9 Associated Feed, made the maximum contribution to Strickland for Controller for the primary election,  
10 \$6,500. In September 2010, Swanson, through his investment company, Prospector, LLC, made the  
11 maximum contribution to Strickland for Controller for the general election, \$6,500. Because Swanson  
12 directed and controlled the contributions of his two companies, the contributions were attributed to  
13 Swanson. So Swanson gave the maximum contributions to Strickland for Controller.

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

16 Hi DeeAnna [sic],

17 The check should be made payable to

18 Stanislaus County Republican Party

19 and overnight to our office:

20 Matthew Jubitz

21 515 S. Figueroa Street

22 16<sup>th</sup> Floor

23 Los Angeles, CA 90071

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

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

26 Thanks so much for your help.

27 ///



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 SCRP.

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..."

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

The evidence shows that Strickland received a total of \$65,000 in contributions from Templeton, Barth and Swanson through VCRP and SCRP.

#### False Reporting

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 May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

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

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

6 In its campaign statement for June 6 through June 30, 2010, VCRP reported the following  
7 contributions:

<b>Date Received</b>	<b>Contributor</b>	<b>Description</b>	<b>Amount Received this Period</b>	<b>Cumulative to Date</b>
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

12 And VCRP reported the following expenditures supporting candidates/committees:

<b>Schedule(s)</b>	<b>Date</b>	<b>Recipient</b>	<b>Description</b>	<b>Amount</b>
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

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

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

26 ///

1 And SCRCP reported the following expenditures supporting candidates/committees:

2

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

3  
4  
5

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

8

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

9  
10

11 None of the above campaign statements disclose that Templeton, Barth and Swanson were the  
12 true sources and that VCRP and SCRCP were the intermediaries for the contributions earmarked for  
13 Strickland for Controller, as required.

14 **VIOLATIONS**

15 Strickland, Strickland for Controller, and Ray

16 Count 1: Contribution Made in the Name of Another

17 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
18 or aided and abetted, Templeton to make a contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to  
19 Strickland for Controller in the name of VCRP, violating Section 84301.

20 Count 2: Contribution Made in the Name of Another

21 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
22 or aided and abetted, Barth to make a contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to  
23 Strickland for Controller in the name of VCRP, violating Section 84301.

24  
25  
26 ///

1 Count 3: Contribution Made in the Name of Another

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Templeton to make a contribution of \$15,000 to Strickland for Controller  
4 in the name of SCRP, violating Section 84301.

5 Count 4: Contribution Made in the Name of Another

6 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
7 caused, or aided and abetted, Swanson to make a contribution of \$5,000 to Strickland for Controller in  
8 the name of SCRP, violating Section 84301.

9 Count 5: Prohibited Earmarked Contribution

10 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
11 or aided and abetted, Templeton to make a contribution to VCRP on the condition or with the  
12 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
13 intermediary and original contributor information for the earmarked contribution were not disclosed,  
14 violating Section 85704.

15 Count 6: Prohibited Earmarked Contribution

16 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
17 or aided and abetted, Barth to make a contribution to VCRP on the condition or with the agreement that  
18 the contribution would be ultimately contributed to Strickland for Controller, and the intermediary and  
19 original contributor information for the earmarked contribution were not disclosed, violating Section  
20 85704.

21 Count 7: Prohibited Earmarked Contribution

22 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
23 caused, or aided and abetted, Templeton to make a contribution to SCRP on the condition or with the  
24 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
25 intermediary and original contributor information for the earmarked contribution were not disclosed,  
26 violating Section 85704.

1 Count 8: Prohibited Earmarked Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Swanson to make a contribution to SCRП on the condition or with the  
4 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
5 intermediary and original contributor information for the earmarked contribution were not disclosed,  
6 violating Section 85704.

7 Count 9: Accepting an Over-the-Limit Contribution

8 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
9 contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5% fee), violating Section  
10 85301 and Regulation 18545, subdivision (a)(1).

11 Count 10: Accepting an Over-the-Limit Contribution

12 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
13 contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee), violating Section 85301 and  
14 Regulation 18545, subdivision (a)(1).

15 Count 11: Accepting an Over-the-Limit Contribution

16 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
17 contribution from Templeton totaling \$15,000, violating Section 85301 and Regulation 18545,  
18 subdivision (a)(1).

19 Count 12: Accepting an Over-the-Limit Contribution

20 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
21 contribution from Swanson totaling \$5,000, violating Section 85301 and Regulation 18545,  
22 subdivision (a)(1).

23 Count 13: Disclosure of False Information in Campaign Statements

24 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
25 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
26 described in Counts 1, 5 and 9 by falsely reporting that Strickland for Controller received a contribution

1 from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the  
2 transaction, violating Section 84211, subdivision (f).

3 Count 14: Disclosure of False Information in Campaign Statements

4 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
5 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
6 described in Counts 2, 6 and 10 by falsely reporting that Strickland for Controller received a  
7 contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary  
8 for the transaction, violating Section 84211, subdivision (f).

9 Count 15: Disclosure of False Information in Campaign Statements

10 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
11 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
12 violations described in Counts 3, 7 and 11 by falsely reporting that Strickland for Controller received a  
13 contribution from SCRP, when the contribution was made by Templeton, and SCRP was the  
14 intermediary for the transaction, violating Section 84211, subdivision (f).

15 Count 16: Disclosure of False Information in Campaign Statements

16 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
17 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
18 violations described in Counts 4, 8 and 12 by falsely reporting that Strickland for Controller received a  
19 contribution from SCRP, when the contribution was made by Swanson, and SCRP was the  
20 intermediary for the transaction, violating Section 84211, subdivision (f).

21 VCRP and Milgram

22 Count 17: Failure to Disclose Intermediary and Original Contributor Information

23 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to  
24 disclose both the intermediary and the original contributor information for a \$30,750 (\$32,400 minus  
25 VCRP's 5% fee) contribution from Templeton to Strickland for Controller, violating Section 84302.

26 ///

1 Count 18: Failure to Disclose Intermediary and Original Contributor Information

2 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose  
3 both the intermediary and the original contributor information for a \$14,250 (\$15,000 minus VCRP's  
4 5% fee) contribution from Barth to Strickland for Controller, violating Section 84302.

5 Count 19: Disclosure of False Information in Campaign Statements

6 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
7 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1, 2, 5,  
8 6, 9, and 10, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller,  
9 when it was not the true source of the contributions and was the intermediary for the transactions,  
10 violating Section 84211, subdivision (k).

11 SCRP and McKinsey

12 Count 20: Failure to Disclose Intermediary and Original Contributor Information

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

16 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

20 Count 22: Disclosure of False Information in Campaign Statements

21 SCRCP and McKinsey, on or about December 1, 2010, filed a false campaign statement for the  
22 reporting period of October 17 through November 20, 2010, concealing the violations described in  
23 Counts 3, 4, 7, 8, 11 and 12 by falsely reporting that SCRCP made a \$20,000 contribution to Strickland  
24 for Controller, when it was not the true source of the contribution and was the intermediary for the  
25 transaction, violating Section 84211, subdivision (k).

26 ///

[illegible]

The parties intended to deceive the voting public as to the true source of the contributions. Strickland for Controller, VCRP and SCRP each filed false campaign statements concealing the true sources of the contributions from the public.



1 because of the active involvement of Strickland in coordinating and concealing the money laundering  
2 scheme.

3 Several of the parties have prior enforcement history. Strickland was prosecuted in April 2010  
4 by the Commission for failing to include proper sender identification for a mass mailing. Ray was  
5 prosecuted in April 2010 by the Commission for failing to include major donor information in the  
6 committee name. And the Commission's Enforcement Division issued three prior warning letters  
7 against Ray related to her duties as treasurer for three separate committees. VCRP has no prior  
8 enforcement history. But SCRCP was prosecuted by the Commission for its role in a money laundering  
9 scheme in *Bill Berryhill, Tom Berryhill, Bill Berryhill For Assembly – 2008, Berryhill For Assembly*  
10 *2008, Stanislaus Republican Central Committee (State Acct.), and San Joaquin County Republican*  
11 *Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828.

12 Strickland, Wangsaporn and Ray failed to cooperate with the investigation of this matter.  
13 Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on  
14 November 19, 2014. None appeared, and their attorney failed to respond to telephone and email  
15 inquiries regarding the interviews.

#### 16 EXCULPATORY AND MITIGATING INFORMATION

17 The Enforcement Division is not aware of any exculpatory and mitigating information relevant  
18 to the information presented in this Report.

19  
20  
21  
22  
23  
24  
25  
26 ///

1 **CONCLUSION**

2 Probable cause exists to believe that Respondents Anthony A. "Tony" Strickland, Strickland  
3 For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus  
4 Republican Central Committee (State Acct.), and Gary McKinsey committed twenty-two violations of  
5 the Act, as set forth above. The Enforcement Division respectfully requests an order finding probable  
6 cause pursuant to Section 83115.5 and Regulation 18361.4.

7 Dated: September 21, 2015

Respectfully Submitted,

8 **FAIR POLITICAL PRACTICES COMMISSION**

9 By: Galena West  
Chief of Enforcement

10   
11 Angela J. Brereton  
12 Senior Commission Counsel  
13 Enforcement Division  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT D**

## PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On September 22, 2015, I served the following document(s):

1. FPPC Case No. 11/073 AMENDED REPORT IN SUPPORT OF A FINDING OF PROBABLE CAUSE;

☒ By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☒ By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

## SERVICE LIST

### Personal Delivery

John Kim, Commission Assistant  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

### Certified Mail, Return Receipt Requested

Steven D. Baric, Esq.  
Baric & Associates  
o/b/o Anthony A. "Tony" Strickland,  
Strickland For Controller 2010, Lysa Ray  
2601 Main Street #560  
Irvine, CA 92614

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
o/b/o Ventura County Republican Party,  
Arkady Milgram, Stanislaus Republican Central  
Committee (State Acct.), and Gary McKinsey  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on September 22, 2015.

  
Kathryn Trumbly

7012 3460 0000 2695 5714

<b>U.S. Postal Service™</b> <b>CERTIFIED MAIL™ RECEIPT</b> (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage \$	
Certified	
Return Receipt (Endorsement Req)	
Restricted Delivery (Endorsement Req)	
Total Postage &	
Sent To Street, Apt. No., or PO Box No. City, State, ZIP+4	
PS Form 3800, August 2006 <span style="float: right;">See Reverse for Instructions</span>	

*Bell*

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
		B. Received by (Printed Name) <i>Carlynn Johnson</i>	
		C. Date of Delivery <i>9/23/15</i>	
1. Article Addressed to:  Charles H. Bell, Jr., Esq. Bell, McAndrews & Hiltachk, LLP O/b/o Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey 455 Capitol Mall, Suite 600 Sacramento, CA 95814		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If yes, enter delivery address below: <input type="checkbox"/> No	
		3. Service type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, July 2013		Domestic Return Receipt	

7012 3460 0000 2695 5714

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT E**

**FPPC No. 11/073, In the matter of Anthony A. "Tony" Strickland, Strickland for Controller 2010,  
Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central  
Committee (State Acct.), and Gary McKinsey**

**PROOF OF SERVICE**

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, CA 95814. On the date below, I served the following document:

**Order Re: Probable Cause**

---

**MANNER OF SERVICE**

(U.S. Mail) By causing a true copy thereof to be served on the parties in this action through the U.S. Mail and addressed as listed below. I am familiar with the procedure of the Fair Political Practices Commission for collection and processing of correspondence for mailing with the United States Postal Service, and the fact that the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business.

**SERVICE LIST**

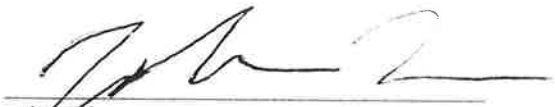
Charles H. Bell, Jr.  
Bell, McAndrews & Hiltachk, LLP  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

Steven Baric  
Baric & Associates  
2601 Main St., Ste. 560  
Irvine, CA 92614

**(By Personal Service) On Friday, December 04, 2015, at approximately 1:40 p.m., I personally served:**

Angela Brereton, Senior Commission Counsel, Enforcement Division, at 428 J Street, Suite 700,  
Sacramento, CA 95814.  
Galena West, Chief of Enforcement, at 428 J Street, Suite 700, Sacramento, CA 95814.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this document is executed at Sacramento, California, on December 04, 2015.

  
\_\_\_\_\_  
John Kim

1 **FAIR POLITICAL PRACTICES COMMISSION**

2 428 J Street, Suite 620

3 Sacramento, CA 95814

4 Telephone: (916) 322-5660

5 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**

6 **STATE OF CALIFORNIA**

7  
8 In the Matter of:

FPPC No. 11/073

9  
10 ANTHONY A. "TONY"  
11 STRICKLAND, STRICKLAND FOR  
12 CONTROLLER 2010, LYSA RAY,  
13 VENTURA COUNTY REPUBLICAN  
14 PARTY, ARKADY MILGRAM,  
15 STANISLAUS REPUBLICAN  
16 CENTRAL COMMITTEE (STATE  
17 ACCT.), and GARY McKINSEY

ORDER RE: PROBABLE CAUSE

18 Respondents.

19 This matter came on for a probable cause conference pursuant to Regulation 18361.4 on  
20 November 10, 2014. Authority to conduct this proceeding and to determine the issue of probable cause  
21 was delegated to Senior Commission Counsel Heather M. Rowan under Regulation 18361. Appearing  
22 for the Enforcement Division were Commission Counsel Angela Brereton and Investigator Jeffrey  
23 Kamigaki. Steve Baric, counsel for Respondents Tony Strickland, Strickland for Controller, and Lysa  
24 Ray, appeared by telephone. Charles Bell appeared in person on behalf of the Ventura County  
25 Republican Party ("VCRP"), Arkady Milgram, the Stanislaus County Republican Central Committee  
26 ("SCRCP"), and Gary McKinsey.

27 The purpose of a probable cause conference is for the Executive Director, or a duly authorized  
28 designee, to determine whether probable cause exists to believe that a respondent violated the Political



1 Reform Act (the "Act")<sup>1</sup> as alleged by the Enforcement Division in its Report in Support of a Finding of  
2 Probable Cause.

3 Probable cause to believe a violation has occurred will be found to exist when "the evidence is  
4 sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion  
5 that a proposed respondent committed or caused a violation." (Regulation 18361.4(e).) A finding of  
6 probable cause does not constitute a finding that a violation has actually occurred. (*Id.*) The Report in  
7 Support of a Finding of Probable Cause alleges that Respondents violated the Act as follows:

8  
9 **Strickland, Strickland for Controller, and Ray**

10 Count 1: Contribution Made in the Name of Another

11 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
12 negligently caused, or aided and abetted, Templeton to make a contribution of  
\$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name  
of VCRP, violating Section 84301.

13 Count 2: Contribution Made in the Name of Another

14 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
15 negligently caused, or aided and abetted, Barth to make a contribution of \$14,250  
(\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of  
16 VCRP, violating Section 84301.

17 Count 3: Contribution Made in the Name of Another

18 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
19 negligently caused, or aided and abetted, Templeton to make a contribution of  
\$15,000 to Strickland for Controller in the name of SCRIP, violating Section  
84301.

20 Count 4: Contribution Made in the Name of Another

21 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
22 negligently caused, or aided and abetted, Swanson to make a contribution of  
\$5,000 to Strickland for Controller in the name of SCRIP, violating Section 84301.

23 Count 5: Prohibited Earmarked Contribution

24 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
25 negligently caused, or aided and abetted, Templeton to make a contribution to  
VCRP on the condition or with the agreement that the contribution would be  
26 ultimately contributed to Strickland for Controller, and the intermediary and

27  
28 <sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references  
are to the Government Code, unless otherwise indicated.

1 original contributor information for the earmarked contribution were not disclosed,  
2 violating Section 85704.

3 Count 6: Prohibited Earmarked Contribution

4 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
5 negligently caused, or aided and abetted, Barth to make a contribution to VCRP on  
6 the condition or with the agreement that the contribution would be ultimately  
7 contributed to Strickland for Controller, and the intermediary and original  
8 contributor information for the earmarked contribution were not disclosed,  
9 violating Section 85704.

10 Count 7: Prohibited Earmarked Contribution

11 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
12 negligently caused, or aided and abetted, Templeton to make a contribution to  
13 SCRP on the condition or with the agreement that the contribution would be  
14 ultimately contributed to Strickland for Controller, and the intermediary and  
15 original contributor information for the earmarked contribution were not disclosed,  
16 violating Section 85704.

17 Count 8: Prohibited Earmarked Contribution

18 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
19 negligently caused, or aided and abetted, Swanson to make a contribution to SCRP  
20 on the condition or with the agreement that the contribution would be ultimately  
21 contributed to Strickland for Controller, and the intermediary and original  
22 contributor information for the earmarked contribution were not disclosed,  
23 violating Section 85704.

24 Count 9: Accepting an Over-the-Limit Contribution

25 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-  
26 limit contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5%  
27 fee), violating Section 85301 and Regulation 18545, subdivision (a)(1).

28 Count 10: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-  
limit contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee),  
violating Section 85301 and Regulation 18545, subdivision (a)(1).

Count 11: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-  
the-limit contribution from Templeton totaling \$15,000, violating Section 85301  
and Regulation 18545, subdivision (a)(1).

Count 12: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-  
the-limit contribution from Swanson totaling \$5,000, violating Section 85301 and  
Regulation 18545, subdivision (a)(1).

1        Count 13: Disclosure of False Information in Campaign Statements

2        Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a  
3        false campaign statement for the reporting period of May 23 through June 30,  
4        2010, concealing the violations described in Counts 1, 5 and 9 by falsely reporting  
5        that Strickland for Controller received a contribution from VCRP, when the  
6        contribution was made by Templeton, and VCRP was the intermediary for the  
7        transaction, violating Section 84211, subdivision (f).

8        Count 14: Disclosure of False Information in Campaign Statements

9        Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a  
10       false campaign statement for the reporting period of May 23 through June 30,  
11       2010, concealing the violations described in Counts 2, 6 and 10 by falsely  
12       reporting that Strickland for Controller received a contribution from VCRP, when  
13       the contribution was made by Barth, and VCRP was the intermediary for the  
14       transaction, violating Section 84211, subdivision (f).

15       Count 15: Disclosure of False Information in Campaign Statements

16       Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed  
17       a false campaign statement for the reporting period of October 17 through  
18       December 31, 2010, concealing the violations described in Counts 3, 7 and 11 by  
19       falsely reporting that Strickland for Controller received a contribution from SCRP,  
20       when the contribution was made by Templeton, and SCRP was the intermediary  
21       for the transaction, violating Section 84211, subdivision (f).

22       Count 16: Disclosure of False Information in Campaign Statements

23       Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed  
24       a false campaign statement for the reporting period of October 17 through  
25       December 31, 2010, concealing the violations described in Counts 4, 8 and 12 by  
26       falsely reporting that Strickland for Controller received a contribution from SCRP,  
27       when the contribution was made by Swanson, and SCRP was the intermediary for  
28       the transaction, violating Section 84211, subdivision (f).

29       **VCRP and Milgram**

30       Count 17: Failure to Disclose Intermediary and Original Contributor Information

31       VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton,  
32       failed to disclose both the intermediary and the original contributor information for  
33       a \$30,750 (\$32,400 minus VCRP's 5% fee) contribution from Templeton to  
34       Strickland for Controller, violating Section 84302.

35       Count 18: Failure to Disclose Intermediary and Original Contributor Information

36       VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed  
37       to disclose both the intermediary and the original contributor information for a  
38       \$14,250 (\$15,000 minus VCRP's 5% fee) contribution from Barth to Strickland for  
39       Controller, violating Section 84302.

1 Count 19: Disclosure of False Information in Campaign Statements

2 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement  
3 for the reporting period of June 6 through June 30, 2010, concealing the violations  
4 described in Counts 1, 2, 5, 6, 9, and 10, by falsely reporting that VCRP made a  
5 \$45,000 contribution 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).

6 SCRP and McKinsey

7 Count 20: Failure to Disclose Intermediary and Original Contributor Information

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

10 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

14 Count 22: Disclosure of False Information in Campaign Statements

15 SCRCP and McKinsey, on or about December 1, 2010, filed a false campaign  
statement for the reporting period of October 17 through November 20, 2010,  
16 concealing the violations described in Counts 3, 4, 7, 8, 11 and 12 by falsely  
reporting that SCRCP made a \$20,000 contribution to Strickland for Controller,  
17 when it was not the true source of the contribution and was the intermediary for the  
transaction, violating Section 84211, subdivision (k).

18  
19  
20 Based on the facts presented to me in documents submitted by the Enforcement Division and by  
21 Respondents, and on evidence and argument presented by the parties during the probable cause  
22 conference, I find that notice was given as provided by Section 83115.5 and Regulation 18361.4. I  
23 further find that there is probable cause to believe Respondents Tony Strickland, Strickland for  
24 Controller, Lysa Ray, the Ventura County Republican Committee, Arkady Milgram, the Stanislaus  
25 County Republican Committee, and Gary McKinsey violated the Political Reform Act as alleged in the  
26 Report in Support of a Finding of Probable Cause. Notwithstanding this finding of probable cause,  
27 Respondents are presumed to be innocent of any violation of the Act unless and until a violation is  
28 proved in a subsequent proceeding.

1  
2 I therefore direct that the Enforcement Division issue an Accusation against Respondents in  
3 accordance with this Finding.

4 IT IS SO ORDERED.

5 Dated: December 4 2015

By: Heather M Rowan

6  
7 Heather M. Rowan, Senior Commission Counsel  
8 Fair Political Practices Commission  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Exhibit A-11**

### PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On March 8, 2016, I served the following document(s):

1. Statement to Respondent;
2. FPPC Case No. 16/100: Accusation;
3. Notice of Defense, VENTURA COUNTY REPUBLICAN PARTY, (Two Copies);
4. Notice of Defense, ARKADY MILGRAM, (Two Copies)
5. Selected Sections of the California Government Code, Administrative Procedure Act.

☒ By personal service. At 11:02 a.m./p.m.:

☒ I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☐ By providing the document(s) listed above with instructions for registered process server to personally deliver the envelope(s) to the person(s) at the address(es) set forth on the service list below. **The signed proof of service by the registered process server will be attached as soon as it is available.**

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

### SERVICE LIST

#### Personal Service

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
o/b/o Ventura County Republican Party,  
Arkady Milgram  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on March 8, 2016.



Roone Petersen

**Exhibit A-12**





## FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

### STATEMENT TO RESPONDENT

[Government Code Section 11505, subdivision (b)]

***VENTURA COUNTY REPUBLICAN PARTY and ARKADY MILGRAM***

***FPPC Case No. 16/100***

Enclosed is an Accusation, which was filed with the Fair Political Practices Commission (the "FPPC") and which is hereby served upon you, along with two copies of a Notice of Defense and Government Code Sections 11506 through 11508.

Unless a written request for a hearing signed by you or on your behalf is delivered or mailed to the FPPC within 15 days after the Accusation was served on you, the FPPC may proceed upon the Accusation without a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled Notice of Defense, or by delivering or mailing a notice of defense as provided by Section 11506 of the Government Code to the Commission Assistant at the FPPC.

You may, but need not, be represented by counsel at any or all stages of these proceedings.

If you desire a list of the names and addresses of witnesses against you, or an opportunity to inspect and copy the items mentioned in Section 11507.6 of the Government Code that are in the possession, custody, or control of this agency, or if you wish to discuss the possibility of resolving this matter without a formal hearing, you may contact Angela J. Brereton, Senior Commission Counsel, FPPC Enforcement Division, at 916-322-5771 or [abrereton@fppc.ca.gov](mailto:abrereton@fppc.ca.gov).

The hearing may be postponed for good cause. If you have good cause, you are obliged to notify the FPPC or, if an administrative law judge has been assigned to the hearing, the Office of Administrative Hearings, within 10 working days after you discover the good cause. Failure to give notice within 10 days will deprive you of a postponement.

After a hearing, the FPPC will consider the following factors in determining whether to assess a penalty (Title 2, California Code of Regulations, Section 18361.5, subdivision (d).):

1. The seriousness of the violation;
2. The presence or absence of any intention to conceal, deceive, or mislead;
3. Whether the violation was deliberate, negligent, or inadvertent;
4. Whether the violator demonstrated good faith by consulting Commission staff or any other government agency in a manner not constituting a complete defense under Government Code Section 83114, subdivision (b);
5. Whether the violation was isolated or part of a pattern;
6. Whether the violator has a prior record of violations of the Political Reform Act or similar laws; and
7. Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.



*Before the Fair Political Practices Commission*

**State of California**

In the Matter of

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondents.

) NOTICE OF DEFENSE  
) (Pursuant to Gov. Code § 11506)  
)  
) FPPC Case No. 16/100  
)  
)  
)  
)  
)

VENTURA COUNTY REPUBLICAN PARTY, a Respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUND FOR NOTICE OF DEFENSE**

- ☐ 1) I request a hearing;
- ☐ 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- ☐ 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- ☐ 4) I admit the Accusation in whole or in part (check box "a" or "b");
- ☐ a) I admit the Accusation in whole.
- ☐ b) I admit the Accusation in part as indicated below:

---

---

---

---

---

---

- ☐ 5) I wish to present new matter by way of defense;
- ☐ 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



*Before the Fair Political Practices Commission*

**State of California**

In the Matter of

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondents.

) NOTICE OF DEFENSE  
) (Pursuant to Gov. Code § 11506)  
)  
) FPPC Case No. 16/100  
)  
)  
)  
)  
)

VENTURA COUNTY REPUBLICAN PARTY, a Respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUND FOR NOTICE OF DEFENSE**

- ☐ 1) I request a hearing;
- ☐ 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- ☐ 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- ☐ 4) I admit the Accusation in whole or in part (check box "a" or "b");
- ☐ a) I admit the Accusation in whole.
- ☐ b) I admit the Accusation in part as indicated below:

---

---

---

---

---

---

- ☐ 5) I wish to present new matter by way of defense;
- ☐ 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



*Before the Fair Political Practices Commission*

**State of California**

In the Matter of

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondents.

) NOTICE OF DEFENSE  
) (Pursuant to Gov. Code § 11506)  
)  
) FPPC Case No. 16/100  
)  
)  
)  
)  
)

ARKADY MILGRAM, a Respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check all applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUND FOR NOTICE OF DEFENSE**

- ☐ 1) I request a hearing;
- ☐ 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- ☐ 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- ☐ 4) I admit the Accusation in whole or in part (check box "a" or "b");
- ☐ a) I admit the Accusation in whole.
- ☐ b) I admit the Accusation in part as indicated below:

---

---

---

---

---

---

- ☐ 5) I wish to present new matter by way of defense;
- ☐ 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



*Before the Fair Political Practices Commission*

**State of California**

In the Matter of

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondents.

) NOTICE OF DEFENSE  
) (Pursuant to Gov. Code § 11506)  
)  
) FPPC Case No. 16/100  
)  
)  
)  
)  
)

ARKADY MILGRAM, a Respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.



**GROUND FOR NOTICE OF DEFENSE**

- ☐ 1) I request a hearing;
- ☐ 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- ☐ 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- ☐ 4) I admit the Accusation in whole or in part (check box "a" or "b");
- ☐ a) I admit the Accusation in whole.
- ☐ b) I admit the Accusation in part as indicated below:

---

---

---

---

---

---

- ☐ 5) I wish to present new matter by way of defense;
- ☐ 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip

## **California Government Code sections 11506 through 11508**

### **§ 11506. Filing of notice of defense or notice of participation; Contents; Right to hearing on the merits**

(a) Within 15 days after service of the accusation or District Statement of Reduction in Force the respondent may file with the agency a notice of defense, or, as applicable, notice of participation, in which the respondent may:

(1) Request a hearing.

(2) Object to the accusation or District Statement of Reduction in Force upon the ground that it does not state acts or omissions upon which the agency may proceed.

(3) Object to the form of the accusation or District Statement of Reduction in Force on the ground that it is so indefinite or uncertain that the respondent cannot identify the transaction or prepare a defense.

(4) Admit the accusation or District Statement of Reduction in Force in whole or in part.

(5) Present new matter by way of defense.

(6) Object to the accusation or District Statement of Reduction in Force upon the ground that, under the circumstances, compliance with the requirements of a regulation would result in a material violation of another regulation enacted by another department affecting substantive rights.

(b) Within the time specified the respondent may file one or more notices of defense, or, as applicable, notices of participation, upon any or all of these grounds but all of these notices shall be filed within that period unless the agency in its discretion authorizes the filing of a later notice.

(c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense or notice of participation, and the notice shall be deemed a specific denial of all parts of the accusation or District Statement of Reduction in Force not expressly admitted. Failure to file a notice of defense or notice of participation shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing. Unless objection is taken as provided in paragraph (3) of subdivision (a), all objections to the form of the accusation or District Statement of Reduction in Force shall be deemed waived.

(d) The notice of defense or notice of participation shall be in writing signed by or on behalf of the respondent and shall state the respondent's mailing address. It need not be verified or follow any particular form.

(e) As used in this section, "file," "files," "filed," or "filing" means "delivered or mailed" to the agency as provided in Section 11505.

**HISTORY:** Added Stats 1945 ch 867 § 1. Amended Stats 1963 ch 931 § 1; Stats 1982 ch 606 § 1; Stats 1986 ch 951 § 20; Stats 1995 ch 938 § 29 (SB 523), operative July 1, 1997; Stats 2013 ch 90 § 5 (SB 546), effective January 1, 2014.

### **§ 11507. Amended or supplemental accusation or District Statement of Reduction in Force; Objections**

At any time before the matter is submitted for decision, the agency may file, or permit the filing of, an amended or supplemental accusation or District Statement of Reduction in Force. All parties shall be notified of the filing. If the amended or supplemental accusation or District Statement of Reduction in Force presents new charges, the agency shall afford the respondent a reasonable opportunity to prepare his or her defense to the new charges, but he or she shall not be entitled to file a further pleading unless the agency in its discretion so orders. Any new charges shall be deemed controverted, and any objections to the amended or supplemental accusation or District Statement of Reduction in Force may be made orally and shall be noted in the record.

**HISTORY:** Added Stats 1945 ch 867 § 1. Amended Stats 2013 ch 90 § 6 (SB 546), effective January 1, 2014; Stats 2014 ch 71 § 69 (SB 1304), effective January 1, 2015.

#### **§ 11507.3. Consolidated proceedings; Separate hearings**

(a) When proceedings that involve a common question of law or fact are pending, the administrative law judge on the judge's own motion or on motion of a party may order a joint hearing of any or all the matters at issue in the proceedings. The administrative law judge may order all the proceedings consolidated and may make orders concerning the procedure that may tend to avoid unnecessary costs or delay.

(b) The administrative law judge on the judge's own motion or on motion of a party, in furtherance of convenience or to avoid prejudice or when separate hearings will be conducive to expedition and economy, may order a separate hearing of any issue, including an issue raised in the notice of defense or notice of participation, or of any number of issues.

**HISTORY:** Added Stats 1995 ch 938 § 30 (SB 523), operative July 1, 1997. Amended Stats 2013 ch 90 § 7 (SB 546), effective January 1, 2014.

///

### **§ 11507.5. Exclusivity of discovery provisions**

The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

**HISTORY:** Added Stats 1968 ch 808 § 3.

### **§ 11507.6. Request for discovery**

After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

**HISTORY:** Added Stats 1968 ch 808 § 4. Amended Stats 1985 ch 1328 § 5; Stats 1995 ch 938 § 31 (SB 523), operative July 1, 1997.

**§ 11507.7. Motion to compel discovery; Order**

(a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of *Section 915 of the Evidence Code* and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become

effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

**HISTORY:** Added Stats 1968 ch 808 § 5. Amended Stats 1971 ch 1303 § 8; Stats 1980 ch 548 § 2; Stats 1995 ch 938 § 32 (SB 523), operative July 1, 1997.

#### **§ 11508. Time and place of hearing**

(a) The agency shall consult the office, and subject to the availability of its staff, shall determine the time and place of the hearing. The hearing shall be held at a hearing facility maintained by the office in Sacramento, Oakland, Los Angeles, or San Diego and shall be held at the facility that is closest to the location where the transaction occurred or the respondent resides.

(b) Notwithstanding subdivision (a), the hearing may be held at either of the following places:

(1) A place selected by the agency that is closer to the location where the transaction occurred or the respondent resides.

(2) A place within the state selected by agreement of the parties.

(c) The respondent may move for, and the administrative law judge has discretion to grant or deny, a change in the place of the hearing. A motion for a change in the place of the hearing shall be made within 10 days after service of the notice of hearing on the respondent.

Unless good cause is identified in writing by the administrative law judge, hearings shall be held in a facility maintained by the office.

**HISTORY:** Added Stats 1945 ch 867 § 1. Amended Stats 1963 ch 710 § 1; Stats 1967 ch 17 § 39; Stats 1987 ch 50 § 1; Stats 1995 ch 938 § 33 (SB 523), operative July 1, 1997; Stats 2005 ch 674 § 22 (SB 231), effective January 1, 2006.

**Exhibit A-13**



*Before the Fair Political Practices Commission*

**State of California**

In the Matter of

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondents.

) NOTICE OF DEFENSE  
) (Pursuant to Gov. Code § 11506)  
)  
) FPPC Case No. 16/100  
)  
)  
)  
)  
)

VENTURA COUNTY REPUBLICAN PARTY, a Respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check all applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.



**GROUND FOR NOTICE OF DEFENSE**

- ☒ 1) I request a hearing;
- ☒ 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- ☒ 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- ☐ 4) I admit the Accusation in whole or in part (check box "a" or "b");
- ☐ a) I admit the Accusation in whole.
- ☐ b) I admit the Accusation in part as indicated below:
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- ☒ 5) I wish to present new matter by way of defense;
- ☐ 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated:

3-21-16

Respondent

Print Name

Mailing Address

City, State, Zip

Michael Osborn

20 N. Wood Rd #304A

Cambridge, CA 93010

## PROOF OF SERVICE

In the Matter of: *Ventura County Republican Party, et al.*  
FPPC No. 16/100

1. I am over the age of 18 and not a party to this cause. I am employed in the county where the mailing occurred. The following facts are within my first-hand and personal knowledge and if called as a witness, I could and would testify thereto.

2. My business address is 455 Capitol Mall, Suite 600, Sacramento, CA 95814.

3. I served the foregoing document entitled **RESPONDENT VENTURA COUNTY REPUBLICAN PARTY'S NOTICE OF DEFENSE** on each person named below by enclosing a true copy in an envelope addressed as shown in Item 5 and by:

- a. xx depositing the sealed envelope with the United States Postal Service with the postage fully prepaid.
- b. placing the sealed envelope with postage prepaid for collection and mailing on the date and at the place shown in Item 4 following our ordinary business practices. I am readily familiar with this business practice for collecting and processing correspondence for mailing. In the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in the place shown in Item 4.
- c. transmitting via facsimile to the number(s) during regular business hours.
- d. personally serving.
- e. transmitting by email to the offices of the addressee(s) following ordinary business practices during ordinary business hours.
- f. causing to be deposited in a sealed envelope with FedEx Overnight Mail.
- g. causing to be hand-delivered via a professional courier service.

4. Date of Deposit: March 22, 2016  
Place of Deposit: Sacramento, CA 95814

5. Name and address of each person served:

Angela J. Brereton  
Senior Commission Counsel  
FAIR POLITICAL PRACTICES COMMISSION  
428 J Street, Suite 620  
Sacramento, CA 95814

Counsel for Complainant

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on March 22, 2016, at Sacramento, California.

  
CORIANNE DURKEE

BELL, MCANDREWS & HILTACHK, LLP  
ATTORNEYS AND COUNSELORS AT LAW

455 CAPITOL MALL, SUITE 600  
SACRAMENTO, CALIFORNIA 95814

SACRAMENTO  
CA 957  
23 MAR '16  
PM 7 L



US POSTAGE  
\$ 00.49



First-Class  
Mailed From 95814  
03/22/2016  
032A 0061806700

RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION  
5 MAR 25 PM 1:50

Angela J. Brereton  
Senior Commission Counsel  
FAIR POLITICAL PRACTICES COMMISSION  
428 J Street, Suite 620  
Sacramento, CA 95814

95814232970





*Before the Fair Political Practices Commission*

**State of California**

In the Matter of

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondents.

) NOTICE OF DEFENSE  
) (Pursuant to Gov. Code § 11506)  
)  
) FPPC Case No. 16/100  
)  
)  
)  
)  
)

ARKADY MILGRAM, a Respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check all applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUND FOR NOTICE OF DEFENSE**

- ☒ 1) I request a hearing;
- ☒ 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- ☒ 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- ☐ 4) I admit the Accusation in whole or in part (check box "a" or "b");
- ☐ a) I admit the Accusation in whole.
- ☐ b) I admit the Accusation in part as indicated below:

---

---

---

---

---

---

- ☒ 5) I wish to present new matter by way of defense;
- ☐ 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated:

03/21/2016

Respondent

Arkady Milgram

Print Name

Arkady Milgram

Mailing Address

80 N. Wood Rd, #304A

Camarillo, CA 93010

City, State, Zip

## PROOF OF SERVICE

In the Matter of: *Ventura County Republican Party, et al.*  
FPPC No. 16/100

1. I am over the age of 18 and not a party to this cause. I am employed in the county where the mailing occurred. The following facts are within my first-hand and personal knowledge and if called as a witness, I could and would testify thereto.

2. My business address is 455 Capitol Mall, Suite 600, Sacramento, CA 95814.

3. I served the foregoing document entitled **RESPONDENT ARKADY MILGRAM'S NOTICE OF DEFENSE** on each person named below by enclosing a true copy in an envelope addressed as shown in Item 5 and by:

- a. xx depositing the sealed envelope with the United States Postal Service with the postage fully prepaid.
- b. placing the sealed envelope with postage prepaid for collection and mailing on the date and at the place shown in Item 4 following our ordinary business practices. I am readily familiar with this business practice for collecting and processing correspondence for mailing. In the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in the place shown in Item 4.
- c. transmitting via facsimile to the number(s) during regular business hours.
- d. personally serving.
- e. transmitting by email to the offices of the addressee(s) following ordinary business practices during ordinary business hours.
- f. causing to be deposited in a sealed envelope with FedEx Overnight Mail.
- g. causing to be hand-delivered via a professional courier service.

4. Date of Deposit: March 22, 2016  
Place of Deposit: Sacramento, CA 95814

5. Name and address of each person served:

Angela J. Brereton  
Senior Commission Counsel  
FAIR POLITICAL PRACTICES COMMISSION  
428 J Street, Suite 620  
Sacramento, CA 95814

Counsel for Complainant

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on March 22, 2016, at Sacramento, California.

  
CORIANNE DURKEE

BELL, MCANDREWS & HILTACHK, LLP  
ATTORNEYS AND COUNSELORS AT LAW

455 CAPITOL MALL, SUITE 600  
SACRAMENTO, CALIFORNIA 95814

SACRAMENTO  
CA 958  
23 MAR '16  
PM 11



US POSTAGE  
\$ 00.49

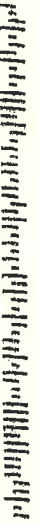


First-Class  
Mailed From 95814  
03/22/2016  
032A 0061806700

FAIR POLITICAL  
PRACTICES COMMISSION  
16 MAR 25 PM 1:48

Angela J. Brereton  
Senior Commission Counsel  
FAIR POLITICAL PRACTICES COMMISSION  
428 J Street, Suite 620  
Sacramento, CA 95814

95814232970



**Exhibit A-14**



GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
1102 Q Street, Suite 3000  
Sacramento, CA 95811  
Telephone: (916) 322-5771  
Email: [abrereton@fppc.ca.gov](mailto:abrereton@fppc.ca.gov)

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of	) FPPC Nos. 16/100
	)
	)
VENTURA COUNTY REPUBLICAN	) <b>FIRST AMENDED ACCUSATION</b>
PARTY and ARKADY MILGRAM,	)
	)
	) (Gov. Code §11503)
Respondents.	)

Complainant, the Enforcement Division of the Fair Political Practices Commission, after a finding of probable cause pursuant to Government Code Section 83115.5, alleges the following. In accordance with Government Code section 11507 and Title 1, California Code of Regulations section 1014, subd. (a), changes have been highlighted, and will be found on pages 2, 10, 11, 12 and 13.

**JURISDICTION**

1. Complainant is the Enforcement Division of the Fair Political Practices Commission and makes this Accusation pursuant to the Political Reform Act (the "Act"),<sup>1</sup> in its official capacity and in the public interest.<sup>2</sup>

///

<sup>1</sup> 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.

<sup>2</sup> §§ 83111, 83116, and 91000.5; Reg. 18361 and 18361.4, subd. (e).

2. In 1974, California voters found and declared that previous laws regulating political practices had suffered from inadequate enforcement, and they intended that the Act be vigorously enforced.<sup>3</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>4</sup>

3. The Act is intended 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.<sup>5</sup>

## **RESPONDENTS**

4. Respondent Ventura County Republican Party ("VCRP") was a political party committee located in Camarillo, CA.

5. Respondent Arkady Milgram was the treasurer for VCRP.

6. The actions of VCRP and Milgram – failing to disclose both the intermediary and the original contributor information for earmarked contributions, and filing false campaign statements concealing that activity – are in violation of the law and public policies of the State of California.

## RELATED CASES

7. 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 were named respondents in the companion case, FPPC Case No. 11/073.

8. Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party ("SCRP"), was a political party committee located in Modesto, CA. Gary McKinsey was the treasurer for SCRП. SCRП and McKinsey were named respondents in the companion case, FPPC Case No. 16/178.

///

<sup>3</sup> §§ 81001, subd. (h), and 81002, subd. (f).

<sup>4</sup> § 81003.

<sup>5</sup> § 81002, subd. (a).

1 **APPLICABLE LAW**

2 9. All applicable law in this Accusation is the law as it existed during 2010, the relevant  
3 time for the alleged violations.

4 **Definition of Political Party Committee**

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

8 **Duty to Disclose Intermediary**

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

15 **Prohibition on Earmarking**

16 12. It is unlawful to make a contribution to a committee on the condition or with the  
17 agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed  
18 pursuant to Section 84302.<sup>9</sup>

19 **Campaign Contribution Limits**

20 13. The Act imposes campaign contribution limits with respect to the making and receiving  
21 of certain contributions. These limits are adjusted periodically, and different limits apply depending  
22 upon who is contributing and who is receiving.<sup>10</sup>

23 14. In 2010, an individual wishing to contribute to a candidate for California State Controller  
24 could not contribute more than \$6,500 per election.<sup>11</sup> However, at that time, there was no limit on  
25

26 <sup>6</sup> § 85205.

27 <sup>7</sup> § 84302.

28 <sup>8</sup> Reg. 18432.5, subd. (a).

<sup>9</sup> § 85704.

<sup>10</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>11</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

1 contributions from a political party committee (such as a county central committee) to that same  
2 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
3 could contribute to a political party committee for the purpose of making contributions to candidates for  
4 State Controller.<sup>12</sup> Individuals could exceed this amount so long as the excess was not used by the  
5 committee to support/oppose candidates for elective state office.

6 Duty to Disclose Accurate Expenditure Information on Campaign Statements

7 15. The Act requires committees to report on campaign statements the following information  
8 about its expenditures, including those expenditures which are contributions to candidates:  
9 (1) the payee's full name; (2) his or her street address; (3) the amount of each expenditure; (4) a brief  
10 description of the consideration for which each expenditure was made; and (5) in the case of an  
11 expenditure which is a contribution to a candidate, elected officer, or committee, the date of the  
12 contribution, the cumulative amount of contributions made to that recipient, the full name of the  
13 recipient, and the office and district/jurisdiction for which he or she seeks nomination or election.<sup>13</sup>

14 Liability for Violations

15 16. Any person who violates any provision of the Act, who purposely or negligently causes  
16 any other person to violate any provision of the Act, or who aids and abets any other person in the  
17 violation of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.<sup>14</sup>  
18 This only applies to persons who have filing or reporting obligations under the Act, or who are  
19 compensated for services involving the planning, organizing or directing of any activity regulated or  
20 required by the Act.<sup>15</sup>

21 Treasurer Liability

22 17. Every committee must have a treasurer.<sup>16</sup> It is the duty of a committee's treasurer to  
23 ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
24  
25

26 <sup>12</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

27 <sup>13</sup> § 84211, subd. (k).

<sup>14</sup> §§ 83116, and 83116.5.

<sup>15</sup> § 83116.5.

<sup>16</sup> § 84100.

1 expenditure of funds and the reporting of such funds.<sup>17</sup> A committee's treasurer may be held jointly and  
2 severally liable with the committee for any reporting violations.<sup>18</sup>

3 Joint and Several Liability

4 18. If two or more parties are responsible for a violation of the Act, they are jointly and  
5 severally liable.<sup>19</sup>

6 Probable Cause Proceedings

7 19. "Service of the probable cause hearing notice, as required by Section 83115.5, upon the  
8 person alleged to have violated this title shall constitute the commencement of the administrative  
9 action."<sup>20</sup>

10 20. A finding of probable cause is prohibited unless the person alleged to have violated the  
11 Act is 1) notified of the violation by service of process or registered mail with return receipt requested;  
12 2) provided with a summary of the evidence; and 3) informed of his right to be present in person and  
13 represented by counsel at any proceeding of the Fair Political Practices Commission held for the purpose  
14 of considering whether probable cause exists for believing the person violated the Act.<sup>21</sup> The required  
15 notice to the alleged violator shall be deemed made on the date of service, the date the registered mail  
16 receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office.<sup>22</sup>

17 21. Administrative action alleging a violation of the Act must be commenced within five  
18 years after the date on which the violation occurred.<sup>23</sup>

19 Factors to be Considered by the Fair Political Practices Commission

20 22. In framing a proposed order following a finding of a violation pursuant to Section 83116,  
21 the Fair Political Practices Commission and the administrative law judge shall consider all the  
22 surrounding circumstances including but not limited to: (1) The seriousness of the violation; (2) The  
23 presence or absence of any intention to conceal, deceive or mislead; (3) Whether the violation was  
24 deliberate, negligent or inadvertent; (4) Whether the violator demonstrated good faith by consulting the

25 <sup>17</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

26 <sup>18</sup> §§ 83116.5 and 91006.

27 <sup>19</sup> § 91006.

28 <sup>20</sup> § 91000.5, subd. (a).

<sup>21</sup> § 83115.5.

<sup>22</sup> *Ibid.*

<sup>23</sup> § 91000.5.

1 Commission staff or any other government agency in a manner not constituting a complete defense  
2 under Section 83114(b); (5) Whether the violation was isolated or part of a pattern and whether the  
3 violator has a prior record of violations of the Political Reform Act or similar laws; and (6) Whether the  
4 violator, upon learning of a reporting violation, voluntarily filed amendments to provide full  
5 disclosure.<sup>24</sup>

### 6 GENERAL FACTS

7 23. Complainant incorporates paragraphs 4 – 8 of this Accusation, as though completely set  
8 forth herein.

#### 9 Laundered Campaign Contributions

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

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

22 26. In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
23 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

24 27. William M. Templeton, a resident of Dallas, TX, who had significant business interests in  
25 oil and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
26 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
27 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the

28 <sup>24</sup> Reg. 18361.5, subd. (d).

1 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
2 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
3 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
4 Templeton's maximum contribution on April 6, 2010.

5 28. According to his testimony, Templeton wanted to do more to support pro-business  
6 candidates in Ventura County without getting personally involved in local races. An email thread  
7 between Templeton and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had  
8 discussed Templeton making contributions to VCRP and to Meg Whitman, and Strickland was to ask  
9 Jubitz where Templeton should send his checks. Jubitz instructed Templeton to send both checks to him  
10 at Pluvius Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum  
11 allowed for candidate support to a political party committee. Templeton testified that he had no contact  
12 with VCRP and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records  
13 show that VCRP received Templeton's check on June 11, 2010, three days after the primary election.

14 29. Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
15 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show that  
16 on June 10, 2010, Jubitz sent an email to Barth stating in part:

17 As per our conversation, I have attached the general election contribution information  
18 for Tony. You and Avery can do the max of \$13,000. I also put the form for the  
Ventura County Republican Party Candidate direct committee.

19 Really appreciate your support.

20 On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the  
21 primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified  
22 that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

23  
24  
25  
26  
27  
28 ///

1           30.     On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for  
2     Controller to Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread  
3     followed:

4           Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
5                           452,700

6           Jubitz:       Have we received any party money?

7           Wangsaporn: I thought templeton [sic] was doing something with vc gop?

8           Jubitz:       He did. 32,400... but I am not aware of whether or not a donation from  
9                           VCRP has come in to Strickland for Controller.

10          Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
11                        It would be whatever the amount raised/pledged minus 7%

12          Jubitz:       I know. Tony and I decided no.

13          31.     Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an  
14     email to Strickland and Jubitz, subject line: "FYI VCGOP check":

15           Tony- you received

16           32,400 templeton

17           15,000 barth

18           -----  
19           Total of 47,400

20           After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
21           Chairman] will be cutting you a check for 37,490.

22     Strickland responded to all:

23           No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
24           million raised for team meg.

25     A few minutes later, Strickland followed up his response with:

26           Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
27           you think sue groff will do anything before the 30th?? If not get 45k check from  
28           vcgop.

29     Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

30           47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
31           45k. 400 not 600.

32          32.     Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for  
33     Controller, \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on  
34     June 30, 2010. The evidence shows that VCRP actually retained approximately 5% of the original  
35     amounts from Templeton and Barth.

36     ///



33. The evidence shows that Strickland for Controller received a total of \$45,000 in contributions from Templeton and Barth through VCRP.

**False Reporting**

34. 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

35. In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

36. In its campaign statement for June 6 through June 30, 2010, VCRP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

///

1 37. None of the above campaign statements disclose that Templeton and Barth were the true  
2 sources of the \$45,000 in contributions from VCRP and that VCRP was the intermediary for the  
3 contributions earmarked for Strickland for controller, as required.

4 Related Party Admissions – Strickland, Strickland for Controller and Ray

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

12 39. On May 19, 2016, Strickland, Strickland for Controller and Ray were named parties in a  
13 Stipulation, Decision and Order for FPPC Case No. 11/073 approved by the Fair Political Practices  
14 Commission, in which Strickland, Strickland for Controller and Ray admitted facts related to the  
15 conduct which is the subject of this case. The Stipulation, Decision and Order for FPPC Case No.  
16 11/073 is attached as Exhibit A.

17 40. In the Stipulation, Decision and Order, Strickland, Strickland for Controller and Ray  
18 admitted the facts which are stated in this First Amended Accusation in paragraphs 24<sup>25</sup>, 25<sup>26</sup>, 26<sup>27</sup>, 27<sup>28</sup>,  
19 28<sup>29</sup>, 29<sup>30</sup>, 30<sup>31</sup>, 31<sup>32</sup>, 32<sup>33</sup>, 33<sup>34</sup>, 34<sup>35</sup>, 35<sup>36</sup>, 36<sup>37</sup> and 37<sup>38</sup>.

20 ///

21 <sup>25</sup> Exhibit A: FPPC Case No. 11/073 (Anthony A. “Tony” Strickland, et al), Stipulation, Decision and Order, Exhibit  
22 1, p.4-5.

23 <sup>26</sup> *Ibid.*, at p.5.

24 <sup>27</sup> *Ibid.*

25 <sup>28</sup> *Ibid.*

26 <sup>29</sup> *Ibid.*

27 <sup>30</sup> *Ibid.*

28 <sup>31</sup> *Ibid.*, at p.6.

<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*, at p.8.

<sup>35</sup> *Ibid.*

<sup>36</sup> *Ibid.*, at p.9.

<sup>37</sup> *Ibid.*

<sup>38</sup> *Ibid.*, at p.10.

1 Related Party Admissions – SCRP and McKinsey

2 41. Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County  
3 Republican Party (“SCRP”), was a political party committee located in Modesto, CA. Gary McKinsey  
4 was the treasurer for SCRP. SCRP and McKinsey were named respondents in the companion case,  
5 FPPC Case No. 16/178. On March 17, 2016, SCRP and McKinsey were named parties in a Stipulation,  
6 Decision and Order for FPPC Case No. 16/178 approved by the Fair Political Practices Commission, in  
7 which SCRP and McKinsey admitted facts related to the conduct which is the subject of this case. The  
8 Stipulation, Decision and Order for FPPC Case No. 16/178 is attached as Exhibit B.

9 42. In the Stipulation, Decision and Order, SCRP and McKinsey admitted the facts which are  
10 stated in this First Amended Accusation in paragraphs 24<sup>39</sup>, 25<sup>40</sup>, 27<sup>41</sup>, and 28<sup>42</sup>.

11 **PROCEDURAL HISTORY**

12 43. The Enforcement Division initiated the administrative action against VCRP and Milgram  
13 in this matter by serving them with a packet containing a cover letter, a Report in Support of a Finding  
14 of Probable Cause (Report), a fact sheet regarding probable cause proceedings, selected sections of the  
15 California Government Code regarding probable cause proceedings for the Fair Political Practices  
16 Commission, and selected regulations of the Fair Political Practices Commission regarding probable  
17 cause proceedings.<sup>43</sup>

18 44. VCRP and Milgram were served by certified mail, return receipt requested.<sup>44</sup> The original  
19 return receipt addressed to VCRP and was signed on June 5, 2015, and was returned to the Enforcement  
20 Division, and the original return receipt addressed to Milgram and was signed on June 6, 2015, and was  
21 returned to the Enforcement Division.<sup>45</sup> So the administrative action commenced on June 5 and 6, 2015,  
22 the dates the certified mail receipt was signed, and the five year statute of limitations was effectively  
23 tolled on those dates.

24  
25 <sup>39</sup> Exhibit B: FPPC Case No. 16.178 (Stanislaus Republican Central Committee (State Acct.), et al.), Stipulation,  
26 Decision and Order, Exhibit 1, p.4.

27 <sup>40</sup> *Ibid.*

28 <sup>41</sup> *Ibid.*

<sup>42</sup> *Ibid.*, at p.5.

<sup>43</sup> §§ 83115.5 and 91000.5. See attached Exhibit C.

<sup>44</sup> §§ 8311(Mailing by Certified Mail) and 83115.5.

<sup>45</sup> See attached Exhibit D.

45. The Enforcement Division served VCRP and Milgram with an Amended Report in Support of a Finding of Probable Cause (Amended Report).<sup>46</sup>

46. VCRP and Milgram were served by certified mail, return receipt requested.<sup>47</sup> The original return receipt addressed to VCRP and Milgram was signed on September 23, 2015, and was returned to the Enforcement Division.<sup>48</sup>

47. The information contained in the packet advised VCRP and Milgram that they each had 21 days in which to request a probable cause conference and/or to file a written response to the Report.

48. VCRP and Milgram requested a probable cause conference, which was held on November 10, 2015.

49. The Hearing Officer issued an Order re: Probable Cause, which was served on December 4, 2015, finding that probable cause exists to believe VCRP and Milgram violated the Act.<sup>49</sup>

## VIOLATIONS

50. Complainant incorporates paragraphs 1 – 49 of this Accusation, as though completely set forth herein.

51. VCRP and Milgram committed three violations of the Act, as follows:

### Count 1: Failure to Disclose Intermediary and Original Contributor Information

52. VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to disclose both the intermediary and the original contributor information for a contribution of approximately \$30,759 (\$32,400 minus VCRP's approximate 5% fee) from Templeton to Strickland for Controller, violating Section 84302.

### Count 2: Failure to Disclose Intermediary and Original Contributor Information

53. VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose both the intermediary and the original contributor information for a contribution of approximately \$14,241 (\$15,000 minus VCRP's approximate 5% fee) from Barth to Strickland for Controller, violating Section 84302.

<sup>46</sup> §§ 83115.5 and 91000.5. See attached Exhibit E.

<sup>47</sup> §§ 8311(Mailing by Certified Mail) and 83115.5.

<sup>48</sup> See attached Exhibit F.

<sup>49</sup> See attached Exhibit G.

1 Count 3: Disclosure of False Information in Campaign Statements

2 54. VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
3 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1 and  
4 2, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller, when it  
5 was not the true source of the contributions and was the intermediary for the transactions, violating  
6 Section 84211, subdivision (k).

7 EXCULPATORY AND MITIGATING INFORMATION

8 55. Complainant incorporates paragraphs 1 – 54 of this Accusation, as though completely set  
9 forth herein.

10 56. VCRP and Milgram have no prior history of violating the Act, and cooperated with the  
11 investigation of this case.

12 AGGRAVATING FACTORS AND OTHER RELEVANT MATERIALS

13 57. Complainant incorporates paragraphs 1 – 51 of this Accusation, as though completely set  
14 forth herein.

15 58. Failing to disclose intermediary and original contributor information is one of the most  
16 serious violations of the Act because such conduct circumvents campaign contribution limits, violates  
17 disclosure requirements, and deceives the voting public as to the true source of funds. Here, VCRP's and  
18 Milgram's conduct deceived the voting public as to the true sources of the \$45,000 in contributions  
19 when they failed to disclose intermediary and original contributor information and filed inaccurate  
20 information in VCRP's campaign statement concealing the true sources of the contributions.

21 59. The evidence shows that all parties understood that VCRP would act as the undisclosed  
22 intermediary for Templeton's and Barth's contributions to Strickland's campaign and that the \$45,000  
23 was to go to Strickland's controller campaign. Templeton and Barth each made maximum contributions  
24 to Strickland's campaign. Yet Strickland, an experienced candidate and officeholder, continued to solicit  
25 funds from Templeton and Barth and directed them to make contributions to VCRP. Strickland made it  
26 clear that the over-the-limit funds were meant for his controller campaign. After notification that  
27 Templeton and Barth had sent checks to VCRP, Strickland specifically directed the VCRP chairman to  
28 "write a 45k check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland.

60. These violations, taken as whole, show deliberate conduct which resulted in a significant lack of disclosure and deprived the public of information regarding Strickland for Controller's campaign activity and the true sources of Strickland for Controller's funds. The conduct in this case is more egregious than the conduct in comparable cases because of the active involvement of Strickland and his campaign in coordinating and concealing the true sources of the funds.

## PRAAYER

WHEREFORE, Complainant prays as follows:

61. That the Fair Political Practices Commission hold a hearing pursuant to Government Code Section 83116 and Title 2, California Code of Regulations, Section 18361.5, and at such hearing find that VCRP and Milgram violated the Act as alleged herein;

62. That the Commission, pursuant to Government Code Section 83116, subdivision (c), order VCRP and Milgram to pay a monetary penalty of Five Thousand Dollars (\$5,000) per count for the violations of the Political Reform Act alleged herein in **Counts 1 – 3**;

63. That the Commission, pursuant to Title 2, California Code of Regulations, Section 18361.5, subdivision (d), consider the following factors in framing a proposed order following a finding of a violation pursuant to Government Code Section 83116: (1) the seriousness of the violation; (2) the presence or absence of any intention to conceal, deceive or mislead; (3) whether the violation was deliberate, negligent or inadvertent; (4) whether the violator demonstrated good faith by consulting the Commission staff or any other government agency in a manner not constituting a complete defense under Government Code Section 83114(b); (5) whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and (6) whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

64. That the Commission grant such other and further relief as it deems just and proper.

Dated:

Galena West  
Chief of Enforcement  
Fair Political Practices Commission

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT A**

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5771  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of	) FPPC No. 11/073
	)
	)
	)
ANTHONY A. "TONY" STRICKLAND,	) <b>STIPULATION, DECISION and ORDER</b>
STRICKLAND FOR CONTROLLER	)
2010 and LYSA RAY,	)
	)
	)
	)
Respondents,	)

**STIPULATION**

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents Anthony A. "Tony" Strickland, Strickland For Controller 2010 and Lysa Ray, 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 by this matter and to reach a final disposition without the necessity of holding an additional administrative hearing to determine the liability of Strickland, Strickland for Controller, and Ray.

Strickland, Strickland for Controller, and Ray understand, and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Government Code Sections 83115.5, 11503 and 11523, and in California Code of Regulations, title 2, Sections 18361.1 through 18361.9. This includes, but is not limited to the right to personally appear at any administrative hearing held in this matter, to be



1 represented by an attorney at Strickland's, Strickland for Controller's, and Ray's own expense, to  
2 confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the  
3 hearing, to have an impartial administrative law judge preside over the hearing as a hearing officer, and  
4 to have the matter judicially reviewed.

5 It is further stipulated and agreed that Strickland, Strickland for Controller, and Ray violated the  
6 Political Reform Act as described in Exhibit 1: Strickland, Strickland for Controller, and Ray  
7 purposefully or negligently caused, or aided and abetted, three persons to make four earmarked, over-  
8 the-limit contributions totaling \$65,000 to Strickland for Controller in the names of Ventura County  
9 Republican Party ("VCRP") and Stanislaus Republican Central Committee (State Acct.), also known as  
10 Stanislaus County Republican Party ("SCRCP"), violating Government Code Sections 84301, 85301 and  
11 85704, and Regulation 18545, subdivision (a)(1) (4 counts); and filed false campaign statements for the  
12 reporting periods of May 23 through June 30, 2010, and October 17 through December 31, 2010,  
13 concealing the violations described in Counts 1 through 4 by falsely reporting that Strickland for  
14 Controller received contributions from VCRP and SCRCP, when the contributions were made by other  
15 persons, and VCRP and SCRCP were the intermediaries for the transactions, violating Government Code  
16 Section 84211, subdivision (f) (4 counts). Exhibit 1 is attached hereto and incorporated by reference as  
17 though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

18 Strickland, Strickland for Controller, and Ray agree to the issuance of the Decision and Order,  
19 which is attached hereto. Strickland, Strickland for Controller, and Ray also agree to the Commission  
20 imposing an administrative penalty in the total amount of Forty Thousand Dollars (\$40,000). A cashier's  
21 check from Strickland, Strickland for Controller, and Ray in said amount, made payable to the "General  
22 Fund of the State of California," is submitted with this Stipulation as full payment of the administrative  
23 penalty, and shall be held by the State of California until the Commission issues its Decision and Order  
24 regarding this matter.

25 The parties agree that in the event the Commission refuses to accept this Stipulation, it shall  
26 become null and void, and within fifteen (15) business days after the Commission meeting at which the  
27 Stipulation is rejected, all payments tendered by Strickland, Strickland for Controller, and Ray in  
28 connection with this Stipulation shall be reimbursed to Strickland, Strickland for Controller, and Ray.

Strickland, Strickland for Controller, and Ray further stipulate and agree 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, on Behalf of the Enforcement Division  
Fair Political Practices Commission

Dated: \_\_\_\_\_

Anthony A. "Tony" Strickland, Respondent, individually and  
on behalf of Strickland For Controller 2010, Respondent

Dated: 5/18/16

  
Lysa Ray, Respondent

### DECISION AND ORDER

The foregoing Stipulation of the parties "In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010 and Lysa Ray," FPPC Case No. 11/073, 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.

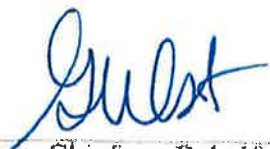
Dated: \_\_\_\_\_

Joann Remke, Chair  
Fair Political Practices Commission

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

5  
6 Dated:

24 May 16

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

7  
8  
9 Dated:

5/18/16

  
Anthony A. "Tony" Strickland, Respondent, individually and  
on behalf of Strickland For Controller 2010, Respondent

10  
11  
12 Dated:

5/18/16

  
Lysa Ray, Respondent

13  
14  
15 **DECISION AND ORDER**

16 The foregoing Stipulation of the parties "In the Matter of Anthony A. "Tony" Strickland,  
17 Strickland For Controller 2010 and Lysa Ray," FPPC Case No. 11/073, including all attached exhibits,  
18 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective  
19 upon execution below by the Chair.

20 **IT IS SO ORDERED.**

21 Dated:

5/25/16

  
Joann Remke, Chair  
Fair Political Practices Commission

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent 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. Respondent Strickland for Controller 2010, was Strickland's candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

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.

Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party ("SCRCP"), was a political party committee located in Modesto, CA. Respondent Gary McKinsey was the treasurer for SCRCP. SCRCP and McKinsey are named respondents in the companion case, FPPC Case No. 16/178, for which a stipulation was approved by the Commission on March 17, 2016.

The Political Reform Act (the "Act")<sup>1</sup> 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, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However VCRP and SCRCP were not the true sources of the contributions, and the true sources of the contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for Controller and filing false campaign statements concealing that activity.

### **SUMMARY OF THE LAW**

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

///

---

<sup>1</sup> 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.<sup>2</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>3</sup>

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.<sup>4</sup> Another is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced."<sup>5</sup>

### Definition of Controlled Committee

A "committee" includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>6</sup> commonly known as a "recipient committee." A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a "controlled committee."<sup>7</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>8</sup>

### 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.<sup>9</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>10</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act's contribution limits.

### 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

---

<sup>2</sup> § 81001, subd. (h).

<sup>3</sup> § 81003.

<sup>4</sup> § 81002, subd. (a).

<sup>5</sup> § 81002, subd. (f).

<sup>6</sup> § 82013, subd. (a).

<sup>7</sup> § 82016.

<sup>8</sup> § 82016, subd. (a).

<sup>9</sup> § 85205.

<sup>10</sup> § 84301.

name, street address, occupation, and employer, and the original contributor's full name, street address, occupation, and employer.<sup>11</sup> 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."<sup>12</sup>

### Prohibition on Earmarking

It is unlawful to make a contribution to a committee on the condition or with the agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to Section 84302.<sup>13</sup>

### 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.<sup>14</sup>

In 2010, an individual wishing to contribute to a candidate for California State Controller could not contribute more than \$6,500 per election.<sup>15</sup> However, at that time, there was no limit on contributions from a political party committee (such as a county central committee) to that 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.<sup>16</sup> 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.<sup>17</sup> An entity is any person, other than an individual.<sup>18</sup> 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.<sup>19</sup>

///

---

<sup>11</sup> § 84302.

<sup>12</sup> Reg. 18432.5, subd. (a).

<sup>13</sup> § 85704.

<sup>14</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>15</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>16</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

<sup>17</sup> § 85311, subd. (b).

<sup>18</sup> § 85311, subd. (a)(1).

<sup>19</sup> § 82047.

### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>20</sup>

### 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.<sup>21</sup> 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.<sup>22</sup>

### Candidate and Treasurer Liability

Every committee must have a treasurer.<sup>23</sup> It is the duty of a committee's candidate and 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.<sup>24</sup> A committee's candidate and treasurer may be held jointly and severally liable with the committee for any reporting violations.<sup>25</sup>

### Joint and Several Liability

If two or more parties are responsible for a violation of the Act, they are jointly and severally liable.<sup>26</sup>

## **SUMMARY OF THE FACTS**

### Laundered Campaign Contributions

Records show that in 2010, Strickland for Controller hired Pluvius Group, a political fundraising firm located in Los Angeles, CA. Matthew Jubitz, owner of Pluvius Group, told Enforcement Division staff that he worked closely with Strickland, and reported fundraising activity directly to Strickland. Jubitz testified that Pluvius Group maintained a detailed and extensive contributor contact list, which Pluvius Group used when fundraising for Strickland's

---

<sup>20</sup> § 84211, subd. (f).

<sup>21</sup> §§ 83116, and 83116.5.

<sup>22</sup> § 83116.5.

<sup>23</sup> § 84100.

<sup>24</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

<sup>25</sup> §§ 83116.5 and 91006.

<sup>26</sup> § 91006.

campaign. Pluvius 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. Pluvius 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.

In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

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.

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.

Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show that on June 10, 2010, Jubitz sent an email to Barth stating in part:

As per our conversation, I have attached the general election contribution information for Tony. You and Avery can do the max of \$13,000. I also put the form for the Ventura County Republican Party Candidate direct committee.

Really appreciate your support.

On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.



On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in 452,700

Jubitz: Have we received any party money?

Wangsaporn: I thought templeton [sic] was doing something with vc gop?

Jubitz: He did. 32,400... but I am not aware of whether or not a donation from VCRP has come in to Strickland for Controller.

Wangsaporn: You're right we have not yet. But should we add a line item for 'vc gop' It would be whatever the amount raised/pledged minus 7%

Jubitz: I know. Tony and I decided no.

Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email to Strickland and Jubitz, subject line: "FYI VCGOP check":

Tony- you received

32,400 templeton

15,000 barth

-----  
Total of 47,400

After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP Chairman] will be cutting you a check for 37,490.

Strickland responded to all:

No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2 million raised for team meg.

A few minutes later, Strickland followed up his response with:

Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do you think sue groff will do anything before the 30th?? If not get 45k check from vcgop.

Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal 45k. 400 not 600.

Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller, \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010. The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and Barth.

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 Pluvius 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.

The evidence shows that Strickland received a total of \$65,000 in contributions from Templeton, Barth and Swanson through VCRP and SCRCP.

#### False Reporting

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 May 23 through June 30, 2010, Strickland for Controller reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

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 June 6 through June 30, 2010, VCRP reported the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

///

In its campaign statement for October 17 through November 20, 2010, SCRP 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 SCRP 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

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, Barth and Swanson were the true sources of the \$65,000 in contributions from VCRP and SCRP and that VCRP and SCRP were the intermediaries for the contributions earmarked for Strickland for Controller, as required.

## VIOLATIONS

### Count 1: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused, or aided and abetted, Templeton to make an earmarked, over-the-limit contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

### Count 2: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused, or aided and abetted, Barth to make an earmarked, over-the-limit contribution of \$14,250

(\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of VCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

Count 3: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently caused, or aided and abetted, Templeton to make an earmarked, over-the-limit contribution of \$15,000 to Strickland for Controller in the name of SCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

Count 4: Prohibited Earmarked Over-The-Limit Contribution Made in the Name of Another

Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently caused, or aided and abetted, Swanson to make an earmarked, over-the-limit contribution of \$5,000 to Strickland for Controller in the name of SCRP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1).

Count 5: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign statement for the reporting period of May 23 through June 30, 2010, concealing the violations described in Count 1 by falsely reporting that Strickland for Controller received a contribution from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

Count 6: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign statement for the reporting period of May 23 through June 30, 2010, concealing the violations described in Count 2 by falsely reporting that Strickland for Controller received a contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

Count 7: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false campaign statement for the reporting period of October 17 through December 31, 2010, concealing the violations described in Count 3 by falsely reporting that Strickland for Controller received a contribution from SCRP, when the contribution was made by Templeton, and SCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

Count 8: Disclosure of False Information in Campaign Statements

Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false campaign statement for the reporting period of October 17 through December 31, 2010, concealing the violations described in Count 4 by falsely reporting that Strickland for Controller received a

contribution from SCRP, when the contribution was made by Swanson, and SCRP was the intermediary for the transaction, violating Section 84211, subdivision (f).

## CONCLUSION

This matter consists of 8 counts of violating the Act, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000) per count for a total of Forty Thousand Dollars (\$40,000).

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:

### Prohibited Earmarked Over-The-Limit Contributions Made in the Name of Another

- *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 illegally moved money from Nielsen's committee to Williams' committee through the Tehama GOP. The evidence showed that Nielsen, Taxpayers for Nielsen and Bell made an earmarked, over-the-limit contribution totaling \$4,320 to Friends of Williams in the name of Tehama GOP, violating Sections 84301, 85301 and 85704, and Regulation 18545, subdivision (a)(1) (1 count). In August 2015, the Commission imposed a penalty of \$4,500 for this count.
- *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 (Decision and Order). The six respondents included two brothers, their candidate controlled committees and two Republican central committees. Following a six-day administrative hearing, the Commission found that Tom Berryhill and his controlled committee made contributions in the name of the central committees to his brother's campaign, violating Section 84301 (2 counts). The Commission also found

that Tom Berryhill and his committee made over-the-limit contributions in separate counts. In April 2014, the Commission imposed a penalty of \$5,000 per count.

Disclosure of False 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 illegally moved money from Nielsen's committee to Williams' committee through the Tehama GOP. The parties violated the Act as follows:  
Nielsen, Taxpayers for Nielsen and Bell falsely reported information regarding the \$4,320 contribution from Taxpayers for Nielsen to Friends of Williams, violating Section 84211, subdivision (k) (1 count). In August 2015, the Commission imposed a penalty of \$4,500 for this count.  
Tehama GOP, Marsh, and Alston, while acting as the intermediary of Taxpayers for Nielsen, falsely 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.

Laundering campaign contributions 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, the parties' conduct deceived the voting public as to the true sources of \$65,000 in contributions when they caused Templeton, Barth



and Swanson to make earmarked, over-the-limit contributions through VCRP and SCRP and filed inaccurate information in Strickland for Controller's campaign statements concealing the true sources of the contributions.

The evidence shows that all parties understood that VCRP and SCRP would act as the undisclosed intermediaries for Templeton's, Barth's and Swanson's contributions to Strickland's campaign and that the \$65,000 was to go to Strickland's controller campaign. Templeton, Barth and Swanson each made maximum contributions to Strickland's campaign. Yet Strickland, an experienced candidate and officeholder, continued to solicit funds from Templeton, Barth and Swanson and directed them to make contributions to VCRP and SCRP.

Strickland made it clear that the over-the-limit funds were meant for his controller campaign. Strickland told the VCRP chairman that Strickland's campaign would pay Jubitz' commission for the Templeton and Barth contributions so more funds would be received by his campaign toward his \$2 million goal. After notification that Templeton and Barth had sent checks to VCRP, Strickland directed the VCRP chairman to "write a 45k check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland. Strickland caused Templeton, Barth and Swanson to give \$65,000 in contributions to his campaign illegally through VCRP and SCRP.

The deliberate 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.

Two of the parties have prior enforcement history. Strickland was prosecuted in April 2010 by the Commission for failing to include proper sender identification for a mass mailing. Ray was prosecuted in April 2010 by the Commission for failing to include major donor information in the committee name. And the Commission's Enforcement Division issued three prior warning letters against Ray related to her duties as treasurer for three separate committees.

Strickland, Wangsaporn and Ray did not cooperate with the investigation of this matter. Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on November 19, 2014. None appeared, and their attorney failed to respond to telephone and email inquiries regarding the interviews.

On May 17, 2016, Ray sent a written statement to the Enforcement Division regarding her role as treasurer of the Committee. Ray contends that, for all campaigns for which she serves as treasurer, she verifies that contributions and expenditures "conform on their face" with the Act. She also contends that when political party committees send checks for her clients, she assumes political party committees know campaign laws. And Ray contends that she used "reasonable diligence" in preparing the Committee's campaign statements. Even so, as treasurer of the Committee, the Act holds Ray strictly liable concerning the receipt and expenditure of funds and the reporting of such funds.

///

### PROPOSED PENALTY

The factors listed in Regulation 18361.5, prior similar cases, and other relevant facts, justify a total penalty of \$40,000:

Count	Description	Penalty per count	Total
<b>Strickland, Strickland for Controller, and Ray</b>			
1-4	Accepting Prohibited Earmarked Over-the-Limit Contributions which were Made in Legal Name of Another	\$5,000	\$20,000
5-8	Disclosure of False Information in Campaign Statements	\$5,000	\$20,000
<b>Total Agreed Upon Penalty</b>			<b>\$40,000</b>

\* \* \* \* \*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT B**

GALENA WEST  
Chief of Enforcement  
ANGELA J. BRERETON  
Senior Commission Counsel  
**FAIR POLITICAL PRACTICES COMMISSION**  
428 J Street, Suite 620  
Sacramento, CA 95814  
Telephone: (916) 322-5660  
Facsimile: (916) 322-1932

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of

) FPPC No. 16/178

STANISLAUS REPUBLICAN  
CENTRAL COMMITTEE (State Acct.),  
and GARY McKINSEY,

) **STIPULATION, DECISION and ORDER**

Respondents.

**STIPULATION**

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents Stanislaus Republican Central Committee (State Acct.) and Gary McKinsey, 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 by this matter and to reach a final disposition without the necessity of holding an additional administrative hearing to determine the liability of SCRP and McKinsey.

SCRP and McKinsey understand, and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Government Code Sections 83115.5, 11503 and 11523, and in California Code of Regulations, title 2, Sections 18361.1 through 18361.9. 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

1 attorney at SCRP's and McKinsey's 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 SCRP and McKinsey violated the Political Reform Act as  
6 described in Exhibit 1: SCRP and McKinsey, 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 SCRP 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 SCRP and McKinsey agree to the issuance of the Decision and Order, which is attached hereto.  
16 SCRP and McKinsey also agree to the Commission imposing an administrative penalty in the total  
17 amount of Ten Thousand Dollars (\$10,000). A cashier's check from SCRP and McKinsey 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 SCRP and McKinsey in connection with this Stipulation shall be reimbursed to  
24 SCRP and McKinsey. SCRP and McKinsey 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.  
28

1  
2 Dated:

17 Mar 16

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


3  
4  
5 Dated:

3-1-2016

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

6  
7  
8 Dated:

3/1/2016

  
Gary McKinsey, Respondent

9  
10  
11 **DECISION AND ORDER**

12 The foregoing Stipulation of the parties "In the Matter of Stanislaus Republican Central  
13 Committee (State Acct.), and Gary McKinsey," FPPC Case No. 16/178, including all attached exhibits,  
14 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective  
15 upon execution below by the Chair.

16 IT IS SO ORDERED.

17 Dated:

3/21/16

  
Joann Remke, Chair  
Fair Political Practices Commission

RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION  
16 MAR -8 AM 7:47

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party ("SCRCP"), 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")<sup>1</sup> 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.

///

---

<sup>1</sup> 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.<sup>2</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>3</sup>

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.<sup>4</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>5</sup>

### 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.<sup>6</sup>

### 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.<sup>7</sup> 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.”<sup>8</sup>

### 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.<sup>9</sup>

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

---

<sup>2</sup> § 81001, subd. (h).

<sup>3</sup> § 81003.

<sup>4</sup> § 81002, subd. (a).

<sup>5</sup> § 81002, subd. (f).

<sup>6</sup> § 85205.

<sup>7</sup> § 84302.

<sup>8</sup> Reg. 18432.5, subd. (a).

<sup>9</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

<sup>10</sup> § 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.<sup>11</sup> 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.<sup>12</sup> An entity is any person, other than an individual.<sup>13</sup> 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.<sup>14</sup>

#### 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.<sup>15</sup>

#### 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.<sup>16</sup> 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.<sup>17</sup>

///

---

<sup>11</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

<sup>12</sup> § 85311, subd. (b).

<sup>13</sup> § 85311, subd. (a)(1).

<sup>14</sup> § 82047.

<sup>15</sup> § 84211, subd. (k).

<sup>16</sup> §§ 83116, and 83116.5.

<sup>17</sup> § 83116.5.

### Treasurer Liability

Every committee must have a treasurer.<sup>18</sup> 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.<sup>19</sup> A committee's treasurer may be held jointly and severally liable with the committee for any reporting violations.<sup>20</sup>

### Joint and Several Liability

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

## **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.

---

<sup>18</sup> § 84100.

<sup>19</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

<sup>20</sup> §§ 83116.5 and 91006.

<sup>21</sup> § 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 SCRP. 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 SCRP.

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 SCRP for \$15,000. Templeton testified that he had no contact with SCRP and sent the contribution check to Jubitz. Jubitz delivered the check to SCRP, 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 SCRP. 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 Pluvius 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 SCRP.

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 SCRP]..."

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

///

### 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, SCRP 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 SCRP 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

///

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 SCRП and that SCRП was the intermediary for the contributions earmarked for Strickland for Controller, as required.

### **VIOLATIONS**

#### **Count 1: Failure to Disclose Intermediary and Original Contributor Information**

SCRП 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**

SCRП 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 SCRП 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
	<b>Total Agreed Upon Penalty</b>	<b>\$10,000</b>

\* \* \* \* \*



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT C**



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

May 29, 2015

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010  
[REDACTED]

Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

✓Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Arkady Milgram  
[REDACTED]

Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey  
[REDACTED]

**In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 11/073**

Dear Mr. Strickland, Strickland For Controller 2010, Ms. Ray, Ventura County Republican Party, Mr. Milgram, Stanislaus Republican Central Committee (State Acct.), and Mr. McKinsey:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with provisions of the Political Reform Act (the "Act"). The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. *If you wish to submit a written response or request a probable cause conference, it must be filed*

*with the Commission Assistant, John Kim, at the address listed above within 21 days from the date of service of this letter. You can reach Mr. Kim at (916) 327-8269.*

Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. *If you are interested in reaching a settlement in this matter, please contact me at (916) 322-5771 or [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov).*

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. *This request must also be filed with Mr. Kim within 21 days from the date of service of this letter.* Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

*Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.*

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,



Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

May 29, 2015

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010



Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

✓ Arkady Milgram



Gary McKinsey



**In the Matter of Anthony A. "Tony" Strickland, Strickland For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 11/073**

Dear Mr. Strickland, Strickland For Controller 2010, Ms. Ray, Ventura County Republican Party, Mr. Milgram, Stanislaus Republican Central Committee (State Acct.), and Mr. McKinsey:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with provisions of the Political Reform Act (the "Act"). The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. *If you wish to submit a written response or request a probable cause conference, it must be filed*

*with the Commission Assistant, John Kim, at the address listed above within 21 days from the date of service of this letter. You can reach Mr. Kim at (916) 327-8269.*

Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. *If you are interested in reaching a settlement in this matter, please contact me at (916) 322-5771 or abreron@fppc.ca.gov.*

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. *This request must also be filed with Mr. Kim within 21 days from the date of service of this letter.* Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

*Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.*

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,



Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division



Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

In the Matter of

ANTHONY A. "TONY" STRICKLAND,  
STRICKLAND FOR CONTROLLER  
2010, LYSA RAY, VENTURA  
COUNTY REPUBLICAN PARTY,  
ARKADY MILGRAM, STANISLAUS  
REPUBLICAN CENTRAL  
COMMITTEE (STATE ACCT.), and  
GARY McKINSEY

Conference Date: TBA  
Conference Time: TBA  
Conference Location: Commission Offices  
428 J Street, Suite 620  
Sacramento, CA 95814

### Respondents.

Respondent 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. Respondent Strickland for Controller 2010, was Strickland's candidate controlled committee. Respondent Lysa Ray was the treasurer for Strickland for Controller.

1 Respondent Ventura County Republican Party ("VCRP") was a political party committee  
2 located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

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

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

13 In 2010, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However  
14 VCRP and SCRCP were not the true sources of the contributions, and the true sources of the  
15 contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing  
16 over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for  
17 Controller and filing false campaign statements concealing that activity. VCRP, Milgram, SCRCP and  
18 McKinsey violated the Act by failing to disclose both the intermediary and the original contributor  
19 information for the contributions and filing false campaign statements concealing that activity.

## 20 SUMMARY OF THE LAW

21 All legal references and discussions of law pertain to the Act's provisions as they existed in  
22 2010.

23  
24 ///

25  
26 <sup>1</sup> The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references  
27 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of  
28 Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 Jurisdiction

2 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
3 enforce the provisions of the Act.<sup>2</sup>

4 Probable Cause Proceedings

5 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
6 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
7 cause to believe the respondent has violated the Act.<sup>3</sup> After a finding of probable cause, the  
8 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>4</sup> to  
9 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
10 violation.<sup>5</sup>

11 Standard for Finding Probable Cause

12 To make a finding of probable cause, the hearing officer must be presented with sufficient  
13 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
14 that a respondent committed or caused a violation.<sup>6</sup>

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

16 When enacting the Political Reform Act, the people of the state of California found and  
17 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
18 and local authorities.<sup>7</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>8</sup>

19 There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in  
20 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper  
21

22 ///

23 <sup>2</sup> § 83116.

24 <sup>3</sup> § 83115.5, and Reg. 18361 and 18361.4.

25 <sup>4</sup> § 11500, et seq.

26 <sup>5</sup> § 83116, and Reg. 18361.4, subd. (e).

27 <sup>6</sup> Reg. 18361.4, subd. (e).

28 <sup>7</sup> § 81001, subd. (h).

<sup>8</sup> § 81003.

1 practices are inhibited.<sup>9</sup> Another is to provide adequate enforcement mechanisms so that the Act will be  
2 "vigorously enforced."<sup>10</sup>

### 3 Definition of Controlled Committee

4 A "committee" includes any person or combination of persons who receives contributions  
5 totaling \$1,000 or more in a calendar year,<sup>11</sup> commonly known as a "recipient committee." A recipient  
6 committee which is controlled directly or indirectly by a candidate, or which acts jointly with a  
7 candidate in connection with the making of expenditures, is a "controlled committee."<sup>12</sup> A candidate  
8 controls a committee if he or she, his or her agent, or any other committee he or she controls has a  
9 significant influence on the actions or decisions of the committee.<sup>13</sup>

### 10 Definition of Political Party Committee

11 A "political party committee" includes the county central committee of an organization that  
12 meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections  
13 Code.<sup>14</sup>

### 14 Prohibition Against Making Contributions in the Name of Another

15 It is unlawful to make a contribution in the name of another.<sup>15</sup> This prohibition keeps the public  
16 informed as to the sources of campaign contributions, and it ensures that contributors abide by the  
17 Act's contribution limits.

### 18 Duty to Disclose Intermediary

19 The Act prohibits any person from making a contribution while acting as the intermediary of  
20 another, without disclosing to the recipient of the contribution both the intermediary's own full name,  
21 street address, occupation, and employer, and the original contributor's full name, street address,  
22 ///

23 <sup>9</sup> § 81002, subd. (a).

24 <sup>10</sup> § 81002, subd. (f).

25 <sup>11</sup> § 82013, subd. (a).

26 <sup>12</sup> § 82016.

27 <sup>13</sup> § 82016, subd. (a).

28 <sup>14</sup> § 85205.

<sup>15</sup> § 84301.

1 occupation, and employer.<sup>16</sup> The Act also states that a person is an intermediary for a contribution if the  
2 recipient of the contribution “would consider the person to be the contributor without the disclosure of  
3 the identity of the true source of the contribution.”<sup>17</sup>

#### 4 Prohibition on Earmarking

5 It is unlawful to make a contribution to a committee on the condition or with the agreement that  
6 it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to  
7 Section 84302.<sup>18</sup>

#### 8 Campaign Contribution Limits

9 The Act imposes campaign contribution limits with respect to the making and receiving of  
10 certain contributions. These limits are adjusted periodically, and different limits apply depending upon  
11 who is contributing and who is receiving.<sup>19</sup>

12 In 2010, an individual wishing to contribute to a candidate for California State Controller could  
13 not contribute more than \$6,500 per election.<sup>20</sup> However, at that time, there was no limit on  
14 contributions from a political party committee (such as a county central committee) to that same  
15 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
16 could contribute to a political party committee for the purpose of making contributions to candidates  
17 for State Controller.<sup>21</sup> Individuals could exceed this amount so long as the excess was not used by the  
18 committee to support/oppose candidates for elective state office.

#### 19 Aggregation of Campaign Contributions by Affiliated Entities

20 For purposes of the Act’s contribution limits, contributions of an entity whose contributions are  
21 directed and controlled by any individual must be aggregated with contributions made by that  
22 individual and any other entity whose contributions are directed and controlled by the same  
23

24 <sup>16</sup> § 84302.

25 <sup>17</sup> Reg. 18432.5, subd. (a).

26 <sup>18</sup> § 85704.

27 <sup>19</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

28 <sup>20</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>21</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

1 individual.<sup>22</sup> An entity is any person, other than an individual.<sup>23</sup> A person is as an individual,  
2 proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited  
3 liability company, association, committee, and any other organization or group of persons acting in  
4 concert.<sup>24</sup>

#### 5 Duty to Disclose Accurate Contributor Information on Campaign Statements

6 The Act requires committees to report on campaign statements the following information about  
7 a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation;  
8 (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of  
9 each contribution received from the contributor during the reporting period; and (6) the cumulative  
10 amount of contributions received from the contributor.<sup>25</sup>

#### 11 Duty to Disclose Accurate Expenditure Information on Campaign Statements

12 The Act requires committees to report on campaign statements the following information about  
13 its expenditures, including those expenditures which are contributions to candidates:  
14 (1) the payee's full name; (2) his or her street address; (3) the amount of each expenditure; (4) a brief  
15 description of the consideration for which each expenditure was made; and (5) in the case of an  
16 expenditure which is a contribution to a candidate, elected officer, or committee, the date of the  
17 contribution, the cumulative amount of contributions made to that recipient, the full name of the  
18 recipient, and the office and district/jurisdiction for which he or she seeks nomination or election.<sup>26</sup>

#### 19 Liability for Violations

20 Any person who violates any provision of the Act, who purposely or negligently causes any  
21 other person to violate any provision of the Act, or who aids and abets any other person in the violation  
22 of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.<sup>27</sup> This only  
23

24 <sup>22</sup> § 85311, subd. (b).

25 <sup>23</sup> § 85311, subd. (a)(1).

26 <sup>24</sup> § 82047.

27 <sup>25</sup> § 84211, subd. (f).

28 <sup>26</sup> § 84211, subd. (k).

<sup>27</sup> §§ 83116, and 83116.5.

1 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
2 services involving the planning, organizing or directing of any activity regulated or required by the  
3 Act.<sup>28</sup>

#### 4 Candidate and Treasurer Liability

5 Every committee must have a treasurer.<sup>29</sup> It is the duty of a committee's candidate and treasurer  
6 to ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
7 expenditure of funds and the reporting of such funds.<sup>30</sup> A committee's candidate and treasurer may be  
8 held jointly and severally liable with the committee for any reporting violations.<sup>31</sup>

#### 9 Joint and Several Liability

10 If two or more parties are responsible for a violation of the Act, they are jointly and severally  
11 liable.<sup>32</sup>

### 12 SUMMARY OF THE EVIDENCE

#### 13 Laundered Contributions

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

23 ///

24 <sup>28</sup> § 83116.5.

25 <sup>29</sup> § 84100.

26 <sup>30</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

27 <sup>31</sup> §§ 83116.5 and 91006.

28 <sup>32</sup> § 91006.

1 Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the  
2 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of  
3 \$2 million.

4 In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
5 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

6 William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil  
7 and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
8 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
9 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the  
10 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
11 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
12 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
13 Templeton's maximum contribution on April 6, 2010.

14 According to his testimony, Templeton wanted to do more to support pro-business candidates in  
15 Ventura County without getting personally involved in local races. An email thread between Templeton  
16 and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton  
17 making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where  
18 Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius  
19 Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for  
20 candidate support to a political party committee. Templeton testified that he had no contact with VCRP  
21 and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records show that  
22 VCRP received Templeton's check on June 11, 2010, three days after the primary election.

23 Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
24 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show  
25 that on June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for  
26 ///



1 the primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz  
2 testified that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

3 On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to  
4 Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

5 Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
6 452,700

7 Jubitz: Have we received any party money?

8 Wangsaporn: I thought templeton [sic] was doing something with vc gop?

9 Jubitz: He did. 32,400... but I am not aware of whether or not a donation from  
10 VCRP has come in to Strickland for Controller.

11 Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
12 It would be whatever the amount raised/pledged minus 7%

13 Jubitz: I know. Tony and I decided no.

14 Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email  
15 to Strickland and Jubitz, subject line: "FYI VCGOP check":

16 Tony- you received  
17 32,400 templeton  
18 15,000 barth

19 -----  
20 Total of 47,400

21 After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
22 Chairman] will be cutting you a check for 37,490.

23 Strickland responded to all:

24 No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
25 million raised for team meg.

26 A few minutes later, Strickland followed up his response with:

27 Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
28 you think sue groff will do anything before the 30th?? If not get 45k check from  
vcgop.

Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
45k. 400 not 600.

///

1 Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller,  
2 \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010.  
3 The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and  
4 Barth.

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

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

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

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

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

26 ///

One week later, records show that Templeton wrote a check to SCRP for \$15,000. Templeton testified that he had no contact with SCRP and sent the contribution check to Jubitz. Jubitz delivered the check to SCRP, 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 SCRP. 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 or about October 26, 2010, Swanson, again through Prospector, sent a \$5,000 check to SCRP.

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

The evidence shows that Strickland received a total of \$65,000 in contributions from Templeton, Barth and Swanson through VCRP and SCRP.

#### False Reporting

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

///

1 In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported  
2 the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

7 In its campaign statement for July 1 through September 30, 2010, Strickland for Controller  
8 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

12 In its campaign statement for June 6 through June 30, 2010, VCRP reported the following  
13 contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

18 And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

26 ///

1 In its campaign statement for October 17 through November 20, 2010, SCRP reported the  
2 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

7 And SCRP 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

12 In its campaign statement for October 17 through December 31, 2010, Strickland for Controller  
13 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

17 None of the above campaign statements disclose that Templeton, Barth and Swanson were the  
18 true sources and that VCRP and SCRP were the intermediaries for the contributions earmarked for  
19 Strickland for Controller, as required.

### 20 VIOLATIONS

21 Strickland, Strickland for Controller, and Ray

22 Count 1: Contribution Made in the Name of Another

23 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
24 or aided and abetted, Templeton to make a contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to  
25 Strickland for Controller in the name of VCRP, violating Section 84301.

26 ///

1 Count 2: Contribution Made in the Name of Another

2 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
3 or aided and abetted, Barth to make a contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to  
4 Strickland for Controller in the name of VCRP, violating Section 84301.

5 Count 3: Contribution Made in the Name of Another

6 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
7 caused, or aided and abetted, Templeton to make a contribution of \$15,000 to Strickland for Controller  
8 in the name of SCRCP, violating Section 84301.

9 Count 4: Contribution Made in the Name of Another

10 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
11 caused, or aided and abetted, Swanson to make a contribution of \$5,000 to Strickland for Controller in  
12 the name of SCRCP, violating Section 84301.

13 Count 5: Prohibited Earmarked Contribution

14 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
15 or aided and abetted, Templeton to make a contribution to VCRP on the condition or with the  
16 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
17 intermediary and original contributor information for the earmarked contribution were not disclosed,  
18 violating Section 85704.

19 Count 6: Prohibited Earmarked Contribution

20 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
21 or aided and abetted, Barth to make a contribution to VCRP on the condition or with the agreement that  
22 the contribution would be ultimately contributed to Strickland for Controller, and the intermediary and  
23 original contributor information for the earmarked contribution were not disclosed, violating Section  
24 85704.

25  
26 ///

1 Count 7: Prohibited Earmarked Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Templeton to make a contribution to SCRP on the condition or with the  
4 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
5 intermediary and original contributor information for the earmarked contribution were not disclosed,  
6 violating Section 85704.

7 Count 8: Prohibited Earmarked Contribution

8 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
9 caused, or aided and abetted, Swanson to make a contribution to SCRP on the condition or with the  
10 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
11 intermediary and original contributor information for the earmarked contribution were not disclosed,  
12 violating Section 85704.

13 Count 9: Accepting an Over-the-Limit Contribution

14 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
15 contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5% fee), violating Section  
16 85301 and Regulation 18545, subdivision (a)(1).

17 Count 10: Accepting an Over-the-Limit Contribution

18 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
19 contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee), violating Section 85301 and  
20 Regulation 18545, subdivision (a)(1).

21 Count 11: Accepting an Over-the-Limit Contribution

22 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
23 contribution from Templeton totaling \$15,000, violating Section 85301 and Regulation 18545,  
24 subdivision (a)(1).

25  
26 ///

1 Count 12: Accepting an Over-the-Limit Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
3 contribution from Swanson totaling \$5,000, violating Section 85301 and Regulation 18545,  
4 subdivision (a)(1).

5 Count 13: Disclosure of False Information in Campaign Statements

6 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
7 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
8 described in Counts 1, 5 and 9 by falsely reporting that Strickland for Controller received a contribution  
9 from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the  
10 transaction, violating Section 84211, subdivision (f).

11 Count 14: Disclosure of False Information in Campaign Statements

12 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
13 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
14 described in Counts 2, 6 and 10 by falsely reporting that Strickland for Controller received a  
15 contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary  
16 for the transaction, violating Section 84211, subdivision (f).

17 Count 15: Disclosure of False Information in Campaign Statements

18 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
19 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
20 violations described in Counts 3, 7 and 11 by falsely reporting that Strickland for Controller received a  
21 contribution from SCRP, when the contribution was made by Templeton, and SCRP was the  
22 intermediary for the transaction, violating Section 84211, subdivision (f).

23 Count 16: Disclosure of False Information in Campaign Statements

24 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
25 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
26 violations described in Counts 4, 8 and 12 by falsely reporting that Strickland for Controller received a  
27



1 contribution from SCRP, when the contribution was made by Swanson, and SCRP was the  
2 intermediary for the transaction, violating Section 84211, subdivision (f).

3 VCRP and Milgram

4 Count 17: Failure to Disclose Intermediary and Original Contributor Information

5 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to  
6 disclose both the intermediary and the original contributor information for a \$30,750 (\$32,400 minus  
7 VCRP's 5% fee) contribution from Templeton to Strickland for Controller, violating Section 84302.

8 Count 18: Failure to Disclose Intermediary and Original Contributor Information

9 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose  
10 both the intermediary and the original contributor information for a \$14,250 (\$15,000 minus VCRP's  
11 5% fee) contribution from Barth to Strickland for Controller, violating Section 84302.

12 Count 19: Disclosure of False Information in Campaign Statements

13 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
14 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1, 2, 5,  
15 6, 9, and 10, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller,  
16 when it was not the true source of the contributions and was the intermediary for the transactions,  
17 violating Section 84211, subdivision (k).

18 SCRP and McKinsey

19 Count 20: Failure to Disclose Intermediary and Original Contributor Information

20 SCRP and McKinsey, in October 2010, while acting as the intermediary for Templeton, failed  
21 to disclose both the intermediary and the original contributor information for a \$15,000 contribution  
22 from Templeton to Strickland for Controller, violating Section 84302.

23 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

1 Count 22: Disclosure of False Information in Campaign Statements

2 SCRP and McKinsey, on or about December 1, 2010, filed a false campaign statement for the  
3 reporting period of October 17 through November 20, 2010, concealing the violations described in  
4 Counts 3, 4, 7, 8, 11 and 12 by falsely reporting that SCRP made a \$20,000 contribution to Strickland  
5 for Controller, when it was not the true source of the contribution and was the intermediary for the  
6 transaction, violating Section 84211, subdivision (k).

7 **OTHER RELEVANT MATERIAL AND ARGUMENTS**

8 Campaign money laundering is one of the most serious violations of the Act because such  
9 conduct circumvents campaign contribution limits, violates disclosure requirements, and deceives the  
10 voting public as to the true source of funds. Here, all parties understood that the contributions from  
11 Templeton, Barth and Swanson to VCRP and SCRP were to go to Strickland's controller campaign.  
12 Strickland was an experienced candidate and officeholder. Templeton, Barth and Swanson each made  
13 maximum contributions to Strickland's campaign. Yet Strickland and his campaign continued to solicit  
14 funds from them, directing Templeton, Barth and Swanson to make contributions to specific party  
15 central committees. Strickland made clear to his campaign staff and the party central committees that  
16 the over-the-limit funds were meant for his State Controller campaign. Strickland even told the VCRP  
17 chairman that his campaign would pay Jubitz' commission for the Templeton and Barth contributions  
18 so more funds would be received by his campaign toward his \$2 million goal. After notification that  
19 Templeton and Barth had sent checks to VCRP, Strickland directed the VCRP chairman to "write a 45k  
20 check" to Strickland's campaign, and within two days, VCRP sent \$45,000 to Strickland. Strickland  
21 caused Templeton, Barth and Swanson to give \$65,000 in contributions to his campaign illegally  
22 through VCRP and SCRP.

23 The parties intended to deceive the voting public as to the true source of the contributions.  
24 Strickland for Controller, VCRP and SCRP each filed false campaign statements concealing the true  
25 sources of the contributions from the public.

26 ///

1 Based upon the facts and circumstances of this case, it is clear that all parties agreed and/or  
2 understood that VCRP and SCRP would act as the undisclosed intermediaries for Templeton's, Barth's  
3 and Swanson's contributions to Strickland's campaign. These violations deprived the public of  
4 information regarding the campaign activity and the true source of Strickland's campaign funds. Taken  
5 as whole, the evidence shows deliberate conduct which resulted in violations of the Act with significant  
6 non-disclosure. The conduct in this case is more egregious than the conduct in the comparable cases  
7 because of the active involvement of Strickland in coordinating and concealing the money laundering  
8 scheme.

9 Several of the parties have prior enforcement history. Strickland was prosecuted in April 2010  
10 by the Commission for failing to include proper sender identification for a mass mailing. Ray was  
11 prosecuted in April 2010 by the Commission for failing to include major donor information in the  
12 committee name. And the Commission's Enforcement Division issued three prior warning letters  
13 against Ray related to her duties as treasurer for three separate committees. VCRP has no prior  
14 enforcement history. But SCRP was prosecuted by the Commission for its role in a money laundering  
15 scheme in *Bill Berryhill*, *Tom Berryhill*, *Bill Berryhill For Assembly – 2008*, *Berryhill For Assembly*  
16 *2008*, *Stanislaus Republican Central Committee (State Acct.)*, and *San Joaquin County Republican*  
17 *Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828.

18 Strickland, Wangsaporn and Ray failed to cooperate with the investigation of this matter.  
19 Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on  
20 November 19, 2014. None appeared, and their attorney failed to respond to telephone and email  
21 inquiries regarding the interviews.

#### 22 EXCULPATORY AND MITIGATING INFORMATION

23 The Enforcement Division is not aware of any exculpatory and mitigating information relevant  
24 to the information presented in this Report.

25  
26 ///

1 **CONCLUSION**

2 Probable cause exists to believe that Respondents Anthony A. "Tony" Strickland, Strickland  
3 For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus  
4 Republican Central Committee (State Acct.), and Gary McKinsey committed twenty-two violations of  
5 the Act, as set forth above. The Enforcement Division respectfully requests an order finding probable  
6 cause pursuant to Section 83115.5 and Regulation 18361.4.

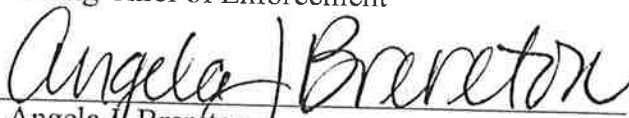
7 Dated: May 29, 2015

Respectfully Submitted,

8 **FAIR POLITICAL PRACTICES COMMISSION**

9 By: Galena West

Acting Chief of Enforcement

10 

11 Angela J. Brereton  
12 Senior Commission Counsel  
13 Enforcement Division  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

## **PROBABLE CAUSE FACT SHEET**

---

### **INTRODUCTION**

The Fair Political Practices Commission is required by law to determine whether probable cause exists to believe that the Political Reform Act (the "Act") was violated before a public administrative accusation may be issued.

The probable cause proceedings before the Fair Political Practices Commission are unique, and most respondents and their attorneys are unfamiliar with them. Therefore, we have prepared this summary to acquaint you with the process.

### **THE LAW**

Government Code sections 83115.5 and 83116 set forth the basic requirement that a finding of probable cause be made in a "private" proceeding before a public accusation is issued and a public hearing conducted in accordance with the Administrative Procedure Act.

The Commission has promulgated regulations further defining the probable cause procedure and delegating to the General Counsel (the "Hearing Officer" for purposes of these proceedings) the authority to preside over such proceedings and decide probable cause. A copy of these statutes and regulations are attached for your convenience.

In summary, the statutes and regulations entitle you to the following:

- a) A written probable cause report containing a summary of the law alleged to have been violated, and a summary of the evidence, including any exculpatory and mitigating information and any other relevant material and arguments;
- b) The opportunity to request discovery, respond in writing, and to request a probable cause conference within 21 days of service of the probable cause report;
- c) If the Commission met to consider whether a civil lawsuit should be filed in this matter, a copy of any staff memoranda submitted to the Commission and a transcript of staff discussions with the Commission at any such meeting; and
- d) If a timely request was made, a non-public conference with the General Counsel and the Enforcement Division staff to consider whether or not probable cause exists to believe the Act was violated.

### **THE PROCEDURE**

#### **Probable Cause Report**

Administrative enforcement proceedings are commenced with the service, by registered or certified mail or in person, of a probable cause report. The report will contain a summary of the law and the evidence, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. It is filed with the Hearing Officer.

## **Discovery**

Within 21 calendar days following the service of the probable cause report, you may request discovery of the evidence in the possession of the Enforcement Division. This is not a right to full discovery of the Enforcement Division file, but to the evidence relied upon by the Division along with any exculpatory or mitigating evidence<sup>1</sup>.

This request must be sent by registered or certified mail to the Commission Assistant.

## **Response to Probable Cause Report**

Within 21 calendar days following the service of the probable cause report (or, if you timely requested discovery, within 21 calendar days from the service of the evidence) you may submit a response to the Report. By regulation, the written response may contain, "... a summary of evidence, legal arguments, and any mitigating or exculpatory information." (Cal. Code Regs., tit. 2, § 18361.4, subd. (c).)

You must file your response with the Commission Assistant and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report.

## **Staff Reply**

Within 10 calendar days following the date the response was filed with the Commission Assistant, Commission staff may submit any evidence or argument in rebuttal. You will be served with a copy of any such reply.

## **Probable Cause Conference**

Probable cause conferences are held at the offices of the Fair Political Practices Commission, which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone. The proceedings are not public unless all proposed respondents agree to open the conference to the public. Otherwise, the probable cause report, any written responses, and the probable cause conference itself are confidential.

Unless the probable cause conference is public, the only persons who may attend are the staff of the Commission, any proposed respondent and his or her attorney or representative, and, at the discretion of the Hearing Officer, witnesses.

The Hearing Officer may, but need not, permit testimony from witnesses. Probable cause conferences are less formal than court proceedings. The rules of evidence do not apply. The conferences will be recorded and a copy of the recording will be provided upon request.

Since it has the burden of proof, the Enforcement Division is permitted to open and close the conference presentations. The Hearing Officer may also hold the record open to receive additional evidence or arguments.

Probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether or not there is probable cause to believe that the

---

<sup>1</sup> But see Title 2, California Code of Regulations, Section 18362, which states that the Commission provides access to complaints, responses to complaints, and investigative files and information in accordance with the requirements of the Public Records Act. (Govt. Code § 6250, et seq.)

Political Reform Act was violated. Anyone who wishes to discuss settlement with the Enforcement Division may do so before or after the probable cause conference but not during the conference.

Pursuant to Title 2, California Code of Regulations, Section 18361.4, subdivision (e), the Hearing Officer will find probable cause "if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation."

Ordinarily, probable cause determinations are made based upon the written probable cause report, any written response by the respondent, any written reply by the Enforcement Division, and the oral arguments presented at the conference. Timely written presentations are strongly recommended.

### **Probable Cause Order and Accusation**

Once the matter is submitted to the Hearing Officer, the probable cause decision will normally be made within ten days. If the Hearing Officer finds probable cause, he will issue a Finding of Probable Cause, which will be publicly announced at the next Commission Meeting. An accusation will be issued soon after the Finding of Probable Cause is publicly announced.

### **Continuances**

Every reasonable effort is made to accommodate the schedules of parties and counsel. However, once a date has been set it is assumed to be firm and will not be continued except upon the order of the Hearing Officer after a showing of good cause. Settlement negotiations will be considered good cause only if the Hearing Officer is presented with a fully executed settlement, or is convinced that settlement is imminent.

### **Settlements**

Settlement discussions may take place at any time except during the probable cause conference. In order to open settlement discussions, a proposed respondent or his or her counsel or representative should present a written offer to settle stating, where appropriate, the violations to be admitted, and the monetary penalty or other remedy to be tendered.

The Enforcement Division attorney assigned to the case will negotiate any potential settlement on behalf of the Fair Political Practices Commission, and will draft the language of the settlement agreement. The Hearing Officer will not directly participate in the negotiations, but will be represented by Enforcement Division attorneys. Staff attorneys will present settlement offers to the Hearing Officer for his/her approval.

### **CONCLUSION**

This fact sheet was intended to give you a brief summary of the probable cause process at the Fair Political Practices Commission. Such a summary cannot answer every question that might arise in such proceedings. Therefore, if you have any questions that are not addressed by this fact sheet or the copies of the law and regulations we have attached, feel free to contact the attorney whose name appears on the probable cause report.

*Attachments: Relevant Sections of (1) California Government Code, and (2) Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations.*

## CALIFORNIA GOVERNMENT CODE

### Probable Cause Statutes

---

#### **§ 83115.5. Probable cause; violation of title; notice of violation; summary of evidence; notice of rights; private proceedings**

No finding of probable cause to believe this title has been violated shall be made by the commission unless, at least 21 days prior to the commission's consideration of the alleged violation, the person alleged to have violated this title is notified of the violation by service of process or registered mail with return receipt requested, provided with a summary of the evidence, and informed of his right to be present in person and represented by counsel at any proceeding of the commission held for the purpose of considering whether probable cause exists for believing the person violated this title. Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office. A proceeding held for the purpose of considering probable cause shall be private unless the alleged violator files with the commission a written request that the proceeding be public.

#### **§ 83116. Violation of title; probable cause; hearing; order**

When the Commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code). The Commission shall have all the powers granted by that chapter. When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

- (a) Cease and desist violation of this title.
- (b) File any reports, statements, or other documents or information required by this title.
- (c) Pay a monetary penalty of up to five thousand dollars (\$5,000) per violation to the General Fund of the state. When the Commission determines that no violation has occurred, it shall publish a declaration so stating.



**REGULATIONS OF THE FAIR POLITICAL PRACTICES COMMISSION  
TITLE 2, DIVISION 6 OF THE CALIFORNIA CODE OF REGULATIONS**

**Probable Cause Regulations**

---

**§ 18361 (b). Delegation by the Executive Director Pertaining to Enforcement Proceedings and Authority to Hear Probable Cause Proceedings.**

Probable cause proceedings under Regulation 18361.4 shall be heard by the General Counsel or an attorney from the Legal Division. The General Counsel may delegate the authority to hear probable cause proceedings, in writing, to an administrative law judge.

**§ 18361.4. Probable Cause Proceedings**

(a) Probable Cause Report. If the Chief of the Enforcement Division decides to commence probable cause proceedings pursuant to Sections 83115.5 and 83116, he or she shall direct the Enforcement Division staff to prepare a written report, hereafter referred to as "the probable cause report." The probable cause report shall contain a summary of the law and evidence gathered in connection with the investigation, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. The evidence recited in the probable cause report may include hearsay, including declarations of investigators or others relating the statements of witnesses or concerning the examination of physical evidence.

(b) No probable cause hearing will take place until at least 21 calendar days after the Enforcement Division staff provides the following, by service of process or registered or certified mail with return receipt requested, to all proposed respondents:

- (1) A copy of the probable cause report;
- (2) Notification that the proposed respondents have the right to respond in writing to the probable cause report and to request a probable cause conference at which the proposed respondent may be present in person and represented by counsel, and;
- (3) If the Commission met in executive session on this matter pursuant to Regulation 18361.2, a copy of any staff memoranda submitted to the Commission at that time along with the recording of any discussion between the Commission and the staff at the executive session as required in subdivision (b) of Regulation 18361.2.

(c) Response to Probable Cause Report.

- (1) Each proposed respondent may submit a written response to the probable cause report. The response may contain a summary of evidence, legal arguments, and any mitigating or exculpatory information. A proposed respondent who submits a response must file it with the Commission Assistant who will forward the response to the General Counsel or an attorney in the Legal Division (the "hearing officer") and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report not later than 21 days following service of the probable cause report.
- (2) Within 21 calendar days following the service of the probable cause report, a proposed

respondent may request discovery of evidence in the possession of the Enforcement Division. This request must be sent by registered or certified mail to the Commission Assistant. Upon receipt of the request, the Enforcement Division shall provide discovery of evidence relied upon by the Enforcement Division sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation, along with any exculpatory or mitigating evidence. This is not a right to full discovery of the Enforcement Division file. The Enforcement Division shall provide access to documents for copying by the Respondent, or upon agreement among the parties, the Enforcement Division will provide copies of the requested documents upon payment of a fee for direct costs of duplication. The Enforcement Division shall provide such evidence by service of process or registered or certified mail with return receipt requested to all respondents, with a copy to the Commission Assistant. A respondent may submit a written response to the probable cause report described in subsection (1) no later than 21 calendar days after service of discovery.

- (3) The Commission staff may submit any evidence or argument in rebuttal to the response. When the Commission staff submits evidence or argument in rebuttal to the response, it shall provide a copy, by service of process or registered or certified mail with return receipt requested, to all proposed respondents listed in the probable cause report not later than 10 calendar days following the date the response was filed with the Commission Assistant. The hearing officer may extend the time limitations in this section for good cause. At any time prior to a determination of probable cause, the hearing officer may allow additional material to be submitted as part of the initial response or rebuttal.

(d) Probable Cause Conference. Any proposed respondent may request a probable cause conference. The request shall be served upon the Commission Assistant and all other proposed respondents not later than 21 days after service of the probable cause report unless the hearing officer extends the time for good cause. The Commission Assistant shall fix a time for the probable cause conference and the hearing officer shall conduct the conference informally. The conference shall be closed to the public unless a proposed respondent requests and all other proposed respondents agree to a public conference. If the conference is not public, only members of the Commission staff, any proposed respondent and his or her legal counsel or representative shall have the right to be present and participate. The hearing officer may allow witnesses to attend and participate in part or all of the probable cause conference. In making this determination, the hearing officer shall consider the relevancy of the witness' proposed testimony, whether the witness has a substantial interest in the proceedings, and whether fairness requires that the witness be allowed to participate. Representatives of any civil or criminal prosecutor with jurisdiction may attend the conference at the discretion of the hearing officer if they agree to respect the confidential nature of the proceedings. If the conference is not open to the public and none of the parties and the presiding officer object, the conference may be conducted in whole or in part by telephone. The probable cause conference shall be recorded. The hearing officer may determine whether there is probable cause based solely on the probable cause report, any responses or rebuttals filed and any arguments presented at the probable cause conference by the interested parties. If the hearing officer requires additional information before determining whether there is probable cause, he or she may permit any party to submit additional evidence at the probable cause conference.

(e) Finding of Probable Cause. The hearing officer may find there is probable cause to believe a violation has occurred if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation. A finding of probable cause by the hearing officer does not constitute a finding that a violation has actually occurred. The hearing officer shall not make a finding of probable cause if he or she is presented with clear and convincing evidence that, at a time prior to the alleged violation, the violator consulted with the staff of the Commission in good faith, disclosed truthfully all the material facts, and committed the acts complained of either in reliance on the advice of the staff or because of the staff's failure to provide advice. If the hearing officer makes a finding of probable cause, the Enforcement Division shall prepare an Accusation pursuant to Section 11503 and have it served upon the person or persons who are subjects of the probable cause finding. The hearing officer shall publicly announce the finding of probable cause. The announcement shall contain a summary of the allegations and a cautionary statement that the respondent is presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding. The Chief of the Enforcement Division shall be responsible for the presentation of the case in support of the Accusation at an administrative hearing held pursuant to Section 83116.

#### **§ 18362. Access to Complaint Files**

(a) Access to complaints, responses thereto, and investigative files and information shall be granted in accordance with the requirements of the Public Records Act (Government Code Section 6250, et seq.).

(b) When release of material is requested pursuant to subdivision (a), the Executive Director, or his or her designee, shall review the material prior to its release or prior to a claim of exemption to determine that the requirements of the Public Records Act have been satisfied.

(c) Any person requesting copies of material pursuant to subdivision (a) shall reimburse the Commission \$0.10 per page for each page copied or supply copying equipment and make copies in the offices of the Commission. Documents may not be removed from the offices of the Commission. If the request is for copies totaling ten pages or less, the copies shall be provided without charge for copying since the administrative costs do not warrant collection of \$1.00 or less. If the request is for copies totaling more than ten pages, reimbursements of copying costs shall include the cost for the first ten pages. Charges imposed pursuant to this subdivision are for the purpose of recovering the cost of copying.

(d) Requests for access and copies pursuant to subdivision (a) shall be made in writing and shall specifically identify the documents sought.

#### **§ 18361.2. Memorandum Respecting Civil Litigation.**

(a) If the Executive Director concludes civil litigation should be initiated, he or she shall submit to the Commission a written memorandum, which shall be first reviewed by the General Counsel, or an attorney from the Legal Division, summarizing the facts and the applicable law of the case and recommending the initiation of a lawsuit. The memorandum shall include all exculpatory and mitigating information known to the staff.

(b) The Commission shall review the memorandum at an executive session. The General Counsel, or an attorney from the Legal Division, and the Commission Assistant shall be in attendance. No other member of the staff may be present unless the Commission meets with a member of the staff for that person to answer questions. The Commission may not resume its deliberations until the person is no longer present. Any communication between the Commission and the person during the executive session shall be recorded. After review of the memorandum, the Commission may direct the Executive Director to do any of the following:

(1) Initiate civil litigation.

(2) Decide whether probable cause proceedings should be commenced pursuant to 2 Cal. Code of Regulations Section 18361.4.

(3) Return the matter to the staff for further investigation.

(4) Take no further action on the matter or take any other action it deems appropriate.

(c) If the Commission decides to initiate civil litigation, the Commission may then permit other members of the staff to attend the executive session.

(d) If the Executive Director deems it necessary, he or she may call a special meeting of the Commission to review a staff memorandum recommending the initiation of civil litigation.

(e) It is the intent of the Commission in adopting this section to preserve for the members of the Commission the authority to decide whether alleged violations should be adjudicated in administrative hearings or in civil litigation, while at the same time avoiding the possibility that discussions with members of the staff might cause members of the Commission to prejudge a case that might be heard by the Commission under Government Code Section 83116.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT D**

## PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On May 29, 2015, I served the following document(s):

1. Letter dated May 29, 2015 from Angela J. Brereton;
2. FPPC Case No. 11/073: Report in Support of a Finding of Probable Cause;
3. Fact Sheet regarding Probable Cause Proceedings with selected Sections of the California Government Code and selected Regulations of the Fair Political Practices Commission regarding Probable Cause Proceedings for the Fair Political Practices Commission.

☒ By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☒ By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.


I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

## SERVICE LIST

### Personal Delivery

John Kim, Commission Assistant  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

### Certified Mail, Return Receipt Requested

Anthony A. "Tony" Strickland, individually  
and o/b/o Strickland For Controller 2010  


Lysa Ray  
Lysa Ray Campaign Services  
603 East Alton, Suite H  
Santa Ana, CA 92705

Certified Mail, Return Receipt Requested

Ventura County Republican Party  
80 Wood Road, Suite 304A  
Camarillo, CA 93010-8310

Arkady Milgram  


Stanislaus Republican Central Committee  
(State Acct.) ID# 741618  
909 15th Street, Suite 3  
Modesto, CA 95354-1130

Gary McKinsey  


I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 29, 2015.

  
Kathryn Trumbly

7006 0810 0000 5120 8488

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Se  
or  
Ci

Ventura County Republican Party  
 80 Wood Road, Suite 304A  
 Camarillo, CA 93010-8310

PS Form 3800, June 2002

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**


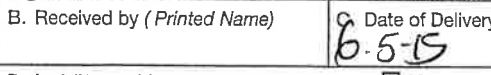
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

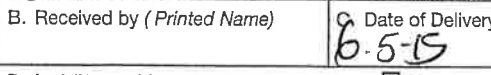
1. Article Addressed to:

Ventura County Republican Party  
 80 Wood Road, Suite 304A  
 Camarillo, CA 93010-8310

2. Article Number  
*(Transfer from service label)*

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 X  Addressee

B. Received by (Printed Name)  Date of Delivery  
 6-5-15

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7006 0810 0000 5120 8488



**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*


For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OPTIONAL SERVICE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To  
**Arkady Milgram**  
 Street, Apt. or PO Box  
 City, State, ZIP+4®

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <b>6-6</b></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>Temp Forward</b></p> <p></p>	
<p>1. Article Addressed to:</p> <p><b>Arkady Milgram</b></p> <p></p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number          (Transfer from service label)</p> <p><b>7006 0810 0000 5120 8495</b></p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT E**

Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission

In the Matter of

ANTHONY A. "TONY" STRICKLAND,  
STRICKLAND FOR CONTROLLER  
2010, LYSA RAY, VENTURA  
COUNTY REPUBLICAN PARTY,  
ARKADY MILGRAM, STANISLAUS  
REPUBLICAN CENTRAL  
COMMITTEE (STATE ACCT.), and  
GARY McKINSEY

Conference Location: Commission Offices  
428 J Street, Suite 620  
Sacramento, CA 95814

1

1 Respondent Ventura County Republican Party ("VCRP") was a political party committee  
2 located in Camarillo, CA. Respondent Arkady Milgram was the treasurer for VCRP.

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

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

13 In 2010, VCRP and SCRCP made \$65,000 in contributions to Strickland for Controller. However  
14 VCRP and SCRCP were not the true sources of the contributions, and the true sources of the  
15 contributions were concealed. Strickland, Strickland for Controller and Ray violated the Act by causing  
16 over-the-limit, earmarked contributions to be made in VCRP's and SCRCP's names to Strickland for  
17 Controller and filing false campaign statements concealing that activity. VCRP, Milgram, SCRCP and  
18 McKinsey violated the Act by failing to disclose both the intermediary and the original contributor  
19 information for the contributions and filing false campaign statements concealing that activity.

## 20 SUMMARY OF THE LAW

21 All legal references and discussions of law pertain to the Act's provisions as they existed in  
22 2010.

23  
24 ///

25  
26 <sup>1</sup> The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references  
27 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of  
28 Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 Jurisdiction

2 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
3 enforce the provisions of the Act.<sup>2</sup>

4 Probable Cause Proceedings

5 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
6 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
7 cause to believe the respondent has violated the Act.<sup>3</sup> After a finding of probable cause, the  
8 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>4</sup> to  
9 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
10 violation.<sup>5</sup>

11 Standard for Finding Probable Cause

12 To make a finding of probable cause, the hearing officer must be presented with sufficient  
13 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
14 that a respondent committed or caused a violation.<sup>6</sup>

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

16 When enacting the Political Reform Act, the people of the state of California found and  
17 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
18 and local authorities.<sup>7</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>8</sup>

19 There are many purposes of the Act. One purpose is to ensure that receipts and expenditures in  
20 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper

21  
22 ///

23  
24 <sup>2</sup> § 83116.

<sup>3</sup> § 83115.5, and Reg. 18361 and 18361.4.

<sup>4</sup> § 11500, et seq.

<sup>5</sup> § 83116, and Reg. 18361.4, subd. (e).

<sup>6</sup> Reg. 18361.4, subd. (e).

<sup>7</sup> § 81001, subd. (h).

<sup>8</sup> § 81003.

practices are inhibited.<sup>9</sup> Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>10</sup>

### Definition of Controlled Committee

A “committee” includes any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year,<sup>11</sup> commonly known as a “recipient committee.” A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.”<sup>12</sup> A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.<sup>13</sup>

### 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.<sup>14</sup>

### Prohibition Against Making Contributions in the Name of Another

It is unlawful to make a contribution in the name of another.<sup>15</sup> This prohibition keeps the public informed as to the sources of campaign contributions, and it ensures that contributors abide by the Act’s contribution limits.

### 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,

///

---

<sup>9</sup> § 81002, subd. (a).

<sup>10</sup> § 81002, subd. (f).

<sup>11</sup> § 82013, subd. (a).

<sup>12</sup> § 82016.

<sup>13</sup> § 82016, subd. (a).

<sup>14</sup> § 85205.

<sup>15</sup> § 84301.

1 occupation, and employer.<sup>16</sup> The Act also states that a person is an intermediary for a contribution if the  
2 recipient of the contribution “would consider the person to be the contributor without the disclosure of  
3 the identity of the true source of the contribution.”<sup>17</sup>

#### 4 Prohibition on Earmarking

5 It is unlawful to make a contribution to a committee on the condition or with the agreement that  
6 it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to  
7 Section 84302.<sup>18</sup>

#### 8 Campaign Contribution Limits

9 The Act imposes campaign contribution limits with respect to the making and receiving of  
10 certain contributions. These limits are adjusted periodically, and different limits apply depending upon  
11 who is contributing and who is receiving.<sup>19</sup>

12 In 2010, an individual wishing to contribute to a candidate for California State Controller could  
13 not contribute more than \$6,500 per election.<sup>20</sup> However, at that time, there was no limit on  
14 contributions from a political party committee (such as a county central committee) to that same  
15 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual  
16 could contribute to a political party committee for the purpose of making contributions to candidates  
17 for State Controller.<sup>21</sup> Individuals could exceed this amount so long as the excess was not used by the  
18 committee to support/oppose candidates for elective state office.

#### 19 Aggregation of Campaign Contributions by Affiliated Entities

20 For purposes of the Act’s contribution limits, contributions of an entity whose contributions are  
21 directed and controlled by any individual must be aggregated with contributions made by that  
22 individual and any other entity whose contributions are directed and controlled by the same  
23

---

24 <sup>16</sup> § 84302.

25 <sup>17</sup> Reg. 18432.5, subd. (a).

26 <sup>18</sup> § 85704.

27 <sup>19</sup> §§ 83124, 85301 and 85303, and Reg. 18545.

28 <sup>20</sup> § 85301, subd. (b); Reg. 18545, subd. (a)(2).

<sup>21</sup> § 85303, subd. (b); Reg. 18545, subd. (a)(8).

individual.<sup>22</sup> An entity is any person, other than an individual.<sup>23</sup> 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.<sup>24</sup>

#### Duty to Disclose Accurate Contributor Information on Campaign Statements

The Act requires committees to report on campaign statements the following information about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3) occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.<sup>25</sup>

#### 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.<sup>26</sup>

#### 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.<sup>27</sup> This only

<sup>22</sup> § 85311, subd. (b).

<sup>23</sup> § 85311, subd. (a)(1).

<sup>24</sup> § 82047.

<sup>25</sup> § 84211, subd. (f).

<sup>26</sup> § 84211, subd. (k).

<sup>27</sup> §§ 83116, and 83116.5.



1 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
2 services involving the planning, organizing or directing of any activity regulated or required by the  
3 Act.<sup>28</sup>

#### 4 Candidate and Treasurer Liability

5 Every committee must have a treasurer.<sup>29</sup> It is the duty of a committee's candidate and treasurer  
6 to ensure that the committee complies with all of the requirements of the Act concerning the receipt and  
7 expenditure of funds and the reporting of such funds.<sup>30</sup> A committee's candidate and treasurer may be  
8 held jointly and severally liable with the committee for any reporting violations.<sup>31</sup>

#### 9 Joint and Several Liability

10 If two or more parties are responsible for a violation of the Act, they are jointly and severally  
11 liable.<sup>32</sup>

### 12 SUMMARY OF THE EVIDENCE

#### 13 Laundered Contributions

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

23 ///

---

24 <sup>28</sup> § 83116.5.

25 <sup>29</sup> § 84100.

26 <sup>30</sup> §§ 81004, 84100, 84104 and 84213, and Reg. 18427.

27 <sup>31</sup> §§ 83116.5 and 91006.

28 <sup>32</sup> § 91006.

1 Records show that because Strickland agreed to be part of the same ticket as Meg Whitman, the  
2 2010 Republican candidate for California governor, Strickland for Controller set a fundraising goal of  
3 \$2 million.

4 In 2010, VCRP also hired Pluvius Group for fundraising work. The contract stated that  
5 Pluvius Group would be paid a 15% commission for all contributions it secured for VCRP.

6 William M. Templeton, a resident of Dallas, TX, who had significant business interests in oil  
7 and gas production and real estate in Ventura County, CA, told Enforcement Division staff that in  
8 March 2010, Strickland telephoned him. Templeton stated that during the telephone conversation, he  
9 agreed to give \$13,000 to Strickland's campaign for State Controller, the maximum allowed under the  
10 Act for both the primary and general elections. On March 29, 2010, Templeton sent an email to Jubitz  
11 stating that he was sending a \$13,000 check. Templeton signed a check dated March 29, 2010, for  
12 \$13,000 to Strickland's Controller campaign. Records show that Strickland for Controller received  
13 Templeton's maximum contribution on April 6, 2010.

14 According to his testimony, Templeton wanted to do more to support pro-business candidates in  
15 Ventura County without getting personally involved in local races. An email thread between Templeton  
16 and Jubitz dated June 4, 2010, indicates that Strickland and Templeton had discussed Templeton  
17 making contributions to VCRP and to Meg Whitman, and Strickland was to ask Jubitz where  
18 Templeton should send his checks. Jubitz instructed Templeton to send both checks to him at Pluvius  
19 Group. On June 7, 2010, Templeton wrote a check to VCRP for \$32,400, the maximum allowed for  
20 candidate support to a political party committee. Templeton testified that he had no contact with VCRP  
21 and sent the check to Jubitz. Jubitz testified that he delivered the check to VCRP. Records show that  
22 VCRP received Templeton's check on June 11, 2010, three days after the primary election.

23 Similarly, Andrew Barth, an investment manager residing in San Marino, CA, made a  
24 maximum contribution to Strickland for Controller and a large contribution to VCRP. Records show  
25 that on June 10, 2010, Jubitz sent an email to Barth stating in part:

26 ///

1 As per our conversation, I have attached the general election contribution information  
2 for Tony. You and Avery can do the max of \$13,000. I also put the form for the  
Ventura County Republican Party Candidate direct committee.

3 Really appreciate your support.

4 On June 11, 2010, Barth wrote two checks. He wrote the first check to Strickland for Controller for the  
5 primary election totaling \$6,500. He wrote the second check to VCRP totaling \$15,000. Jubitz testified  
6 that Barth sent the \$15,000 check to him, and he delivered the check to VCRP.

7 On June 15, 2010, Jubitz emailed a fundraising Progress Report for Strickland for Controller to  
8 Strickland, and his chiefs of staff, Chris Wangsaporn and Kirk Hutson. This email thread followed:

9 Wangsaporn: does your amount include party money? Lysa [Ray] has us taking in  
452,700

10 Jubitz: Have we received any party money?

11 Wangsaporn: I thought templeton [sic] was doing something with vc gop?

12 Jubitz: He did. 32,400... but I am not aware of whether or not a donation from  
VCRP has come in to Strickland for Controller.

13 Wangsaporn: You're right we have not yet. But should we add a line item for 'vcgop'  
It would be whatever the amount raised/pledged minus 7%

14 Jubitz: I know. Tony and I decided no.

15 Following up on the contributions through VCRP, on June 28, 2010, Wangsaporn sent an email  
16 to Strickland and Jubitz, subject line: "FYI VCGOP check":

17 Tony- you received  
32,400 templeton  
18 15,000 barth

19 -----  
Total of 47,400

20 After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike [Osborn, VCRP  
Chairman] will be cutting you a check for 37,490.

21 Strickland responded to all:

22 No!!!! Don't take Jubitz out. We will pay Jubitz from our acct. We need to hit 2  
23 million raised for team meg.

24 A few minutes later, Strickland followed up his response with:

25 Have mike [Osborn] write a 45k check to us. (He can get us 600 dollars). Matthew--do  
26 you think sue groff will do anything before the 30th?? If not get 45k check from  
vcgop.

1 Wangsaporn replied: "What are you talking about 600 dollars?" Strickland responded:

2 47,400 raised. [Minus] 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal  
3 45k. 400 not 600.

4 Records show that on June 28 and 30, 2010, VCRP sent two checks to Strickland for Controller,  
5 \$44,100 and \$900, totaling \$45,000. Strickland for Controller received the checks on June 30, 2010.  
6 The evidence shows that VCRP actually retained 5% of the original amounts from Templeton and  
7 Barth.

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

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

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

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

23 On October 5, 2010, Jubitz sent an email to Templeton inviting him to an "intimate" dinner  
24 gathering hosted by Strickland, which was eventually held on October 12, 2010 at Sly's, a popular  
25 restaurant in Carpinteria, CA. Jubitz testified that between 10 and 13 people attended, including  
26 Strickland, his wife, Audra, Jubitz, and Templeton. According to Jubitz' and Templeton's testimony,  
27

1 everyone sat at one large table, and conversation topics included the 2010 Controller's race and the  
2 need for more contributions.

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

6 Similarly, records show that Matthew Swanson, president of Associated Feed & Supply Co. and  
7 other Swanson Family companies in Turlock, CA, made a maximum contribution to Strickland for  
8 Controller through his business and a large contribution to SCRCP. In May 2010, Swanson, through  
9 Associated Feed, made the maximum contribution to Strickland for Controller for the primary election,  
10 \$6,500. In September 2010, Swanson, through his investment company, Prospector, LLC, made the  
11 maximum contribution to Strickland for Controller for the general election, \$6,500. Because Swanson  
12 directed and controlled the contributions of his two companies, the contributions were attributed to  
13 Swanson. So Swanson gave the maximum contributions to Strickland for Controller.

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

16 Hi DeeAnna [sic],

17 The check should be made payable to

18 Stanislaus County Republican Party

19 and overnight to our office:

20 Matthew Jubitz

21 515 S. Figueroa Street

22 16<sup>th</sup> Floor

23 Los Angeles, CA 90071

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

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

26 Thanks so much for your help.

27 ///

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

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

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

10 The evidence shows that Strickland received a total of \$65,000 in contributions from  
11 Templeton, Barth and Swanson through VCRP and SCRP.

#### 12 False Reporting

13 In its campaign statement for March 18 through May 22, 2010, Strickland for Controller  
14 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

20 In its campaign statement for May 23 through June 30, 2010, Strickland for Controller reported  
21 the following contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/30/2010	Barth	2010P: \$6,500	\$6,500	\$6,500
06/30/2010	VCRP	2010P: \$45,000	\$44,100	\$45,000
06/30/2010	VCRP	2010P: \$45,000	\$900	\$45,000

1 In its campaign statement for July 1 through September 30, 2010, Strickland for Controller  
2 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

6 In its campaign statement for June 6 through June 30, 2010, VCRP reported the following  
7 contributions:

Date Received	Contributor	Description	Amount Received this Period	Cumulative to Date
06/11/2010	Templeton	None	\$32,400	\$32,400
06/28/2010	Barth	None	\$15,000	\$15,000

12 And VCRP reported the following expenditures supporting candidates/committees:

Schedule(s)	Date	Recipient	Description	Amount
E	n/a	Strickland for Controller	Monetary Contribution	\$44,100
D and E	06/30/2010	Strickland for Controller	Monetary Contribution – to support Tony Strickland	\$900

18 In its campaign statement for October 17 through November 20, 2010, SCRIP reported the  
19 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

26 ///

1 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

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

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

11 None of the above campaign statements disclose that Templeton, Barth and Swanson were the  
12 true sources and that VCRP and SCRCP were the intermediaries for the contributions earmarked for  
13 Strickland for Controller, as required.

#### 14 VIOLATIONS

15 Strickland, Strickland for Controller, and Ray

16 Count 1: Contribution Made in the Name of Another

17 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
18 or aided and abetted, Templeton to make a contribution of \$30,750 (\$32,400 minus VCRP's 5% fee) to  
19 Strickland for Controller in the name of VCRP, violating Section 84301.

20 Count 2: Contribution Made in the Name of Another

21 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
22 or aided and abetted, Barth to make a contribution of \$14,250 (\$15,000 minus VCRP's 5% fee) to  
23 Strickland for Controller in the name of VCRP, violating Section 84301.

24  
25  
26 ///



1 Count 3: Contribution Made in the Name of Another

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Templeton to make a contribution of \$15,000 to Strickland for Controller  
4 in the name of SCRP, violating Section 84301.

5 Count 4: Contribution Made in the Name of Another

6 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
7 caused, or aided and abetted, Swanson to make a contribution of \$5,000 to Strickland for Controller in  
8 the name of SCRP, violating Section 84301.

9 Count 5: Prohibited Earmarked Contribution

10 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
11 or aided and abetted, Templeton to make a contribution to VCRP on the condition or with the  
12 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
13 intermediary and original contributor information for the earmarked contribution were not disclosed,  
14 violating Section 85704.

15 Count 6: Prohibited Earmarked Contribution

16 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or negligently caused,  
17 or aided and abetted, Barth to make a contribution to VCRP on the condition or with the agreement that  
18 the contribution would be ultimately contributed to Strickland for Controller, and the intermediary and  
19 original contributor information for the earmarked contribution were not disclosed, violating Section  
20 85704.

21 Count 7: Prohibited Earmarked Contribution

22 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
23 caused, or aided and abetted, Templeton to make a contribution to SCRP on the condition or with the  
24 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
25 intermediary and original contributor information for the earmarked contribution were not disclosed,  
26 violating Section 85704.

1 Count 8: Prohibited Earmarked Contribution

2 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or negligently  
3 caused, or aided and abetted, Swanson to make a contribution to SCRP on the condition or with the  
4 agreement that the contribution would be ultimately contributed to Strickland for Controller, and the  
5 intermediary and original contributor information for the earmarked contribution were not disclosed,  
6 violating Section 85704.

7 Count 9: Accepting an Over-the-Limit Contribution

8 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
9 contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5% fee), violating Section  
10 85301 and Regulation 18545, subdivision (a)(1).

11 Count 10: Accepting an Over-the-Limit Contribution

12 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-limit  
13 contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee), violating Section 85301 and  
14 Regulation 18545, subdivision (a)(1).

15 Count 11: Accepting an Over-the-Limit Contribution

16 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
17 contribution from Templeton totaling \$15,000, violating Section 85301 and Regulation 18545,  
18 subdivision (a)(1).

19 Count 12: Accepting an Over-the-Limit Contribution

20 Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-the-limit  
21 contribution from Swanson totaling \$5,000, violating Section 85301 and Regulation 18545,  
22 subdivision (a)(1).

23 Count 13: Disclosure of False Information in Campaign Statements

24 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
25 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
26 described in Counts 1, 5 and 9 by falsely reporting that Strickland for Controller received a contribution  
27

1 from VCRP, when the contribution was made by Templeton, and VCRP was the intermediary for the  
2 transaction, violating Section 84211, subdivision (f).

3 Count 14: Disclosure of False Information in Campaign Statements

4 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a false campaign  
5 statement for the reporting period of May 23 through June 30, 2010, concealing the violations  
6 described in Counts 2, 6 and 10 by falsely reporting that Strickland for Controller received a  
7 contribution from VCRP, when the contribution was made by Barth, and VCRP was the intermediary  
8 for the transaction, violating Section 84211, subdivision (f).

9 Count 15: Disclosure of False Information in Campaign Statements

10 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
11 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
12 violations described in Counts 3, 7 and 11 by falsely reporting that Strickland for Controller received a  
13 contribution from SCRP, when the contribution was made by Templeton, and SCRP was the  
14 intermediary for the transaction, violating Section 84211, subdivision (f).

15 Count 16: Disclosure of False Information in Campaign Statements

16 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed a false  
17 campaign statement for the reporting period of October 17 through December 31, 2010, concealing the  
18 violations described in Counts 4, 8 and 12 by falsely reporting that Strickland for Controller received a  
19 contribution from SCRP, when the contribution was made by Swanson, and SCRP was the  
20 intermediary for the transaction, violating Section 84211, subdivision (f).

21 VCRP and Milgram

22 Count 17: Failure to Disclose Intermediary and Original Contributor Information

23 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton, failed to  
24 disclose both the intermediary and the original contributor information for a \$30,750 (\$32,400 minus  
25 VCRP's 5% fee) contribution from Templeton to Strickland for Controller, violating Section 84302.

26 ///

1 Count 18: Failure to Disclose Intermediary and Original Contributor Information

2 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed to disclose  
3 both the intermediary and the original contributor information for a \$14,250 (\$15,000 minus VCRP's  
4 5% fee) contribution from Barth to Strickland for Controller, violating Section 84302.

5 Count 19: Disclosure of False Information in Campaign Statements

6 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement for the  
7 reporting period of June 6 through June 30, 2010, concealing the violations described in Counts 1, 2, 5,  
8 6, 9, and 10, by falsely reporting that VCRP made a \$45,000 contribution to Strickland for Controller,  
9 when it was not the true source of the contributions and was the intermediary for the transactions,  
10 violating Section 84211, subdivision (k).

11 SCRP and McKinsey

12 Count 20: Failure to Disclose Intermediary and Original Contributor Information

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

16 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

20 Count 22: Disclosure of False Information in Campaign Statements

21 SCRCP and McKinsey, on or about December 1, 2010, filed a false campaign statement for the  
22 reporting period of October 17 through November 20, 2010, concealing the violations described in  
23 Counts 3, 4, 7, 8, 11 and 12 by falsely reporting that SCRCP made a \$20,000 contribution to Strickland  
24 for Controller, when it was not the true source of the contribution and was the intermediary for the  
25 transaction, violating Section 84211, subdivision (k).

26 ///

1

2

1

1 because of the active involvement of Strickland in coordinating and concealing the money laundering  
2 scheme.

3 Several of the parties have prior enforcement history. Strickland was prosecuted in April 2010  
4 by the Commission for failing to include proper sender identification for a mass mailing. Ray was  
5 prosecuted in April 2010 by the Commission for failing to include major donor information in the  
6 committee name. And the Commission's Enforcement Division issued three prior warning letters  
7 against Ray related to her duties as treasurer for three separate committees. VCRP has no prior  
8 enforcement history. But SCRP was prosecuted by the Commission for its role in a money laundering  
9 scheme in *Bill Berryhill, Tom Berryhill, Bill Berryhill For Assembly – 2008, Berryhill For Assembly*  
10 *2008, Stanislaus Republican Central Committee (State Acct.), and San Joaquin County Republican*  
11 *Central Committee/Calif. Republican Victory Fund*, FPPC No. 10/828.

12 Strickland, Wangsaporn and Ray failed to cooperate with the investigation of this matter.  
13 Strickland, Wangsaporn and Ray were subpoenaed for interviews with the Enforcement Division on  
14 November 19, 2014. None appeared, and their attorney failed to respond to telephone and email  
15 inquiries regarding the interviews.

#### 16 EXCULPATORY AND MITIGATING INFORMATION

17 The Enforcement Division is not aware of any exculpatory and mitigating information relevant  
18 to the information presented in this Report.

19  
20  
21  
22  
23  
24  
25  
26 ///

1 **CONCLUSION**

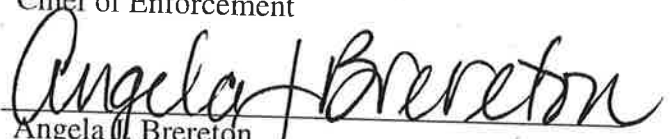
2 Probable cause exists to believe that Respondents Anthony A. "Tony" Strickland, Strickland  
3 For Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus  
4 Republican Central Committee (State Acct.), and Gary McKinsey committed twenty-two violations of  
5 the Act, as set forth above. The Enforcement Division respectfully requests an order finding probable  
6 cause pursuant to Section 83115.5 and Regulation 18361.4.

7 Dated: September 21, 2015

8 Respectfully Submitted,

9 **FAIR POLITICAL PRACTICES COMMISSION**

10 By: Galena West  
11 Chief of Enforcement

12   
13 Angela J. Brereton  
14 Senior Commission Counsel  
15 Enforcement Division

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT F**



### PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On September 22, 2015, I served the following document(s):

1. FPPC Case No. 11/073 AMENDED REPORT IN SUPPORT OF A FINDING OF PROBABLE CAUSE;

☒ By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

☒ By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

### SERVICE LIST

#### Personal Delivery

John Kim, Commission Assistant  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

#### Certified Mail, Return Receipt Requested

Steven D. Baric, Esq.  
Baric & Associates  
o/b/o Anthony A. "Tony" Strickland,  
Strickland For Controller 2010, Lysa Ray  
2601 Main Street #560  
Irvine, CA 92614

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
o/b/o Ventura County Republican Party,  
Arkady Milgram, Stanislaus Republican Central  
Committee (State Acct.), and Gary McKinsey  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on September 22, 2015.

  
Kathryn Trumbly

7012 3460 0000 2695 5714

<b>U.S. Postal Service™</b> <b>CERTIFIED MAIL™ RECEIPT</b> (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
Postage \$	
Certified	
Return Receipt (Endorsement Req.)	
Restricted Delivery (Endorsement Req.)	
Total Postage &	
Sent To Street, Apt. No., or PO Box No. City, State, ZIP+4	
PS Form 3800, August 2006 <span style="float: right;">See Reverse for Instructions</span>	

Bell

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Charles H. Bell, Jr., Esq.  
 Bell, McAndrews & Hiltachk, LLP  
 O/b/o Ventura County Republican Party, Arkady Milgram, Stanislaus  
 Republican Central Committee (State Acct.), and Gary McKinsey  
 455 Capitol Mall, Suite 600  
 Sacramento, CA 95814

2. Article Number  
 (Transfer from service label)

7012 3460 0000 2695 5714

PS Form 3811, July 2013

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature *[Signature]* ☐ Agent ☐ Addressee
- B. Received by (Printed Name) *Carl H. Johnson*
- C. Date of Delivery *9/23/15*
- D. Is delivery address different from item 1? ☐ Yes ☐ No

3. Service type
- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Priority Mail Express™                    |
| <input type="checkbox"/> Registered                 | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Insured Mail               | <input type="checkbox"/> Collect on Delivery                       |

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT G**

**FPPC No. 11/073, In the matter of Anthony A. "Tony" Strickland, Strickland for Controller 2010, Lysa Ray, Ventura County Republican Party, Arkady Milgram, Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey**

**PROOF OF SERVICE**

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, CA 95814. On the date below, I served the following document:

**Order Re: Probable Cause**

---

**MANNER OF SERVICE**

**(U.S. Mail)** By causing a true copy thereof to be served on the parties in this action through the U.S. Mail and addressed as listed below. I am familiar with the procedure of the Fair Political Practices Commission for collection and processing of correspondence for mailing with the United States Postal Service, and the fact that the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business.

**SERVICE LIST**


Charles H. Bell, Jr.  
Bell, McAndrews & Hiltachk, LLP  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

Steven Baric  
Baric & Associates  
2601 Main St., Ste. 560  
Irvine, CA 92614

**(By Personal Service) On Friday, December 04, 2015, at approximately 1:40 p.m., I personally served:**

Angela Brereton, Senior Commission Counsel, Enforcement Division, at 428 J Street, Suite 700, Sacramento, CA 95814.  
Galena West, Chief of Enforcement, at 428 J Street, Suite 700, Sacramento, CA 95814.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this document is executed at Sacramento, California, on December 04, 2015.

  
John Kim

1 **FAIR POLITICAL PRACTICES COMMISSION**

2 428 J Street, Suite 620

3 Sacramento, CA 95814

4 Telephone: (916) 322-5660

5 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**

6 **STATE OF CALIFORNIA**

7  
8 In the Matter of:

FPPC No. 11/073

9  
10 ANTHONY A. "TONY"  
11 STRICKLAND, STRICKLAND FOR  
12 CONTROLLER 2010, LYSA RAY,  
13 VENTURA COUNTY REPUBLICAN  
14 PARTY, ARKADY MILGRAM,  
15 STANISLAUS REPUBLICAN  
16 CENTRAL COMMITTEE (STATE  
17 ACCT.), and GARY McKINSEY

ORDER RE: PROBABLE CAUSE

18 Respondents.

19 This matter came on for a probable cause conference pursuant to Regulation 18361.4 on  
20 November 10, 2014. Authority to conduct this proceeding and to determine the issue of probable cause  
21 was delegated to Senior Commission Counsel Heather M. Rowan under Regulation 18361. Appearing  
22 for the Enforcement Division were Commission Counsel Angela Brereton and Investigator Jeffrey  
23 Kamigaki. Steve Baric, counsel for Respondents Tony Strickland, Strickland for Controller, and Lysa  
24 Ray, appeared by telephone. Charles Bell appeared in person on behalf of the Ventura County  
25 Republican Party ("VCRP"), Arkady Milgram, the Stanislaus County Republican Central Committee  
26 ("SCRCP"), and Gary McKinsey.

27 The purpose of a probable cause conference is for the Executive Director, or a duly authorized  
28 designee, to determine whether probable cause exists to believe that a respondent violated the Political

1 Reform Act (the "Act")<sup>1</sup> as alleged by the Enforcement Division in its Report in Support of a Finding of  
2 Probable Cause.

3 Probable cause to believe a violation has occurred will be found to exist when "the evidence is  
4 sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion  
5 that a proposed respondent committed or caused a violation." (Regulation 18361.4(e).) A finding of  
6 probable cause does not constitute a finding that a violation has actually occurred. (*Id.*) The Report in  
7 Support of a Finding of Probable Cause alleges that Respondents violated the Act as follows:

8  
9 **Strickland, Strickland for Controller, and Ray**

10 **Count 1: Contribution Made in the Name of Another**

11 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
12 negligently caused, or aided and abetted, Templeton to make a contribution of  
\$30,750 (\$32,400 minus VCRP's 5% fee) to Strickland for Controller in the name  
of VCRP, violating Section 84301.

13 **Count 2: Contribution Made in the Name of Another**

14 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
15 negligently caused, or aided and abetted, Barth to make a contribution of \$14,250  
(\$15,000 minus VCRP's 5% fee) to Strickland for Controller in the name of  
16 VCRP, violating Section 84301.

17 **Count 3: Contribution Made in the Name of Another**

18 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
19 negligently caused, or aided and abetted, Templeton to make a contribution of  
\$15,000 to Strickland for Controller in the name of SCRCP, violating Section  
84301.

20 **Count 4: Contribution Made in the Name of Another**

21 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
22 negligently caused, or aided and abetted, Swanson to make a contribution of  
\$5,000 to Strickland for Controller in the name of SCRCP, violating Section 84301.

23 **Count 5: Prohibited Earmarked Contribution**

24 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
25 negligently caused, or aided and abetted, Templeton to make a contribution to  
26 VCRP on the condition or with the agreement that the contribution would be  
ultimately contributed to Strickland for Controller, and the intermediary and

27  
28 <sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references  
are to the Government Code, unless otherwise indicated.

1 original contributor information for the earmarked contribution were not disclosed,  
2 violating Section 85704.

3 Count 6: Prohibited Earmarked Contribution

4 Strickland, Strickland for Controller, and Ray, in June 2010, purposefully or  
5 negligently caused, or aided and abetted, Barth to make a contribution to VCRP on  
6 the condition or with the agreement that the contribution would be ultimately  
7 contributed to Strickland for Controller, and the intermediary and original  
8 contributor information for the earmarked contribution were not disclosed,  
9 violating Section 85704.

10 Count 7: Prohibited Earmarked Contribution

11 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
12 negligently caused, or aided and abetted, Templeton to make a contribution to  
13 SCRP on the condition or with the agreement that the contribution would be  
14 ultimately contributed to Strickland for Controller, and the intermediary and  
15 original contributor information for the earmarked contribution were not disclosed,  
16 violating Section 85704.

17 Count 8: Prohibited Earmarked Contribution

18 Strickland, Strickland for Controller, and Ray, in October 2010, purposefully or  
19 negligently caused, or aided and abetted, Swanson to make a contribution to SCRP  
20 on the condition or with the agreement that the contribution would be ultimately  
21 contributed to Strickland for Controller, and the intermediary and original  
22 contributor information for the earmarked contribution were not disclosed,  
23 violating Section 85704.

24 Count 9: Accepting an Over-the-Limit Contribution

25 Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-  
26 limit contribution from Templeton totaling \$30,750 (\$32,400 minus VCRP's 5%  
27 fee), violating Section 85301 and Regulation 18545, subdivision (a)(1).

28 Count 10: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in June 2010, accepted an over-the-  
limit contribution from Barth totaling \$14,250 (\$15,000 minus VCRP's 5% fee),  
violating Section 85301 and Regulation 18545, subdivision (a)(1).

Count 11: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-  
the-limit contribution from Templeton totaling \$15,000, violating Section 85301  
and Regulation 18545, subdivision (a)(1).

Count 12: Accepting an Over-the-Limit Contribution

Strickland, Strickland for Controller, and Ray, in October 2010, accepted an over-  
the-limit contribution from Swanson totaling \$5,000, violating Section 85301 and  
Regulation 18545, subdivision (a)(1).

1 Count 13: Disclosure of False Information in Campaign Statements

2 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a  
3 false campaign statement for the reporting period of May 23 through June 30,  
4 2010, concealing the violations described in Counts 1, 5 and 9 by falsely reporting  
5 that Strickland for Controller received a contribution from VCRP, when the  
6 contribution was made by Templeton, and VCRP was the intermediary for the  
7 transaction, violating Section 84211, subdivision (f).

8 Count 14: Disclosure of False Information in Campaign Statements

9 Strickland, Strickland for Controller, and Ray, on or about July 22, 2010, filed a  
10 false campaign statement for the reporting period of May 23 through June 30,  
11 2010, concealing the violations described in Counts 2, 6 and 10 by falsely  
12 reporting that Strickland for Controller received a contribution from VCRP, when  
13 the contribution was made by Barth, and VCRP was the intermediary for the  
14 transaction, violating Section 84211, subdivision (f).

15 Count 15: Disclosure of False Information in Campaign Statements

16 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed  
17 a false campaign statement for the reporting period of October 17 through  
18 December 31, 2010, concealing the violations described in Counts 3, 7 and 11 by  
19 falsely reporting that Strickland for Controller received a contribution from SCRP,  
20 when the contribution was made by Templeton, and SCRP was the intermediary  
21 for the transaction, violating Section 84211, subdivision (f).

22 Count 16: Disclosure of False Information in Campaign Statements

23 Strickland, Strickland for Controller, and Ray, on or about January 21, 2011, filed  
24 a false campaign statement for the reporting period of October 17 through  
25 December 31, 2010, concealing the violations described in Counts 4, 8 and 12 by  
26 falsely reporting that Strickland for Controller received a contribution from SCRP,  
27 when the contribution was made by Swanson, and SCRP was the intermediary for  
28 the transaction, violating Section 84211, subdivision (f).

**VCRP and Milgram**

21 Count 17: Failure to Disclose Intermediary and Original Contributor Information

22 VCRP and Milgram, in June 2010, while acting as the intermediary for Templeton,  
23 failed to disclose both the intermediary and the original contributor information for  
24 a \$30,750 (\$32,400 minus VCRP's 5% fee) contribution from Templeton to  
25 Strickland for Controller, violating Section 84302.

26 Count 18: Failure to Disclose Intermediary and Original Contributor Information

27 VCRP and Milgram, in June 2010, while acting as the intermediary of Barth, failed  
28 to disclose both the intermediary and the original contributor information for a  
\$14,250 (\$15,000 minus VCRP's 5% fee) contribution from Barth to Strickland for  
Controller, violating Section 84302.



1 Count 19: Disclosure of False Information in Campaign Statements

2 VCRP and Milgram, on or about July 27, 2010, filed a false campaign statement  
3 for the reporting period of June 6 through June 30, 2010, concealing the violations  
4 described in Counts 1, 2, 5, 6, 9, and 10, by falsely reporting that VCRP made a  
5 \$45,000 contribution to Strickland for Controller, when it was not the true source  
6 of the contributions and was the intermediary for the transactions, violating  
7 Section 84211, subdivision (k).

8 SCRP and McKinsey

9 Count 20: Failure to Disclose Intermediary and Original Contributor Information

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

14 Count 21: Failure to Disclose Intermediary and Original Contributor Information

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

19 Count 22: Disclosure of False Information in Campaign Statements

20 SCRCP and McKinsey, on or about December 1, 2010, filed a false campaign  
21 statement for the reporting period of October 17 through November 20, 2010,  
22 concealing the violations described in Counts 3, 4, 7, 8, 11 and 12 by falsely  
23 reporting that SCRCP made a \$20,000 contribution to Strickland for Controller,  
24 when it was not the true source of the contribution and was the intermediary for the  
25 transaction, violating Section 84211, subdivision (k).

26 Based on the facts presented to me in documents submitted by the Enforcement Division and by  
27 Respondents, and on evidence and argument presented by the parties during the probable cause  
28 conference, I find that notice was given as provided by Section 83115.5 and Regulation 18361.4. I  
further find that there is probable cause to believe Respondents Tony Strickland, Strickland for  
Controller, Lysa Ray, the Ventura County Republican Committee, Arkady Milgram, the Stanislaus  
County Republican Committee, and Gary McKinsey violated the Political Reform Act as alleged in the  
Report in Support of a Finding of Probable Cause. Notwithstanding this finding of probable cause,  
Respondents are presumed to be innocent of any violation of the Act unless and until a violation is  
proved in a subsequent proceeding.

1  
2 I therefore direct that the Enforcement Division issue an Accusation against Respondents in  
3 accordance with this Finding.

4 IT IS SO ORDERED.

5 Dated: December 4, 2015

By: Heather M. Rowan

6  
7 Heather M. Rowan, Senior Commission Counsel  
8 Fair Political Practices Commission  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Exhibit A-15**

### PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 1102 Q Street, Suite 3000, Sacramento, California 95811. On February 22, 2018, I served the following document(s):

1. FPPC Case No. 16/100: First Amended Accusation;



By personal service. At 1:50 a.m./p.m.



I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.



By providing the document(s) listed above with instructions for registered process server to personally deliver the envelope(s) to the person(s) at the address(es) set forth on the service list below. **The signed proof of service by the registered process server will be attached as soon as it is available.**

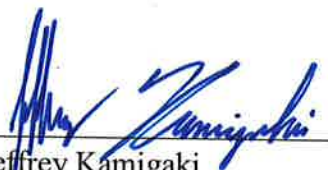
I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

### SERVICE LIST

#### Personal Service

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
o/b/o Ventura County Republican Party and Arkady Milgram  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on February 22, 2018.

  
\_\_\_\_\_  
Jeffrey Kamigaki

**Exhibit A-16**

BEFORE THE  
FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of the First Amended  
Accusation Against:

VENTURA COUNTY REPUBLICAN  
PARTY and ARKADY MILGRAM

Respondent(s).

Case No. 16/100

OAH No. 2018110945

**NOTICE OF HEARING DATES AND OF  
PREHEARING CONFERENCE AND  
MANDATORY SETTLEMENT  
CONFERENCE DATE AND TIME**

1. **HEARING.** The hearing in this case will begin on **May 20, 2019**, and proceed on a day-to-day basis (excluding weekends and state holidays), until completed, through **May 29, 2019**, starting at **9:00 a.m.** each day, the Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Suite 630, in Los Angeles, California. If they have not already done so, the parties shall immediately notify all potential witnesses of the hearing dates in this case in order to assure that the witnesses will be available to appear on the current hearing dates. A witness will not be regarded as unavailable for purposes of showing “good cause” to continue the hearing pursuant to Government Code section 11524, if a party has failed to notify the witness of the hearing dates promptly.

2. **PRE-HEARING CONFERENCE AND MANDATORY SETTLEMENT CONFERENCE.** A pre-hearing conference and mandatory settlement conference (PHC/MS) will be held on **April 5, 2019**, at **1:30 p.m.**, before an Administrative Law Judge at the Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Suite 630, in Los Angeles, California. Pre-hearing conference statements prepared in accordance with Government Code section 11511.5 and California Code of Regulations, title 1, section 1026, must be filed with the Office of Administrative Hearings and served on all other parties no later than three business days before the scheduled prehearing conference.

3. Should the parties wish to participate in an early settlement conference, they shall request one in a joint letter, with at least three mutually-acceptable proposed dates and times. Settlement conferences are scheduled on Mondays and Fridays, at 9:30 a.m. or 1:30 p.m. Any request for an early settlement conference should be made well in advance of any proposed dates to ensure the availability of those dates.

4. Agency counsel, respondent and respondent’s attorney/representatives shall appear in person at all settlement conferences, unless excused by an administrative law judge of the

Office of Administrative Hearings. An agency representative who is familiar with the case, and has authority to approve settlement terms subject to approval by the agency head, must be available to participate in each settlement conference by telephone, unless excused by an administrative law judge of the Office of Administrative Hearings.

5. Counsel for complainant shall send notice of the time, date and place of the hearing and the PHC/MSC to all other parties within 20 days of the date of this Order and file a copy of the notice with the calendar clerk at the Office of Administrative Hearings, in Los Angeles, California.

6. All documents filed in this matter with OAH's Los Angeles office shall be filed electronically, as directed at <https://www.applications.dgs.ca.gov/OAH/OAHSFTWeb>. When filing electronically, it is not necessary to file a hard copy of the same document by any other means, such as personal delivery or mail. The parties are directed to OAH's Secure E-File Information for further information about filing documents electronically at: <http://www.dgs.ca.gov/oah/Home/SecureFileTransfer.aspx>.

7. An administrative law judge may impose sanctions and/or certify the record for contempt, if a party fails to comply with the requirements of any order or any other law applicable to this proceeding. (See Gov. Code §§ 11455.10-11455.30.)

9. Proceedings before the Office of Administrative Hearings may be governed by the Administrative Procedure Act (Gov. Code, §§ 11370-11529) and regulations relating to general APA hearing procedures (Cal. Code Regs., tit. 1, §§ 1000-1050). Parties to proceedings before the Office of Administrative Hearings should refer to these statutes and regulations for applicable procedures and requirements.

DATED: November 29, 2018

Sylvia Padilla, Staff Services Analyst  
Office of Administrative Hearings

## DECLARATION OF SERVICE

**Case Name: Ventura County Republican Party**

**OAH No.: 2018110945**

I, Sylvia Padilla, declare as follows: I am over 18 years of age and am not a party to this action. I am employed by the Office of Administrative Hearings. My business address is 320 West Fourth Street, Suite 630, Los Angeles, CA 90013. On November 29, 2018, I served a copy of the following document(s) in the action entitled above:

### NOTICE OF HEARING DATES AND OF PREHEARING CONFERENCE AND MANDATORY SETTLEMENT CONFERENCE DATE AND TIME

to each of the person(s) named below at the addresses listed after each name by the following method(s):

Angela J. Brereton, Senior Commission Counsel  
Fair Political Practices Commission  
1102 Q Street, Suite 3000  
Sacramento, CA 95811  
VIA Email (E-Service) [abrereton@fppc.ca.gov](mailto:abrereton@fppc.ca.gov)

Charles H. Bell, Jr., Attorney at Law  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814  
VIA Email (E-Service) [cbell@bmhlaw.com](mailto:cbell@bmhlaw.com)

☐ **United States Mail.** I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the address(es) listed above, and placed the envelope or package for collection and mailing, in accordance with the Office of Administrative Hearings' ordinary business practices, in Los Angeles, California. I am readily familiar with the Office of Administrative Hearings' practice for collecting and processing documents for mailing. Correspondences are deposited in the ordinary course of business with the United States Postal Service in a sealed envelope or package with postage fully prepaid. [ ☐ by certified mail].

☒ **Electronic Transmission.** Based on a court order or the agreement of the parties to accept service by electronic transmission, the document(s) were distributed to the person(s) by secure electronic transmission (OAH Secure e-File) with a notification and document link sent to the email address(es) listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. This declaration was executed at Los Angeles, California on November 29, 2018.

Sylvia Padilla  
Sylvia Padilla, Declarant



**Exhibit A-17**

1 Charles H. Bell, Jr. (SBN 060553)  
cbell@bmhlaw.com  
2 **BELL, McANDREWS & HILTACHK, LLP**  
455 Capitol Mall, Suite 600  
3 Sacramento, California 95814  
Telephone: (916) 442-7757  
4 Facsimile: (916) 442-7759  
EM: [cbell@bmhlaw.com](mailto:cbell@bmhlaw.com)  
5 *Attorney for Respondents* VENTURA COUNTY  
REPUBLICAN PARTY and ARKADY MILGRAM  
6

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

9 In the Matter of:

FPPC Nos. 16/100  
OAH No.

10 VENTURA COUNTY REPUBLICAN PARTY  
11 and ARKADY MILGRAM,

12 Respondents

**WITHDRAWAL OF NOTICE OF DEFENSE**

13  
14  
15 Respondents, VENTURA COUNTY REPUBLICAN PARTY and ARKADY MILGRAM,  
16 by their counsel of record, pursuant to Government Code section 11520, subd. (a), hereby  
17 withdraw their Notice of Defense filed in the above-captioned matter dated March 21, 2016.

18 Dated: December 6, 2018.

19 **BELL, McANDREWS & HILTACHK, LLP**

20  
21 By: 

CHARLES H. BELL, JR.

22 *Attorney for Respondents* VENTURA COUNTY REPUBLICAN  
23 PARTY and ARKADY MILGRAM  
24  
25  
26  
27  
28

1 **PROOF OF SERVICE**

2 FPPC Nos. 16/100

3 I am over the age of 18 and not a party to this cause. I am employed in the county where  
4 the service occurred. The following facts are within my first-hand and personal knowledge and if  
called as a witness, I could and would testify thereto.

5 My business address is 455 Capitol Mall, Suite 600, Sacramento, CA 95814.

6 On December 6, 2018, I served the foregoing document(s) entitled:

7 **WITHDRAWAL OF NOTICE OF DEFENSE**

8 on each person named below by attaching a true copy in a PDF addressed as shown below and by  
9 transmitting by email to the offices of the addressees following ordinary business practices during  
ordinary business hours, pursuant to electronic service consent by each respective party.

10 Name and address of each person served:

11 Angela J. Brereton  
12 Senior Counsel  
13 Fair Political Practices Commission  
14 1102 Q Street, Suite 3000  
15 Sacramento, CA 95811  
16 [abrereton@fppc.ca.gov](mailto:abrereton@fppc.ca.gov)

17 Office of Administrative Hearings  
18 Sacramento Office  
19 2349 Gateway Oaks Dr., suite 200  
20 Sacramento, CA 95833  
21 [sacfilings@dgs.ca.gov](mailto:sacfilings@dgs.ca.gov)

22 I declare under penalty of perjury under the laws of the State of California that the  
23 foregoing is true and correct. Executed on December 6, 2018, at Sacramento, California.

24 

25 KIERSTEN MERINA  
26  
27  
28

**Exhibit A-18**



## FAIR POLITICAL PRACTICES COMMISSION

1102 Q Street • Suite 3000 • Sacramento, CA 95811

December 6, 2018

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
o/b/o Ventura County Republican Party, and  
Arkady Milgram,  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814  
[cbell@bmhlaw.com](mailto:cbell@bmhlaw.com)

### **NOTICE OF INTENT TO ENTER DEFAULT DECISION AND ORDER**

**Re: FPPC No. 16/100**  
**In the Matter of Ventura County Republican Party and Arkady Milgram**

Dear Mr. Bell:

In light of your clients' withdrawal of their Notices of Defense for the above-referenced matter, enclosed please find a copy of the Default Decision and Order, and accompanying Exhibits and attachments. The Fair Political Practices Commission will consider these papers at its public meeting on **December 20, 2018**, and decide whether to impose a recommended administrative penalty of \$12,000 against your clients, Ventura County Republican Party and Arkady Milgram.

Please contact me at (916) 322-5771 or [abreron@fppc.ca.gov](mailto:abreron@fppc.ca.gov) if needed.

Sincerely,

Angela J. Brereton  
Senior Commission Counsel  
Enforcement Division

Enclosures

**Exhibit A-19**

**LETTER OF AGREEMENT**  
**between**  
**Matthew Jubitz Consulting**  
**and**  
**Ventura County Republican Party**

THIS AGREEMENT, effective on the date set forth below, is between Matthew Jubitz Consulting ("MJC") and the Ventura County Republican Party ("CLIENT").

**1) DUTIES**

CLIENT agrees to retain the services of MJC to perform the following services per discussion

- a) Utilize and work with CLIENT, and others designated by CLIENT in soliciting funds for CLIENT
- b) Work with CLIENT, and others designated by CLIENT in the implementation of strategy for fundraising events;
- c) Provide advice and consultation on finance strategy
- d) Provide weekly reports on status of fundraising, contributions pledged and received.
- e) Development/ disbursement of fundraising materials
  1. Invitations
  2. Letters
  3. Faxes
  4. Emails

**2) TERM**

- a) The term of this agreement shall commence upon signing and end on December 31, 2010. Execution of this Agreement shall constitute a written notice to proceed for work to be undertaken. Documentation of all work shall be provided as specified under the terms of this Agreement.

**3) COMPENSATION**

- a) CLIENT shall pay MJC a commission of 15% gross of all monies raised from donors identified or contacted by MJC. MJC shall also be entitled to its 15% commission for amounts contributed by donors which are contacted in connection with all events coordinated by MJC, but are strategically directed to alternate CLIENT fundraising activities by CLIENT. Payment is due upon invoice placed with the CLIENT.

**4) STATUS**

- a) MJC is a California LLC (ID # 26-0673746) and shall not be considered an employee, and shall indemnify and hold CLIENT harmless against any claims or liabilities as a result of federal and state income tax or social security payments imposed on CLIENT resulting from this contract.
- b) CLIENT shall indemnify and hold MJC harmless against any claims or liabilities as a result of federal and state income tax, social security payments or employment disability payments imposed on MJC resulting from this contract as a result of volunteers provided to MJC by CLIENT. CLIENT shall also be responsible for the proper reporting of all funds raised for CLIENT based upon reporting of funds by MJC.

**5) EXPENSES/BILLING; STOP WORK**

- a) Monthly commissions are due and payable as described in paragraph 3. MJC will provide CLIENT with appropriate invoices;
  - i. MJC shall be reimbursed for reasonable and pre-approved expenses by CLIENT within 10 days of submission of a reimbursement request with supporting documentation, including receipts and invoices;
  - ii. All expenses must be pre-approved except for phone expenses which will not exceed \$500/month unless otherwise approved.
- b) If MJC does not timely receive payment of its monthly commissions and expenses within 10 business days of the time payment is due, MJC may halt all work on behalf of CLIENT until all invoices are paid, and CLIENT shall remain responsible for full payment of all amounts due during the period of non-service in order for work to resume.

6) **TERMINATION**

- a) Either CLIENT or MJC may terminate this agreement upon not less than 14 days written notice. In the event of termination, payment for services rendered up to and including the date of termination shall be based upon the work completed at the rates and conditions described in this Agreement, and shall include payment of MJC's 15% commission on funds raised by CLIENT prior to December 31, 2010, from donors identified by MJC to CLIENT.

7) **DISPUTES**

- a) Any and all disputes over the terms of this Agreement, including reimbursement of costs incurred by MJC, that are not resolved in a reasonable time by the parties shall be submitted to, and settled by, an arbitrator agreeable to the parties or otherwise licensed by and under the rules established by the American Arbitration Association, and such arbitration shall be binding on the parties. The prevailing party in said arbitration proceeding shall be entitled to have and recover from the losing party reasonable attorney's fees and costs incurred in the arbitration.

**ACKNOWLEDGED AND AGREED**

Matthew Jubitz Consulting

Ventura County Republican Party

BY: [REDACTED]

BY: [REDACTED]

DATE: January 1, 2010

DATE: 2-23-10

Taxpayer ID#: [REDACTED]



**Exhibit A-20**

William  
W. M. Templeton  
3535 Gillespie #706  
Dallas, TX 75219

LER

MOULTON

BANK OF TEXAS, N.A.  
22-1432/1110

4341

3/29/2010

PAY TO THE  
ORDER OF Strickland for Controller 2010

\$ 13,000.00

Thirteen Thousand and 00/100

DOLLARS

Strickland for Controller 2010

\$6500 P

\$6500 G

MEMO

2010 Primary and General Election

4341

\$ 13,000.00

**Exhibit A-21**



## Donations Report

Ventura County Republican Party

Mr. William M. Templeton

Mr. Templeton

6/7/2010

\$32,400.00

\$32,400.00

Employer: self

Occupation: Company Operator

3535 Gillespie

Dallas, TX 75219

Payment Type: Personal C

CC Last 4: [REDACTED] Exp:

Event: VCRP Candidate Direct

Bundler:

Contribution

Ventura County Republican Party

Thirty-Two Thousand Four Hundred and 00/100

PAY TO THE  
ORDER OF

Ventura County Republican Party

W. M. Templeton  
3535 Gillespie #736  
Dallas, TX 75219

BANK OF TEXAS, NA  
221-0201110

4444

6/5/2010

\$32,400.00

DOI LANS

Printed 6/7/10

www.IDONATEpro.com

W. M. Templeton  
3535 Gillespie #706  
Dallas, TX 75219

BANK OF TEXAS, NA  
32-14321110

4444

6/5/2010

PAY TO THE  
ORDER OF Ventura County Republican Party

\$ 32,400.00

Thirty-Two Thousand Four Hundred and 00/100

DOLLARS

Ventura County Republican Party

MEMO

Contribution

4444

\$ 32,400.00

**Exhibit A-22**



# YES! I WOULD LIKE TO HELP TONY STRICKLAND BECOME CALIFORNIA'S NEXT STATE CONTROLLER

☐ \$1,000    ☐ \$3,000    ☒ \$6,500    ☐ \$13,000    ☐ OTHER \$ \_\_\_\_\_  
(max per person,    (max per couple,  
General Election)    General Election)

IN ADDITION, I/WE WOULD LIKE TO:

- ☐ HOST A FUNDRAISER    ☐ HOST A MEET AND GREET    ☐ VOLUNTEER  
☐ ENDORSE TONY IN HIS RUN FOR STATE CONTROLLER

PLEASE LIST MY NAME AS FOLLOWS:

Couples will be listed individually. Where possible we would like to list corporate/association name and title. IE Mr. John Smith, President, Support Systems, Inc.

## ALL CONTRIBUTORS PLEASE COMPLETE

Contributions are limited to \$6,500 per person or corporation per election cycle. Husbands and wives may contribute \$13,000 for the general 2010 election if the check is drawn on a joint account and both signatures are on the check. Contributions are not deductible for income tax purposes.

STATE LAW REQUIRES US TO REPORT YOUR NAME, ADDRESS, OCCUPATION AND EMPLOYER OR NAME OF BUSINESS, IF SELF-EMPLOYED.

Andrew F. Barth  
\*Full name  
2200 Chaucer Road  
\*Address  
San Marino, CA 91108  
\*City    \*State    \*Zip  
713 486 9491  
Office Phone    626 683 7287  
Home Phone  
afb@cqli.com  
Fax Phone    E-Mail  
Capital Group  
\*Employer (OR NAME OF BUSINESS, IF SELF-EMPLOYED)    \*Spouse's Employer (if joint contribution)  
Investment Management  
\*Spouse Occupation (if joint contribution)  
[REDACTED]    [REDACTED]  
\*Spouse Signature (if joint contribution)

Please make checks payable to:

Strickland for Controller 2010  
Attn: Matthew Jubitz  
515 South Figueroa Street, 16th Floor  
Los Angeles, CA 90071  
FPPC# 1325751

Or fax your credit card contribution to (213) 652-1005

### Credit Card Contributions

Credit Card: ☐ Visa    ☐ MasterCard    ☐ Amex    Card Number: \_\_\_\_\_ Exp: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

AUTHORIZED AND PAID FOR BY STRICKLAND FOR CONTROLLER 2010 - ID# 1325751

515 SOUTH FIGUEROA STREET, 16TH FLOOR ■ LOS ANGELES, CA 90071 ■ PHONE (213) 622-3095 ■ FAX (213) 652-1005



**Exhibit A-23**



## Batch Report

### Ventura County Republican Party

Batch # 5

Date Submitted: 6/18/2010

Donor

Mr. Andrew F. Barth

Employer: Capital Group

Occupation: Investment Management

2200 Chaucer Road

San Marino, CA 91108

Salutation

Andy

Date

6/16/2010

Primary

General

Total

\$15,000.00

\$15,000.00

Event: VCRP Candidate Direct

Bundler:

Primary

General

Total

\$15,000.00

\$15,000.00

FOR [REDACTED]

WELLS FARGO BANK, N.A.  
WELLS FARGO  
wellsfargo.com

Visit us  
Customer  
Since 1994

PRIVATE | CLIENT SERVICES

DATE 6/16/10

AMOUNT \$ 15,000.00

16-24/220 4984  
0200251178

4711

BARTH FAMILY TRUST  
ANDREW F. BARTH AND  
AVERY B. BARTH TRUSTEES  
2200 CHAUCER RD  
SAN MARINO, CA 91108-1314

ORDER OF  
Ventura County Republican Party  
Further toward and for



Yes! I/We would like help the Ventura County Republican Party by contributing:

☐ \$ 32,400    ☐ \$ 10,000    ☐ \$ 5,000    ☒ OTHER \$ 15,000

Contributions to the Ventura County Republican Party are not deductible for federal income tax purposes.

There is no limit on contributions to the VCRP. Corporate contributions will be used in California elections. Individual contributions will be used in both Federal and California state elections and may also be made in any amount.

Contributions to the VCRP will be allocated as follows: up to \$32,400 per calendar year for direct state candidate support. Any amount in excess of \$32,400 will be used for permissible non-direct candidate support purposes. Such contributions may also be used for federal Levin account purposes, up to \$10,000 per individual, corporate or PAC donor.

Credit Card Contributions

☐ MasterCard    ☐ Visa    ☐ Amex

Amount: \$ \_\_\_\_\_

Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_

Please make all checks payable to: "Ventura County Republican Party"

ATTN: Matthew Jubitz (213) 973-2001 Fax: (213) 652-1005

and send to: 515 S. Figueroa Street, 16th Floor, Los Angeles, CA 90071

YOUR CONTRIBUTION CANNOT BE ACCEPTED WITHOUT THIS INFORMATION.

Andrew F. Barth  
Your Name \_\_\_\_\_  
Capital Guardian Trust Company  
Company Name \_\_\_\_\_  
333 Smith Ave Street  
Business Address \_\_\_\_\_  
Los Angeles  
City \_\_\_\_\_  
CA  
State \_\_\_\_\_  
90071  
Zip \_\_\_\_\_  
213 486 9491  
Phone \_\_\_\_\_  
afb@cgti.com  
Email Address \_\_\_\_\_  
Investment Management Capital Corp.  
Occupation \_\_\_\_\_  
Employer \_\_\_\_\_  
Spouse Occupation \_\_\_\_\_  
Spouse Employer \_\_\_\_\_  
Signature \_\_\_\_\_  
Spouse Signature (joint contributions only) \_\_\_\_\_

Paid for by the Ventura County Republican Party, FPPC# 742080, FEC# C00404434

**Exhibit A-24**

FOR [REDACTED]

Bank of America  
Westlake Village  
954 Westlake Blvd  
Westlake Village, CA 91361  
913 717 2028

PAID TO THE ORDER OF Strickland for Controller 2010 \$ 44,100.00

DATE 6-30-2010

VENTURA COUNTY REPUBLICAN PARTY  
NON-FEDERAL ALL PURPOSE ACCOUNT  
(STATE CANDIDATE SUPPORT)  
3625 E THOUSAND OAKS BLVD #259  
WESTLAKE VILLAGE, CA 91362

403

512

VENTURA COUNTY REPUBLICAN PARTY  
ALL PURPOSE-STATE CANDIDATE SUPPORT  
3625 E. THOUSAND OAKS BLVD., #259  
WESTLAKE VILLAGE, CA 91362

BANK OF AMERICA  
954 WESTLAKE BLVD.  
WESTLAKE VILLAGE, CA 91361  
18-06/1220

06/28/2010

PAY TO THE ORDER OF Strickland for Controller 2010 \$ \$44,100.00

Forty Four Thousand One Hundred and XX/100 DOLLARS

Strickland for Controller 2010

MEMO Contribution

Security Features Included

**Exhibit A-25**

---

**From:** Matthew Jubitz [mailto: [REDACTED]]  
**Sent:** Monday, March 29, 2010 4:16 PM  
**To:** 'W. M. Templeton'  
**Subject:** RE: Friendly reminder: Strickland for Controller contribution form

Ok, great. Thank you.

Matthew

---

**From:** W. M. Templeton [mailto: [REDACTED]]  
**Sent:** Monday, March 29, 2010 4:15 PM  
**To:** Matthew Jubitz  
**Subject:** RE: Friendly reminder: Strickland for Controller contribution form

One check it is. I'll send it.

Please tell Tony that I am pushing the folks at PXP, but they are a little publicity-shy right now. I should know more tomorrow.

Bill

---

**From:** Matthew Jubitz [mailto: [REDACTED]]  
**Sent:** Monday, March 29, 2010 4:14 PM  
**To:** W. M. Templeton  
**Subject:** RE: Friendly reminder: Strickland for Controller contribution form

Either. If you are sending from you and a spouse, both names need to be on the check. Otherwise, it can all be one check.

---

**From:** W. M. Templeton [mailto: [REDACTED]]  
**Sent:** Monday, March 29, 2010 3:48 PM  
**To:** Matthew Jubitz  
**Subject:** RE: Friendly reminder: Strickland for Controller contribution form

Matthew,

Do I send two checks for \$6,500 or one check for \$13,000?

Bill

---

**From:** Matthew Jubitz [mailto: [REDACTED]]  
**Sent:** Monday, March 29, 2010 3:17 PM  
**To:** W. M. Templeton  
**Subject:** Friendly reminder: Strickland for Controller contribution form

Hi MR. Templeton,

Just wanted to follow up on your generous pledge of \$13,000 to Tony's campaign for Controller. We haven't yet received your checks. Just wondering if they got lost in the mail or if you have yet to send them.

Thank you for your help.

Matthew

**From:** Jubitz, Matthew [mailto: [REDACTED]]  
**Sent:** Friday, March 05, 2010 5:04 PM  
**To:** 'WMTempleton@dcorllc.com'  
**Subject:** Strickland for Controller contribution form

Hi Mr. Templeton,

Per your conversation with Tony, thank you for agreeing to max out to our race for Controller. Please see attached contribution form.

I am available at any time, at the number below, should you have any questions.

Thank you for your support.

Matthew

---

Matthew Jubitz  
Strickland for Controller 2010  
515 S. Figueroa Street  
16<sup>th</sup> Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile



**Exhibit A-26**

**From:** Matthew Jubitz [mailto: ]  
**Sent:** Friday, June 04, 2010 5:11 PM  
**To:** W. M. Templeton  
**Subject:** RE: VCRP contribution form

Sorry, I was going to send the Whitman form under separate cover. It is attached to this email. The maximum contribution each individual can donate to Meg Whitman is \$25,900.

Please send both checks to our office at:

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

Thank you again,

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

---

**From:** W. M. Templeton [mailto: ]  
**Sent:** Friday, June 04, 2010 5:07 PM  
**To:** Matthew Jubitz  
**Subject:** RE: VCRP contribution form

Matthew,

Tony was also going to ask you if you could dig up the form for a contribution to Meg Whitman.

He was also going to ask you where I could Fed Ex the checks

Bill

---

**From:** Matthew Jubitz [mailto: ]  
**Sent:** Friday, June 04, 2010 5:06 PM  
**To:** W. M. Templeton  
**Subject:** VCRP contribution form

Hi Mr. Templeton.

Attached is the Ventura County Republican Party contribution form.

Thank you for your generous donation of \$32,400 to the candidate direct fund at the Party.

Please don't hesitate to call me should you have any questions.

Thank you

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor

Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

**Exhibit A-27**

---

From: Matthew Jubitz [REDACTED]  
Sent: Thursday, June 10, 2010 4:19 PM  
To: 'Andy.Barth [REDACTED]'  
Subject: RE: Post Election breakfast  
Attachments: General Contribution form.pdf; VCRP General Contribution Form.pdf

I know... it was a really hard night for Sacramento Legislators... we were glad to have the 68% - although we expected 65% (we really didn't spend much money on the primary - about \$150,000 to lock down all the slates and I am glad we spent it!).

Mike Villines (he was the minority leader of the CA assembly) who was virtually unopposed for Insurance Commissioner (his opponent only put his name on the ballot - spent \$0), beat him 51-49.

Abel Maldonado (sitting Lt. Gov.) only drew 42%, but was in a crowded 5 way race... otherwise he might have lost.

As per our conversation, I have attached the general election contribution information for Tony. You and Avery can do the max of \$13,000. I also put the form for the Ventura County Republican Party Candidate direct committee.

Really appreciate your support.

We were thinking that Tony and Jeff Randle (Meg's Chief Strategist) would put together a little post election discussion. Would you be available next Thursday to attend a lunch downtown?

Thank you again,

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

-----Original Message-----

From: Andy.Barth [REDACTED] [mailto:[REDACTED]]  
Sent: Thursday, June 10, 2010 12:34 PM  
To: Matthew Jubitz  
Subject: Re: Post Election breakfast

Thanks, Matt. But, I will not be able to join. Nice win. A little closer than expected but a nice win nonetheless.  
Andy

----- Original Message -----

From: "Matthew Jubitz" [REDACTED]  
Sent: 06/10/2010 12:28 PM MST  
To: Andy Barth  
Subject: FW: Post Election breakfast

Dear Andy,

You are cordially invited to join Tony Strickland this Saturday (June 12th) for breakfast at 8am for a post election analysis at the Westlake Village Inn.

As seating is limited, please RSVP to me if you can join us.

Thank you for your consideration,

Matthew

---

Matthew Jubitz  
Strickland for Controller 2010  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90017  
(213) 622-3095

**Exhibit A-28**

---

**From:** Matthew Jubitz [REDACTED]  
**Sent:** Tuesday, June 15, 2010 2:51 PM  
**To:** 'chrisuu@pacbell.net'; 'Tony Strickland'  
**Subject:** RE: Progress Report

I know Tony and I decided no.

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

---

**From:** chrisuu [REDACTED] [mailto:[REDACTED]]  
**Sent:** Tuesday, June 15, 2010 2:29 PM  
**To:** Matthew Jubitz; Tony Strickland; Kirk Hutson  
**Subject:** Re: Progress Report

You're right we have not yet. But should we add a line item for "vc gop"

It would be whatever the amount raised/pledged minus 7%

Sent from my Verizon Wireless BlackBerry

---

**From:** "Matthew Jubitz" <[REDACTED]>  
**Date:** Tue, 15 Jun 2010 14:24:20 -0700  
**To:** <chrisuu [REDACTED]>; 'Tony Strickland' <[REDACTED]>; 'Kirk Hutson' <[REDACTED]>  
**Subject:** RE: Progress Report

He did. 32,400... but I am not aware of whether or not a donation from VCRP has come in to Strickland for Controller.

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

---

**From:** chrisuu [REDACTED] [mailto:[REDACTED]]  
**Sent:** Tuesday, June 15, 2010 2:23 PM  
**To:** Matthew Jubitz; Tony Strickland; Kirk Hutson  
**Subject:** Re: Progress Report

I thought templeton was doing something to vc gop?

Sent from my Verizon Wireless BlackBerry



**From:** "Matthew Jubitz" <[REDACTED]>  
**Date:** Tue, 15 Jun 2010 14:16:33 -0700  
**To:** 'Chris W.' <[REDACTED]>, 'Tony Strickland' <[REDACTED]>  
<[REDACTED]>  
**Subject:** RE: Progress Report

Have we received any party money?

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

---

**From:** Chris W. [mailto:[REDACTED]]  
**Sent:** Tuesday, June 15, 2010 2:12 PM  
**To:** Matthew Jubitz; Tony Strickland; [REDACTED]  
**Subject:** Re: Progress Report

does your amount include party money?

Lysa has us taking in 452,700

---

**From:** Matthew Jubitz <[REDACTED]>  
**To:** Tony Strickland <[REDACTED]>; [REDACTED]; [REDACTED]  
**Sent:** Tue, June 15, 2010 1:15:24 PM  
**Subject:** Progress Report

Hi All,

Please review, I would like to send to Joe soon, but wanted your feedback first.

Thank you.

Matthew

---

Matthew Jubitz  
515 S. Figueroa Street  
16th Floor  
Los Angeles, CA 90071  
(213) 973-2001 Direct  
(213) 652-1005 Facsimile

**Exhibit A-29**

---

From: tonystrickland [REDACTED]  
Sent: Monday, June 28, 2010 1:10 PM  
To: Chris Wangsaporn; Matthew Jubitz  
Subject: Re: FYI VCGOP check

47,400 raised. 7 percent 2800 equals 44,600. Vcgop gives us 400 to equal 45k. 400 not 600.  
Sent on the Now Network from my Sprint® BlackBerry

-----Original Message-----

From: chrisu [REDACTED]  
Date: Mon, 28 Jun 2010 19:59:40  
To: Tony Strickland [REDACTED]; Matthew Jubitz [REDACTED]  
Reply-To: chrisu [REDACTED]  
Subject: Re: FYI VCGOP check

What are you talking about 600 dollars?  
Sent from my Verizon Wireless BlackBerry

-----Original Message-----

From: tonystricklan [REDACTED]  
Date: Mon, 28 Jun 2010 19:56:43  
To: Chris Wangsaporn [REDACTED]; Matthew Jubitz [REDACTED]  
Reply-To: tonystricklan [REDACTED]  
Subject: Re: FYI VCGOP check

Have mike write a 45k check to us. (He can get us 600 dollars). Matthew--do you think sue groff will do anything before 30th?? If not get 45k check from vcgop.  
Sent on the Now Network from my Sprint® BlackBerry

-----Original Message-----

From: tonystricklan [REDACTED]  
Date: Mon, 28 Jun 2010 19:54:28  
To: Chris Wangsaporn [REDACTED]; Matthew Jubitz [REDACTED]  
Reply-To: tonystricklan [REDACTED]  
Subject: Re: FYI VCGOP check

No!!!! Don't take jubitz out. We will pay jubitz from our acct. We need to hit 2 million raised for team meg.

-----Original Message-----

From: Chris Wangsaporn  
To: Tony Strickland  
To: Matthew Jubitz  
ReplyTo: Chris Wangsaporn  
Sent: Jun 28, 2010 12:48 PM  
Subject: FYI VCGOP check

Tony- you received

32,400 templeton  
15,000 barth

-----  
Total of 47,400

After taking out 2800 for VCRP 7% and 7,110 for Jubitz 15% Mike will be cutting you a check for 37,490.

Matthew- Osborn would like you to invoice him. If I were you I would do it right away or you may get screwed.

CW

Sent from my Verizon Wireless BlackBerry

Sent on the Now Network from my Sprint® BlackBerry No virus found in this incoming message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 9.0.830 / Virus Database: 271.1.1/2968 - Release Date: 06/27/10 23:37:00

**Exhibit A-30**

85

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

---

**I CASE NO:** 11/0073

**CASE NAME:** William Templeton

**REPORT DATE:** December 22, 2013

Page 1 of 3 page(s).

---

**II REPORT TYPE:** Interview Report #6

---

**III REPORT PREPARED BY:** A. Diaz [REDACTED]

**DATE SIGNED:** 12.21.13

---

**IV DISTRIBUTION:** Brereton, File

---

**VI. INTERVIEW SUMMARY ONLY:**

**Interview Tape Recorded:** Yes

**Manner of Interview:** Telephone

**Person(s) Interviewed:** William Templeton  
3535 Gillespie #706  
Dallas, TX 75219

**Phone Number:** [REDACTED]

---

**V. SUMMARY AND ANALYSIS:**

On December 13, 2013, I conducted a telephonic interview of respondent William Templeton (Templeton). Also present were respondent council, Andrew Rockas and Commission Council, Bridgette Castillo. The following summarizes our interview:

Respondent Templeton has been making contributions towards California races since 2001. He holds business interests in the oil and gas industry, and limited real estate investments

and therefore is interested in political and business dealings.

On or about March 29, 2010, as best he could guess he received a personal call from Tony Strickland soliciting a contribution towards his campaign. Templeton has only met Strickland on maybe three occasions and considers him a mere acquaintance. He recalled giving \$13k to the Tony Strickland for Controller 2010 campaign and was aware there was a contribution limit, although he couldn't recall how he knew that.

Templeton recalled receiving an email from Mathew Jubitz towards the beginning of October 2010, extending an invitation for a dinner event. He guessed there were approximately 10 people who attended held at Sly's Restaurant in Carpinteria, CA on October 12, 2010. Templeton understood the dinner was more of an update on how the republicans were doing in the races. He recalled Strickland spoke briefly and detailed that the republican ticket was going fairly well, including Meg Whitman's race and that success would depend on the turn out to vote. It was then someone, who he couldn't recall, asked how they could support the efforts of the turn out to vote. It was then again someone, possibly Strickland, responded that the "central committees" supported those efforts.

#### Ventura County Republican Party Central Committee

Templeton's main focus was in Ventura County since that is where most of his business interests originate. He recalled making a \$32,400 contribution, but couldn't recall why he gave that specific amount. Wanting to do more, he asked amongst his business peers for ways to support pro-business candidates in the county. He didn't recall who he spoke to specifically, but was told the Ventura County Republican Central Committee would distribute contributions best and more so give towards the turn out to vote. Additionally, he didn't want to be identified as a main contributor so he felt comfortable making the contribution to a central committee.

#### Stanislaus Republican Central Committee

Templeton recalled giving a \$15k contribution to the Stanislaus Republican Central Committee in response to the dinner event. Someone, again possibly Strickland, had indicated if anyone was interested in giving to the central committees, understanding this would help out the turn out to vote efforts, to see him after dinner. Templeton didn't recall who he spoke to, but mentioned that he wanted to "help out a little." Later Matthew Jubitz then contacted him by email and Templeton sent him the check.

#### Email from Matthew Jubitz

Templeton believed he received an email from Jubitz shortly after the dinner event, because he expressed interest in giving to the central committees. Templeton didn't recall sending Jubitz the check, but agreed that he did so based on a review of records. He didn't know why Jubitz requested his contribution check be sent to him rather than directly to Stanislaus

Republican Central Committee, but never questioned it because Templeton assumed he was a representative of the republican party in general. Templeton later learned from his attorney, Andy Rockas that Jubitz worked for the Strickland committee.

Other than letters of thank you letter he received from the central committees for the contributions, Templeton maintains he has never had direct contact with either Ventura RCC or the Stanislaus RCC.



**Exhibit A-31**

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

---

**I      CASE NO:** 11/0073

**CASE NAME:** William Templeton

**REPORT DATE:** July 1, 2014

Page 1 of 3 page(s).

---

**II      REPORT TYPE:** Interview Report #24

---

**III     REPORT PREPARED BY:** A. Diaz [REDACTED]

**DATE SIGNED:** 7.1.14

---

**IV     DISTRIBUTION:** Brereton, File

---

**VI.    INTERVIEW SUMMARY ONLY:**

**Interview Tape Recorded:**    Yes

**Manner of Interview:**        In Person

**Person(s) Interviewed:**      Mike Osborn, Chairman  
Ventura County Republican Party  
80 Wood Rd, Suite 304A  
Camarillo, CA 93010

**Phone Number:**                [REDACTED], mobile

---

**V.      SUMMARY AND ANALYSIS:**

On July 1, 2014, I conducted an in person interview with Mike Osborn, Chairman of the Ventura County Republican Central Committee (VCRCC). WE discussed matter relative to the 2010 State Controller race and the 2010 Ventura Board of Supervisor election. The following summarizes our interview:

Mike Osborn is the Chairman of the VCRCC and additionally has been the treasurer for the California Republican Party for the last three years.

Contributions to candidates are discussed and agreed between members of the VCRCC Executive Committee. The committee is comprised of up to ten members. At the time of the 2010 contributions Osborn could not recall how many people or exactly who were on the committee but provided, himself, Chris Collier, and Mark Lunn (now retired) as possible members at that time. Candidate support is routinely brought up by members, during meetings. The committee agrees collaboratively after discussion and the contribution is made if it is decided so. Regarding the contribution to the Strickland for Controller 2010 committee of \$45,000, Osborn could not recall the specifics but affirms it must have been discussed and agreed upon between the committee members. When asked about the nature of which the contributions were made, one for \$44,100 and the other for \$900 days apart, Osborn had no recollection as to why the contributions were made in that fashion. When asked about the additional \$6,000 made in October, Osborn didn't know.

He stated there are no meeting minutes, notes, audio recordings, or video footage of any time at these meetings. He was aware of the contribution limits for both central committees and individual contributions to candidates.

Osborn provided that he and Tony Strickland are like "best friends" and have been for some 20 years. He offered that Strickland is a "stand-up" guy.

#### Templeton and Barth Contribution

When asked about the contribution by William Templeton of \$32,400 Osborn stated it was so long ago he could not recall specifics, but acknowledge the contribution. When asked about the contribution by Andrew Barth of \$15,000 again he could not recall specifics.

#### Chris Collier

When asked about Chris Collier, he stated that Collier did consulting work for the VCRCC in 2010, prior to his coming on board as executive director of the VCRCC. Collier operates the business Rincon Strategies.

Osborn stated it wasn't terribly uncommon for individuals from other committees (such as Chris Wangsaporn) to let him or Chris Collier know that contributions were coming their way. Often times if an individual maxed out, they would give to the central committee with knowledge that the central committee would support a candidate.

When presented with an email that Osborn was cc'd, which Chris Wangsaporn sent to an individual requesting for \$1,000 to send to the VCRCC to help Audra Strickland's committee, Osborn stated it was strictly for member communications.

When asked about the email between Chris Wangsaporn, Matthew Jubitiz, and Tony Strickland regarding the \$45,000 contribution request from Mike (Osborn). Osborn stated it was coincidental that the conversation between the three and the amount the VCRCC contributed were the same.

Matthew Jubitiz

Matthew Jubitiz was hired as a contractor to do fundraising for the VCRCC. Osborn had known Jubitiz for many years prior. When funds were pledged Jubitiz would notify the committee of the funds coming to them. Osborn spoke to him occasionally but didn't think he was the main point of contact for Jubitiz and didn't necessarily "direct" him on his duties because he was a contractor who pretty much did his own thing. When asked who would have been his point of contact, Osborn did not know.

**Exhibit A-32**

86

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

I      CASE NO: 11-0073                      CASE NAME: William M. Templeton                      REPORT NO.: 27

REPORT DATE: 8/25/14

PAGE 1 of 5 page(s)

---

II      REPORT TYPE: Interview Summary

---

III      REPORT PREPARED BY: Jeffrey Kamigaki

DATE SIGNED: 8-25-14

---

IV      DISTRIBUTION: Angela Brereton

---

V      INTERVIEW SUMMARY ONLY:

Interview tape recorded: Yes

Manner of interview: In Person

Person(s) interviewed: Chris Collier, Rincon Strategies

Work address:

Work phone:

Home address:

Home phone:

---

VI      NARRATIVE:

On July 15, 2014, Annaraine Diaz, FPPC Special Investigator, interviewed Chris Collier, Rincon Strategies, in person. The interview was held in Encino, CA. In summary, Collier said the following:

Collier provided background information of himself. He indicated that his first ever Ventura County Republican Central Committee (VCRCC) meeting he attended was in May 2008. He attended the meeting with a family friend who was running for a judge position. Collier indicated that at the time he was helping the judge candidate with his campaign in 2008. He attended the meeting just to check out what the VCRCC was all about. In summer of 2008, Collier was hired by the CAGOP to be a field rep for Ventura and Santa Cruz counties. As a field rep he was responsible for phone banks. Collier indicated in 2008, Tony Strickland won his election as state senator and he was offered a part time position with state senator Tony Strickland. Approximately in January 2009, he signed with the VCRCC as the Executive Director on a contract basis. He has been an independent contractor with the VCRCC ever since January 2009. Collier indicated that it is not a full time position with the VCRCC.

**Rincon Strategies:**

Collier started Rincon Strategies in the Fall of 2008. The purpose of Rincon Strategies was so Collier could get involved in consulting work. He started the business the same time he was still working for the CAGOP. The business initially was a catch all and not entirely political. He indicated that he did website design and then evolved into more consulting work. In 2010, Collier was the only full-time employee with Rincon Strategies. He indicated that he had employees that started in 2011 and 2012.

**VCRCC Process:**

Collier did not remember the contribution that VCRCC gave to the Tony Strickland for Controller 2010 committee.

Collier described the VCRCC process when money is needed. Collier indicated that he will initially contact the treasurer, Kelly Lawler, by phone or email, and informs her that he needs to pay the following VCRCC bills, such as rent, utilities, phones, contract workers, etc. Lawler will generate the checks in her system and Collier receives the checks in the mail. Collier would then take the checks to Mike Osborn to have him sign the checks. After the checks are signed, Collier would address and stamp the checks and mail them off. Collier indicated that there have been other times where he has handwritten the checks at Lawler's approval, photocopied the checks and sent them back. Collier never signed checks, only processed the checks. He indicated that either Mike Osborn or Arkady Milgram needed to sign all of the VCRCC checks.

Lawler's role is the bookkeeper and keeps the balance for VCRCC. Arkady Milgram is the VCRCC treasurer and handles the reports. Collier indicated this was the best to his knowledge in what Lawler and Milgram do for the VCRCC. He is not "intimately" involved with the financial side of the VCRCC.

Lawler is a bookkeeper vendor. Collier indicated the Lawler advises whether a check can be cut or not based on the balance of the bank.

Milgram is on the VCRCC Executive Committee as Treasurer. Collier believed that Milgram does have a vote on the Executive Committee.

**How contributions are decided by VCRCC:**

FPPC Special Investigator Diaz referenced the total contribution of \$45,000.00 and \$6,000.00 that was made by the VCRCC to Tony Strickland for Controller 2010. In response, Collier guessed that for such contributions to be executed, it would have to be an Executive Committee decision. Typically there is an Executive Committee meeting where the committee members will go over and approve a list of items.

Collier indicated that as Executive Director, he is not a voting member on the Executive Committee. He is a staff member. He does not remember the specific contributions that were referenced by Special Investigator Diaz. Collier could not remember being in attendance at a meeting involving the discussion of the \$45,000.00 and \$6,000.00 contributions. Collier indicated that it is possible that he was at a meeting where the Executive Committee approved the contributions, but he could not positively confirm if he was at the meeting or not. Collier indicated that during campaign season he was sometimes in attendance and other times not in attendance at the Executive Committee meetings.

Collier did not know if there are normally minutes for Executive Committee meetings. He indicated that he does not handle the minutes.

Collier indicated that he is currently on the VCRCC Committee.



**Audra Strickland Campaign:**

Collier confirmed that he was paid to work on Audra Strickland's campaign as Campaign Manager when she was running for Board of Supervisors in 2010. Collier confirmed that while working on the Audra Strickland campaign, he was still doing contract work for the VCRCC.

**Matthew Jubitz:**

Collier identified Matthew Jubitz as a professional fundraiser out of Los Angeles, CA. Collier confirmed that Jubitz's company is Pluvius Group. He has known Jubitz since 2008-2009. He believes that Jubitz helped with Audra's campaign. Collier indicated that Jubitz was giving Audra Strickland's campaign information on donors. Collier indicated that Jubitz worked for the party in 2009 in raising money. Collier could not positively confirm if Jubitz had worked for Strickland for Controller 2010 or not in 2010.

**Marina Stavrakas:**

Collier identified Marina Stavrakas as Jubitz's assistant. Collier, to the best of his knowledge, met Stavrakas in Spring of 2012. Collier confirmed that Stavrakas works for Pluvius Group, but does not know her official working title for the company.

**Chris Wangsaporn:**

Collier has known Wangsaporn since May/June 2008. Collier confirmed that he and Wangsaporn were both working on Tony Strickland's state senate race in 2008. Collier indicated that Wangsaporn was on Tony Strickland's 2008 state senate race that he worked with while he (Collier) was working for the state CAGOP because the CAGOP supports candidates. Collier was not sure if Wangsaporn was the campaign manager for Tony Strickland during the 2008 state senate race. Collier indicated that when he became Tony Strickland's district rep for the senate, he remembered that Chris Wangsaporn was Tony Strickland's Chief of Staff. Collier indicated that to the best of his knowledge, Wangsaporn has only worked with Tony Strickland.

**Lysa Ray:**

Collier identified Lysa Ray as the Treasurer for Audra Strickland in 2010. He believed that Ray was the Treasurer for Tony Strickland's Controller 2010 campaign, but was not positive.

**William Templeton:**

Collier indicated that he does not know William Templeton. Collier indicated that he was aware of a contribution by Templeton. Collier indicated that the only reason he knew about Templeton's contribution was because VCRCC was audited and he saw the large contribution.

**Email #1:**

FPPC Special Investigator Diaz referenced an email dated February 16, 2010 from Tony Strickland to Audra Strickland, Joel Angeles, and Chris Collier.

Collier indicated that Joel Angeles was the campaign strategist. Collier indicated that he was responsible for the day to day operations of the campaign, but not strategy.

Collier did not remember the conversation in the email that FPPC Special Investigator Diaz referenced.

Collier recalled that one of the conversations that people had in Audra Strickland's race in 2010 was that the Republican Party spent money to support Audra Strickland to communicate with Republicans. They used member communication tools. Collier indicated that he is not a "guru," but understands that member communications exist. Collier indicated that he knew that when it came to fundraising there was conversation about the opportunity to communicate with Republicans and the base.



Collier indicated that he was on a lot of emails related to finance with Audra Strickland's campaign involving caging and all of the donors coming into Audra Strickland's campaign.

**Email #2:**

FPPC Special Investigator Diaz referenced an email dated February 24, 2010 from Tony Strickland to Audra Strickland, Joel Angeles, and Chris Collier.

Collier indicated that the conversation in the email was about fundraising. Collier indicated that he did not handle fundraising for Audra Strickland. He did not understand the process and it was not his focus on a day to day basis. Collier indicated that he was not watching for anything involving money being sent to VCGOP. He did not remember any specifics about the email.

Collier indicated that he was kept in the loop and informed of what was going on during the campaign by being cc'd in emails. He was not making any decisions.

**Email #3:**

FPPC Special Investigator Diaz referenced an email thread dated May 17, 2010 from Rock Zierman to Chris Wangsaporn, who was cc'd on the email. Collier identified Zierman who works for CIPA, California Independent Petroleum Association. Collier indicated that Zierman is not involved with political fundraising or consulting.

Collier indicated that whenever Chris Wangsaporn said, "be on the lookout for something," he meant for Collier to go to the mailbox and make sure when something comes in it is then deposited. It is the caging process. Collier indicated that Wangsaporn has used this type of language before. He provided an example in 2009 when Wangsaporn used the same language when they worked on a hall of fame dinner.

Collier described, in general terms, that as a party, all Republican central committees have trouble raising money. When people want to help and raise money for the party that is what Collier saw in the email that FPPC Special Investigator Diaz was referencing to in the interview. Collier indicated that it looked like money was raised and Wangsaporn said to look out for the check and when it comes in the mail, go and deposit the check.

Collier indicated that he would have never been part of the conversation if the VCGOP to turn around and make contributions to Audra and Tony Strickland's committees. Collier indicated that his job was to "take stuff and mechanically put it in the bank."

**Email #4:**

FPPC Special Investigator Diaz referenced an email thread dated June 28, 2010. Diaz described the email as conversations between Tony Strickland, Chris Wangsaporn, and Matthew Jubitz.

Collier remembered that he paid Jubitz and processing the check. He recalled that Kelly Lawler sent it down and Collier got it signed. He remembered Jubitz calling him asking if he had a check for him. Collier remembered that he told Jubitz that he mailed it.

Collier indicated that he did not know anything about the conversations in the email.

Collier did not remember how the VCGOP (Ventura County) made a contribution for \$45,000.

Collier never signed any checks. Collier only had either a treasurer or chairman sign the checks. Akardy Milgram or Mike Osborn would have been the signers for checks.

He was not aware of the \$45,000 contribution made by the VCGOP to Tony Strickland for Controller 2010 committee.

**Checks:**

FPPC Special Investigator Diaz referenced two contribution checks, one for \$44,100.00 (dated 6/28/2010) and \$900.00 (dated 6/30/2010) from the Ventura County Republican Central Committee to Strickland for Controller 2010. Collier indicated that if the checks were printed out then they came from Kelly Lawler.

Collier indicated that it was not his hand writing on the check for \$900.00 from the Ventura County Republican Central Committee to Tony Strickland for Controller 2010. He could not determine who's hand writing was on the \$900.00 check.

From: tonystrickland@[REDACTED]  
Subject: Re: los robles hospital  
Date: February 16, 2010 11:18:33 AM PST  
To: "Audra Strickland" [REDACTED], "Joel Angeles" [REDACTED],  
chris.collier@[REDACTED]  
Reply-To: tonystrickland@[REDACTED]



Great! We need to sit down with justin about big check for party money. Audra, we need to put together list of 30-40 pac's that might help with party checks. Let's set up one on one meetings with them. Also, we need to do the same down south with folks who can write 5k-100k checks. Don't have much time. Great news! We should ask justin for 10k and expect 5k. Tony

-----Original Message-----

From: Audra Strickland  
To: Tony Strickland  
To: Joel Angeles  
To: chris.collier@[REDACTED]  
Sent: Feb 16, 2010 10:52 AM  
Subject: los robles hospital

kris carraway bowman has requested a donation from the CA Hospital Assn on our behalf  
But she also said that if there is a way that the hospital can be helpful to let her know, but they just as a hospital cannot come out in support. Å  
audra

Sent on the Now Network™ from my Sprint® BlackBerry

VCRP000135

From: tonystrickland@  
Subject: Re: los robles hospital  
Date: February 16, 2010 11:19:14 AM PST  
To: "Joel Angeles" < > "Audra Strickland" < > "Chris Collier" < >  
Reply-To: tonystrickland@



Agree with joel on all as well as 10k for vcgop

-----Original Message-----

From: Joel Angeles  
To: Audra Strickland  
To: Tony Strickland  
To: Chris Collier  
Sent: Feb 16, 2010 11:00 AM  
Subject: RE: los robles hospital

That is good.

Talk to Tony about talking to Justin Matheson and possibly Kathryn Scott.

To give to any or all of the following:

- Supervisor Acct (\$700 max)
- VCRCC (no max)
- Office holder account (\$3,900 max)

JA

-----  
To: tonystrickland@ < > joelangeles@ < > chris.collier@ < >  
Subject: los robles hospital  
Date: Tue, 16 Feb 2010 13:52:08 -0500  
From: audrastrickland@ < >

kris carraway bowman has requested a donation from the CA Hospital Assn on our behalf  
But she also said that if there is a way that the hospital can be helpful to let her know, but they just as a hospital cannot come out in support. Å  
audra

-----  
Your E-mail and More On-the-Go. Get Windows Live Hotmail Free. Sign up now.

Sent on the Now Network™ from my Sprint® BlackBerry

VCRP000136

From: tonystrickland@[REDACTED]  
Subject: Re: CONFIDENTIAL - campaign update  
Date: February 24, 2010 6:32:08 AM PST  
To: "Joel Angeles" [REDACTED], "Audra Strickland" [REDACTED], "Chris Collier"  
Reply-To: tonystrickland@[REDACTED]



That is good for now. Let's see who gives big money to vcgop and then we can inform them with the hope of asking for more last min money  
Sent on the Now Network from my Sprint® BlackBerry

---

From: Joel Angeles [REDACTED]  
Date: Wed, 24 Feb 2010 00:12:20 -0800  
To: Audra Strickland [REDACTED] Chris Collier <[REDACTED]> Tony Strickland [REDACTED]  
Subject: RE: CONFIDENTIAL - campaign update

Audra and Tony: Who should be included?

I came up with these names:

**SUPPORTERS**

Tashes  
Amodel  
Bill Lynch  
Mike Osborn  
Phil Chase  
Lynn Jensen

**STAFF & Family**

Rondi  
Wangsaporn  
Hutson  
MattG  
MatthewJ  
Darin Henry  
Darlene Carson

---

From: joelangeles@[REDACTED]  
To: audrastrickland@[REDACTED] chris.collier@[REDACTED] joelangeles@[REDACTED]  
Subject: CONFIDENTIAL - campaign update  
Date: Wed, 24 Feb 2010 00:01:25 -0800

CHRIS: The letter below is good to go anytime.

TEAM Audra Strickland:

As one of our campaign's closest supporters, we wanted to send you this update but we hope you do not share it with anyone. I hope you understand the importance of keeping this information under wraps. In any campaign, the less your opponents know of your activities and the success of your campaign

VCRP000145

programs, the greater the advantage you have.

As we have begun to build this campaign, here is a quick update. Last Friday marked the first 2 weeks of the campaign and we have done a great job so far.

Audra Strickland herself has been busy doing the people's work in Sacramento. Although she would prefer to meet with voters, she has received a lot of press and media attention for the work she does on their behalf.

In fact last Friday, she taped a five minute segment to be aired many dozens of times on the cable channel, Headline News Network starting next month. As you know, Mrs. Strickland and her work to eliminate waste was featured these last 2 weeks in the V. C. Star, L. A. Times, Sacramento Bee, CNN News, CBS News, SF Examiner, and many blog sites.

This is great press coverage that will benefit our campaign. As we all know, voters of the 2nd district will be very happy to hear how hard Audra Strickland is fighting to protect taxpayers.

Within the last two weeks, we have been precinct walking on each day that it did not rain. So far, we have walked 19 precincts. To tell you how important that is, there are only about 65 precincts of the total of 87 precincts in the 2nd District that are walkable and that we have targeted for our walk program. In only the first 2 weeks of this campaign, we have already walked 29% of our targeted precincts.

We are just getting started and our walk program will be growing each day of the campaign. However, at this rate, we will be able to finish the first round of precinct walking in 3 weeks and walk each targeted neighborhood at least 6 times before the election. To put this in perspective, most campaigns plan to walk a district once and often don't even finish that. In stark contrast, our opponent has not been seen walking precincts. In fact, rather than meeting voters like we are, she was seen gardening in her front yard this past Saturday afternoon.

As our campaign effort grows in the coming weeks, please be on the look out for the following -- We will soon be opening up a campaign headquarters. We are in the final negotiations for a few locations and will decide on one this week.

Also, we will soon be launching our campaign website. The "electronic" infrastructure for the site is finished and the only thing that is left to do is completing the text for a few of the pages.

But most importantly, be on the lookout for our growing ground campaign team walking door-to-door. Meeting voters face-to-face has the greatest impact on the outcome of an election.

On behalf of the campaign, thank you for your support. Please feel free to contact me if you have any questions about the campaign.

Sincerely,

Chris Collier

Campaign Manager

---

Hotmail: Powerful Free email with security by Microsoft. [Get it now.](#)

---

VCPR000146

Your E-mail and More On-the-Go. Get Windows Live Hotmail Free. [Sign up now.](#)

VCRP000147

From: chris@tonystrickland.com  
Subject: Fw: VCRP  
Date: May 17, 2010 10:24:45 AM PDT  
To: "Chris Collier" <chris.collier@ [REDACTED]> "Mike Osborn" [REDACTED]  
Reply-To: chris@tonystrickland.com  
1 Attachment, 40.5 KB

FYI Be on the look out

Sent from my Verizon Wireless BlackBerry

-----Original Message-----

From: "Rock Zierman" <rock@ [REDACTED]>  
Date: Mon, 17 May 2010 10:03:25  
To: <jeneves@ [REDACTED]>  
Cc: <chris@tonystrickland.com>  
Subject: VCRP

Pis cut a check for \$2,000 and send to the Ventura CRP from our local account. Thanks!

Rock

Yes! I/We would like to help the Ventura County Republican Party by contributing:

☐ \$ 25,000    ☐ \$ 10,000    ☐ \$ 5,000    ☐ \$ 2,500    ☐ \$ 1,000    ☐ OTHER \$ \_\_\_\_\_

Contributions to the Ventura County Republican Party are not deductible for federal income tax purposes.

There is no limit on contributions to the VCRP. Corporate contributions will be used in California elections.

Contributions to a political party committee like VCRP for member communications are reportable by the VCRP on its state campaign reports. Such contributions are counted toward the donor's California state "Major Donor Committee" threshold if the donor is an individual or business entity. A donor becomes a "Major Donor Committee" and is required to file periodic Major Donor reports when the donor has contributed \$10,000 or more to all state and local candidates, political party committees and candidate support PACs that support state and local candidates, and ballot measure committees. Gov. Code §§ 82013, 84200, 84200.3, 84203, 84204 and 84215.

Because such contributions are related to state and local campaigning, they are not "contributions" under the Federal Election Campaign Act, 2 USC § 431 et seq. For this reason such contributions are not federal contributions and do not count against any donor's aggregate contribution limits to federal candidates, federal committees of political parties or federal PACs.

Credit Card Contributions

☐ MasterCard    ☐ Visa    ☐ Amex    Amount: \$ \_\_\_\_\_  
Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_

Please make all checks payable to: "Ventura County Republican Party"

c/o: Matthew Jubitz (213) 973-2001 Fax: (213) 652-1005

and send to: 515 S. Figueroa Street, 16th Floor, Los Angeles, CA 90071

YOUR CONTRIBUTION CANNOT BE ACCEPTED WITHOUT THIS INFORMATION.

VCRP000720



Your Name

Spouse's Name

Company Name

Title

Business Address

City

State

Zip

Phone

Fax

Email Address

Occupation

Employer

Spouse Occupation

Spouse Employer

Signature

Spouse Signature (joint contributions only)

Paid for by the Ventura County Republican Party, FPPC# 742080

VCRP000721

**From:** chris@tonystrickland.com  
**Sent:** Monday, May 17, 2010 10:25 AM  
**To:** Chris Collier; Mike Osborn  
**Subject:** Fw: VCRP  
**Attachments:** VCRP member comm. Contribution Form.pdf

FYI Be on the look out

Sent from my Verizon Wireless BlackBerry

-----Original Message-----

**From:** "Rock Zierman" <rock@[REDACTED]>  
**Date:** Mon, 17 May 2010 10:03:25  
**To:** <jeneves@[REDACTED]>  
**Cc:** <chris@tonystrickland.com>  
**Subject:** VCRP

Pls cut a check for \$2,000 and send to the Ventura CRP from our local account. Thanks!

Rock

Yes! I/We would like to help the Ventura County Republican Party by contributing:

☐ \$ 25,000    ☐ \$ 10,000    ☐ \$ 5,000    ☐ \$ 2,500    ☐ \$ 1,000    ☐ OTHER \$ \_\_\_\_\_

Contributions to the Ventura County Republican Party are not deductible for federal income tax purposes.

There is no limit on contributions to the VCRP. Corporate contributions will be used in California elections.

Contributions to a political party committee like VCRP for member communications are reportable by the VCRP on its state campaign reports. Such contributions are counted toward the donor's California state "Major Donor Committee" threshold if the donor is an individual or business entity. A donor becomes a "Major Donor Committee" and is required to file periodic Major Donor reports when the donor has contributed \$10,000 or more to all state and local candidates, political party committees and candidate support PACs that support state and local candidates, and ballot measure committees. Gov. Code §§ 82013, 84200, 84200.3, 84203, 84204 and 84215.

Because such contributions are related to state and local campaigning, they are not "contributions" under the Federal Election Campaign Act, 2 USC § 431 et seq. For this reason such contributions are not federal contributions and do not count against any donor's aggregate contribution limits to federal candidates, federal committees of political parties or federal PACs.

**Credit Card Contributions**

☐ MasterCard    ☐ Visa    ☐ Amex

Amount: \$ \_\_\_\_\_

Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_

Please make all checks payable to: **"Ventura County Republican Party"**

c/o: Matthew Jubitz (213) 973-2001 Fax: (213) 652-1005

and send to: 515 S. Figueroa Street, 16th Floor, Los Angeles, CA 90071

**YOUR CONTRIBUTION CANNOT BE ACCEPTED WITHOUT THIS INFORMATION.**

Your Name \_\_\_\_\_ Spouse's Name \_\_\_\_\_

Company Name \_\_\_\_\_ Title \_\_\_\_\_

Business Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email Address \_\_\_\_\_

Occupation \_\_\_\_\_ Employer \_\_\_\_\_ Spouse Occupation \_\_\_\_\_ Spouse Employer \_\_\_\_\_

Signature \_\_\_\_\_ Spouse Signature (joint contributions only) \_\_\_\_\_

Paid for by the Ventura County Republican Party, FPPC# 742080

VCRP000037

**Exhibit A-33**

8

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

I      CASE NO: 11-0073                      CASE NAME: William M. Templeton                      REPORT NO.: 28  
REPORT DATE: 8/28/14                      PAGE 1 of 11 page(s)

---

II      REPORT TYPE: Interview Summary

---

III      REPORT PREPARED BY: Jeffrey Kamigaki

DATE SIGNED: 8-28-14

---

IV      DISTRIBUTION: Angela Brereton

---

V      INTERVIEW SUMMARY ONLY:

Interview tape recorded: Yes

Manner of interview: In Person

Person(s) interviewed: Matthew Jubitz, represented by Steven Haskins, Stephen Larson (Arent Fox)

Work address: 555 West 5th Street, 48<sup>th</sup> floor, Los Angeles, CA 90013

Work phone: (213) 443-7556 (Haskins #)

Home address:

Home phone:

---

VI      NARRATIVE:

On August 20, 2014, I interviewed Matthew Jubitz, Pluvios Group, in person. The interview was held at Arent Fox LLP, law office in Los Angeles, CA. Angela Brereton, FPPC Counsel, Steven Haskins, legal counsel for Jubitz, and Stephen Larson, legal counsel for Jubitz, were present. In summary, Jubitz said the following:

Jubitz has been political fundraising since 2002. He currently owns Pluvios Group, which is a California LLC. Pluvios Group is a fundraising consulting company. Jubitz started the company in 2007. Pluvios Group does statewide fundraising. Pluvios Group primarily does political fundraising. Jubitz indicated that specifically people hire Pluvios Group for the Los Angeles County market. Pluvios Group does focus primarily in Los Angeles County. In 2010, Pluvios Group did do statewide races, but have not done any since 2010.

Jubitz started as a "shoulder guy" for Bruce McPherson, as a traveling aide. McPherson was running for Lt. Governor and traveled throughout the state. When the McPherson campaign ended, Jubitz went to work for McPherson's fundraising consultant in Los Angeles in 2002. In 2007, he worked for Mitt Romney's campaign in California, which then led to the creation of Pluvios Group.

He indicated that since he is not an attorney, he does not know all the details regarding state campaign fundraising regulations. However, Jubitz indicated that he/Pluvius Group tries to be as well informed about state campaign fundraising regulations.

Jubitz indicated that Pluvius Group does not handle the filling out and the filing of campaign statements. Pluvius Group has become familiar with the campaign reporting forms over the years, but do not handle the campaign reporting forms. He indicated that Pluvius Group is not a campaign treasurer. Pluvius Group has never done treasury work. Pluvius Group is not qualified to do treasury work for campaigns. Jubitz indicated that generally Pluvius Group sends whatever checks to the designated campaign treasurer, who will do the reporting requirements.

**Strickland for Controller 2010 Committee:**

Jubitz confirmed that Pluvius Group was contracted to work for the Strickland for Controller 2010 committee. He recalled that Pluvius Group was hired by the Strickland for Controller 2010 committee during the first quarter of 2010. Jubitz guessed that Tony Strickland hired Pluvius Group, but he was not positive. Jubitz could not recall if there was a signed written contract between Pluvius Group and Strickland for Controller 2010 committee. Jubitz thought there would be a contract, but could not recall if there was one or not. Jubitz indicated that usually the length of Pluvius Group's contracts would end with the committees. Pluvius Group usually writes December 31 of that year or end of the calendar year on its contracts.

Jubitz indicated that his role for the Strickland for Controller 2010 committee was fundraising for the campaign and reporting directly to the candidate and to whoever Strickland designated.

Jubitz indicated that the reason Pluvius Group was hired by the Strickland for Controller 2010 committee was because Pluvius Group had worked with/for Tony Strickland's Controller race in 2005 and also for Tony Strickland's state senate race. Jubitz added that other reasons his company was hired by Tony Strickland was because Pluvius Group has a great reputation in fundraising and that Tony Strickland was a previous client.

Jubitz confirmed that the Strickland for Controller 2010 committee was paying Pluvius Group's salary/commission. Pluvius Group would receive payments in the form of checks. Jubitz indicated that there was certainly a commission component in the contract between Pluvius Group and Strickland for Controller 2010. Often times there would be a retainer in the contract, but Jubitz could not recall. He guessed it was probably a straight commission, but would have to review the contract.

Jubitz indicated that the services/duties that Pluvius Group had under the contract with the Tony Strickland campaign was to market to donors and communities. Pluvius Group would create fundraising materials, throw fundraisers, organize fundraisers, plan fundraisers, develop invites, email and fax lists, and report to the campaign as donations came in.

Jubitz's relationship with Tony Strickland began with Jubitz's former firm in 2005 when he was first running for Controller in 2005. After Jubitz left his former firm in 2006, he re-established a relationship with Tony Strickland in 2008 with Pluvius Group.

Jubitz indicated that Pluvius Group worked very closely with Tony Strickland in 2010 during Strickland's campaign for Controller in 2010. Jubitz and Pluvius Group did not work closely with staff members of the Strickland for Controller 2010 committee/campaign. Jubitz indicated that his interaction with staff members of the Strickland for Controller 2010 committee/campaign was very limited. He indicated that the only interaction with Strickland for Controller 2010 staff was sending items to the treasurer via Fedex and interacting with the campaign manager for scheduling items such as fundraisers.

When scheduling any fundraiser, Jubitz indicated that Pluvios Group would deal directly with the candidate. Jubitz confirmed that he would report directly to Tony Strickland. Jubitz indicated that when Pluvios Group would send out marketing and/or communications materials for fundraising events, the materials were approved by either the candidate or Chris Wangsaporn.

Jubitz indicated that Pluvios Group was not involved in any campaign strategy (non-financial) for the Strickland for Controller 2010 committee. He indicated that he was not part of any decision making capabilities regarding how Strickland for Controller 2010 campaign funds were to be spent and to be spent on during the campaign. Jubitz indicated that there were no conversations between him and the Strickland for Controller committee regarding campaign strategies in June 2010.

**Marina Stavrakas:**

Jubitz described Marina Stavrakas as Pluvios Group's accountant/manager. She assists on Pluvios Group's client accounts. She handles day to day operations for the company.

**Chris Wangsaporn:**

Jubitz recognized Chris Wangsaporn. He could not remember what Wangsaporn's title was during the Strickland for Controller 2010 campaign. He could not remember what Wangsaporn's exact role was during the Strickland for Controller 2010 campaign. Jubitz indicated that he would have probably interacted with Wangsaporn fairly frequently.

**Lysa Ray:**

Jubitz indicated that Ray is a treasurer. He acknowledged that Ray was probably the campaign treasurer for the Strickland for Controller 2010 committee. Jubitz indicated that Pluvios Group would send fedex/mail to her office. The only time he would have interacted with Ray would be if there was a problem with a check.

**Tony Strickland:**

Jubitz indicated that he interacted with Tony Strickland frequently through emails, phone calls etc during the 2010 campaign. Jubitz's interactions with Strickland was to plan future fundraisers and to inform Strickland how fundraising was going.

**Audra Strickland:**

Jubitz identified Audra Strickland as Tony Strickland's wife. He did not interact with Audra Strickland. Jubitz indicated that he has never worked with Audra Strickland as a political fundraiser. However, Jubitz acknowledged that if Pluvios Group had a contract with Audra Strickland, the company did not do much, but Jubitz indicated that Pluvios Group did not have a contract with Audra Strickland.

**Joel Angeles:**

Jubitz indicated that he knows Joel Angeles. Jubitz believed that Angeles was Audra Strickland's chief of staff in the Assembly. Jubitz got to know Angeles at fundraising events, but does not know him well. Jubitz did not know what Angeles' role was in 2010. Jubitz did not interact with Angeles in 2010.



**Exhibit #1 & 2:** (Subpoenaed documents)

Jubitz reviewed the Pluvius Group Progress Report dated 9/17/2010 (Exhibit #1) and a Pluvius Progress Report dated 10/8/2010 (Exhibit #2). He confirmed that it appeared that the goal was to raise \$2 million for the Strickland for Controller 2010 campaign. Jubitz did not know why \$2 million was the goal. Jubitz indicated that the goal can change during the campaign. Jubitz did not recall any conversations or discussions with anyone from the Strickland for Controller 2010 committee about the \$2 million goal. Jubitz indicated that if he had not seen the Pluvius Progress Reports, he would not have been able to remember the \$2 million goal.

Jubitz indicated that committees, in general, usually have a number (fundraising goal) in mind that it would like to raise. In general, committees set the goals on how expensive the race will be. Pluvius Group will tell the committee whether the goal is realistic. Pluvius Group does not set the fundraising goal for the campaign. Pluvius Group gives an accounting of what is coming in and the committee will refer to the accounting whether or not they are going to achieve the goal or not.

Jubitz indicated that it is a collaboration when determining who will be donors. You will meet supporters who will throw out names of people that you should get in contact with and Pluvius Group has a list of contributors that it has spent time in developing. Pluvius Group does a lot of mass marketing to contributors. Often times it is the same contributors giving to different political campaigns. In general, when a candidate hires Pluvius Group, the candidate is getting the list of contributors to target certain contributors. Pluvius Group also updates the candidate's contributor list as well such as contact information.

Jubitz indicated, in reference to Exhibit #1 and #2, the VCRP (Ventura County Republican Party) contribution and Stanislaus County (Stanislaus Republican Central Committee) Contribution were listed on the Pluvius Group Progress Report in a sense that party contributions are notoriously flaky and cannot be counted upon. Jubitz did not know if the \$45,000.00 contribution from the VCRP listed on the Pluvius Progress Report (Exhibit #1) was already contributed or if it was a pledge. Jubitz indicated that he did not know if the \$32,400 contribution from the Stanislaus County listed on the Pluvius Progress Report (Exhibit #2) was already contributed or if it was a pledge. Jubitz indicated that you could not tell from the progress report (Exhibit #1) if Stanislaus County was "in or not." Jubitz could not remember if it was his idea or the Strickland for Controller 2010 committee's idea to separate the VCRP and Stanislaus contributions. Jubitz indicated that perhaps Tony Strickland told Pluvius Group to separate out the VCRP and Stanislaus contributions, but he does not remember.

**Exhibit #3:** (Subpoenaed document)

Jubitz reviewed an email thread dated 6/15/2010. He indicated that "Joe" must be Joe Justin. Jubitz did not know what Justin's role was in 2010. Jubitz identified Justin as a campaign consultant. Jubitz indicated that Justin was working for the Strickland for Controller 2010.

Jubitz indicated that Kirk Hutson might have been Tony Strickland's chief of staff in 2010, but was not positive. Jubitz indicated that Huston was involved with scheduling for the Strickland for Controller 2010 campaign from Jubitz's perspective. Most of the interaction was for scheduling of the candidate's time.

Jubitz did not remember what was meant in the email, "Have we received party money?"

Jubitz did not remember what was meant in the email, "we should add a line item for vc gop."

**Exhibit #4:** (Subpoenaed document)

Jubitz reviewed the contract between Matthew Jubitz Consulting and Ventura County Republican Party. Matthew Jubitz Consulting was approached by the Ventura County Republican Party for help with fundraising



in 2010. Jubitz indicated that he could not remember throwing a large fundraiser in 2010 for the Ventura County Republican Party, but wanted Matthew Jubitz Consulting under contract in case the Ventura County Republican Party wanted to host a fundraiser. Jubitz indicated that it was a standard contract. He informed me that sometimes contracts would be tailored to the specific client, but could not confirm if this was a tailored contract for the Ventura County Republican Party. Jubitz confirmed that this was a signed contract between Matthew Jubitz Consulting and Ventura County Republican Party.

Jubitz clarified that Matthew Jubitz Consulting is a dba (doing business as). In a marketing perspective, Jubitz put his name on items so people would know it was him because the name, Pluvius Group, is a nonsensical name.

Jubitz contracted with the Ventura County Republican Party because it was a potential client and they wanted to do fundraising events. Jubitz indicated that before this contract (Exhibit #4), Pluvius Group had previously worked with the Ventura Republican Party. Jubitz recalled doing a big dinner for the Ventura Republican Party, but could not remember if it was in 2010. Jubitz believed that he actually contracted with the Ventura County Republican Party before 2010, but he would have to check records to determine if that is accurate or not.

**Mike Osborn:**

At the time the contract was entered into between Matthew Jubitz Consulting and Ventura County Republican Party, Jubitz indicated that he knew Mike Osborn. Jubitz recalled, to the best of his knowledge, that Mike Osborn was the chairman of the Ventura County Republican Party in 2010. Jubitz indicated that Osborn has been active in the Ventura County and region for a long time. Jubitz could not recall interacting with Osborn often during the 2010 election year.

Jubitz confirmed that the point of contact at the Ventura County Republican Party was Mike Osborn. He indicated that there was not much communication in 2010 with the Ventura County Republican Party because there was not a lot of fundraising. Jubitz indicated that neither he nor any of his employees worked closely with any officials affiliated with the Ventura County Republican Party in 2010.

Jubitz indicated that he was not a member of the Ventura County Republican Party or a dues paying member. However, he later indicated that he would have to check to make sure.

Jubitz confirmed that the services that were provided to the Ventura County Republican Party in 2010 was fundraising, putting together marketing materials such as contribution forms, envelopes, invitations, letters, faxes and design work for the marketing materials. Jubitz referenced the contract (Exhibit #4) under 1e. Development/disbursement of fundraising materials as the services it provided to Ventura County Republican Party.

Jubitz's responsibilities as the fundraiser for the Ventura County Republican Party in 2010, were to send out marketing materials and collecting checks, batching the checks and sending the checks to the treasurer. Jubitz indicated that he did not have any decision making abilities in how the Ventura County Republican Party was to raise money. He recalled most decisions would have been signed off by Mike Osborn.

Jubitz confirmed that the company received a commission under the contract.

**Arkady Milgram:**

Jubitz indicated that he is familiar with the name. He knew Milgram was an active member of the Ventura County Republican Party, but never worked/interacted with him in 2010.

**Chris Collier:**

Jubitz believed Collier was a volunteer for the Ventura County Republican Party in 2010, but he was not positive. Jubitz indicated that he probably interacted with Collier during the 2010 election, but could not recall any specific interactions.

**Kelly Lawler:**

Jubitz confirmed that he was familiar with the name Kelly Lawler. He identified her as a treasurer. Jubitz was not sure who Lawler worked for in 2010. He met her through a Ventura County Republican Party event. He indicated that he did not have much interaction with Lawler except for sending contribution checks that Pluvius group had obtained from contributors.

**Stanislaus Republican Central Committee:**

Jubitz indicated that Pluvius Group has never contracted or worked with the Stanislaus Republican Central Committee.

Jubitz indicated that he did not know or work with the following individuals: Cami Rodgers, Executive Director for Stanislaus Republican Central Committee; Gary McKinsey, Treasurer for Stanislaus Republican Central Committee in 2010; Jim DeMartini, SRCC Chairman in 2010.

**Exhibit #5, 6, 7:** (Subpoenaed documents)

Jubitz confirmed that he recalled the contribution from William Templeton for \$13,000.00 after he reviewed the copy of the contribution check (Exhibit #7). Jubitz did not remember whether the name, William Templeton, came from the Pluvius Group, Strickland for Controller 2010 committee, or anyone else's contributors list.

Jubitz confirmed that he has met William Templeton. He does not know a lot about him. He met Templeton for the first time at a fundraiser through the Romney campaign. During the 2010 campaign, Jubitz guessed that he interacted with Templeton every month. Jubitz indicated that Templeton was an important contributor for the Strickland for Controller 2010, but all contributors were important. Whether the contribution was \$500 to whatever amount, they are all important.

Jubitz indicated that Templeton likes Tony Strickland. However, Jubitz did not know specifics why Templeton contributed to the Strickland for Controller 2010 committee.

Jubitz confirmed that Pluvius Group designed the contribution form (Exhibit #6). He emailed the contribution form to Templeton. Pluvius Group followed up on it (contribution). In general, contributors will ask for some type of clarification about how to write the checks because breaking apart primary and general and how to get to \$13,000.00. Jubitz indicated that, generally, the contributor check will come into the office, he will make a copy of the check and send it to the committee's treasurer.

Jubitz indicated that he could not recall if the Templeton contribution check for \$13,000.00 came directly to the Pluvius Group. He described that in the normal course of business, contributions would have come into the Pluvius Group's office. Jubitz indicated that the check could have gone directly to the treasurer of the Strickland for Controller 2010, but could not remember.

**Exhibit #8, 9, 10:** (Subpoenaed documents)

Jubitz indicated that he only recalled the contribution check from Templeton for \$32,400 (Exhibit #10) to the Ventura County Republican Party (VCRP) after he reviewed the email communications (Exhibit #8, #9) and the check (Exhibit #10).

In reference to Exhibit #8, the email dated June 4, 2010 from Matthew Jubitz to W. M. Templeton, Subject VCRP contribution form, Jubitz recalled that there are four funds at the VCRP. One fund is a federal PAC. One is a candidate direct fund. Jubitz could not recall what the other two funds were at the VCRP. To the best of his knowledge, he indicated that individuals could contribute to any of the funds. He did not know the purpose of the candidate direct fund at the VCRP or how the fund was used.

Jubitz did not recall how it was decided to have Templeton contribute to the VCRP. He did not know how Templeton arrived at the amount of \$32,400.00 or why the specific amount of \$32,400.00 from Templeton was contributed to the VCRP. He indicated that the amount was the limit based on the contribution form (Exhibit #10).

Jubitz indicated that Pluvius Group emailed Templeton the contribution form and had the contribution check come into the Pluvius Group's office. He confirmed that the Pluvius Group collected and tracked all the pledges. The main function of Pluvius Group was to make sure the contribution check would come in for the VCRP. The treasurer of the VCRP would not contact donors to find out if the money came in or not. The treasurer would report and deposit the money.

In general, once Pluvius Group would receive a contribution check, the check would go to wherever the party committee wants it to go to. Jubitz confirmed that it can happen frequently where a contribution check would go straight to the central committee and not to the Pluvius Group.

**Exhibit #11:** (Subpoenaed document)

Jubitz could not recall any specifics about the email. He indicated that it is common practice that whenever a phone call was received or a message left, he would be notified by email to return the call. He indicated that the date, June 11, 2010, did not mean anything to him in connection with the 2010 election.

**Exhibit #12:** (Subpoenaed document)

In reference to the email dated August 13, 2010 from W.M. Templeton to Matthew Jubitz, subject: Strickland Event, Jubitz indicated that Templeton was active on a lot of races that Pluvius Group was a part of in 2010.

In reference to the email on August 14, 2010 from Tony Strickland to Matthew Jubitz, subject: RE: Templeton, Jubitz indicated that Tony Strickland had asked Templeton to support the Ventura County Republican Party. However, Jubitz indicated that Templeton had been asked to support a lot of efforts.

**Exhibit #13:** (Subpoenaed document)

Jubitz confirmed that Tony Strickland asked Templeton to support the Ventura County Republican Party. Jubitz did not know if Tony Strickland had asked Templeton to contribute \$32,400.00.

**Exhibit #14:** (Subpoenaed document)

Jubitz indicated that he did not know why Templeton decided not to give \$32,400.00 to Stanislaus Republican Central Committee. He indicated that he did not have any role in getting Templeton to contribute to the Stanislaus Republican Central Committee. He could not recall any individuals from the Stanislaus Republican Central Committee who may have been involved in getting a contribution from Templeton to the Stanislaus Republican Central Committee.

**Exhibit #15:** (Subpoenaed document)

Pluvius Group was not responsible to send out 461 Major Donor Statements to contributors. Jubitz indicated that the treasurers were responsible sending out the 461 forms. However, he indicated that the reason he tried to send out the 461 forms to contributors, at the time, was because people were getting fined. Even though

Pluvios Group knew the treasurers were sending out the 461 forms to contributors, Pluvios Group wanted to remind donors one more time about being a major donor.

**Exhibit #16:** (Subpoenaed document)

Jubitz indicated that he does not know if Pluvios Group received the check from Templeton to Stanislaus County Republican Party for \$15,000.00.

**Andrew Barth:**

Jubitz indicated that Andrew Barth is a long, time supporter to the Republican Party and all sorts of causes.

**Exhibit #17:** (Subpoenaed document)

Jubitz indicated that Pluvios Group's role in obtaining the \$15,000.00 contribution from Andrew Barth was the same as other contributions from contributors. Pluvios Group emailed him (Barth) contribution information and the contribution check from Barth came back to Pluvios Group's office, where it (Barth's contribution check) was then FedEx to the Ventura County Republican Party.

Jubitz indicated he could not recall any other contributions made by Andrew Barth to the Ventura County Republican Party and/or Tony Strickland for Controller 2010 committee.

**Exhibit #18:** (Subpoenaed document)

In reference to the email dated June 28, 2010 (12:48 PM) from Chris Wangsaporn to Tony Strickland and Matthew Jubitz, Subject: FYI VCGOP Check, Jubitz indicated he could not remember what Chris Wangsaporn was talking about in the email. He indicated that he did not know why Chris Wangsaporn identified the two amounts, \$32,400.00 from Templeton and \$15,000.00 from Barth in the email.

Jubitz indicated that you can infer from the email (Exhibit #18) that it is discussing Pluvios Group's commission and that is the reason why he (Jubitz) was on the email because it was discussing the 15% commission.

Jubitz indicated that he did not know what it meant in the email that "After taking out 2800 for VCRP 7%."

In reference to the email dated June 28, 2010 (19:54:28) from Tony Strickland to Chris Wangsaporn and Matthew Jubitz, Subject: Re: FYI VCGOP Check, Jubitz guessed that it must have been about his commission. Jubitz indicated that it is not uncommon in the business of political fundraising to have compensation discussions. He guessed that in the email it is being discussed that he (Jubitz) is being taking out of the commission loop. Jubitz did not know what Team Meg meant in the email. He indicated that they were all part of the same ticket on the Whitman victory committee, but did not know what was being discussed in the email about team meg.

In reference to the email dated June 28, 2010 (19:56:43) from Tony Strickland to Chris Wangsaporn and Matthew Jubitz, Subject: Re: FYI VCGOP check, Jubitz indicated that he did not have any understanding in what was being referenced in the email about the \$45,000.00 check. Jubitz indicated that he was on this email because they (Strickland and Wangsaporn) wanted to know if any other donations are coming in for the end of the month.

Jubitz indicated that he did not have knowledge regarding a check to be cut for \$45,000.00. He indicated that he was not informed about a \$45,000.00 check because Pluvios Group does not cut any checks.

Jubitz indicated that he does not know who "Mike" is being referenced in the email.



**Exhibit #19:** (Subpoenaed document)

Jubitz reviewed the copies of two contribution checks totaling \$45,000: One dated 6/28/2010 from VCRP to Strickland for Controller 2010 for \$44,100.00. The second check dated 6/30/2010 from VCRP to Strickland for Controller 2010 for \$900. After reviewing the checks, Jubitz indicated that he had no knowledge why the Ventura County Republican Party made out two separate contributions (one on 6/28/2010 and 6/30/2010) totaling \$45,000.00 to Strickland for Controller 2010.

He indicated that he did not know why Ventura County Republican Party gave specifically \$45,000.00 to Strickland for Controller 2010.

He indicated that he had no role or involvement in connection with the Ventura County Republican Party's two contributions totaling \$45,000.00 to Strickland for Controller 2010.

**Exhibit #20:** (Subpoenaed document)

In the email thread, Jubitz indicated that, in general, all campaign committees, especially in September, are under pressure to do whatever it is that they are going to do such as advertising for example. Committees are always looking for money during September. In general, Pluvius Group was under constant pressure to raise more money for campaign committees during September. Jubitz did not know why Chris Wangsaporn emailed him informing him that Mike Osborn needed money for his central committee (VCRP). He indicated that he was not informed why Osborn needed money for his central committee or what the money was to be used for by the Ventura County Republican Party.

**Exhibit #21:** (Subpoenaed document)

Jubitz indicated that he did not have any role or involvement regarding the contribution check for \$6,000.00 from Ventura County Republican Party to Strickland for Controller 2010.

Jubitz indicated that he could not remember if anyone from the Ventura County Republican informed him about making the \$6,000.00 contribution to Strickland for Controller 2010.

**Exhibit #22:** (Subpoenaed document)

Jubitz did not recall the \$20,000.00 contribution from Stanislaus Republican Central Committee to Strickland for Controller 2010. He did not recall any specific conversations about the contribution, but at some point he was sure that they (Pluvius Group) were made aware that a check came in or was a pledge from the Stanislaus Republican Central Committee.

He did not recall anyone informing him about what the Strickland for Controller 2010 committee campaign strategy was for the Fall of 2010. Jubitz did not know if the \$20,000.00 was meant for anything specific for the Strickland for Controller 2010 committee.

**Exhibit #23:** (Subpoenaed document)

In reference to the email dated October 5, 2010 (5:57 PM) from Matthew Jubitz to W.M. Templeton, Subject: Dinner with Tony Strickland 10/12 7PM, Jubitz confirmed that Pluvius Group organized the event for 10/12/2010. He indicated that Pluvius Group has a long relationship with supporters and try to get together with them whenever they can. He indicated that Pluvius Group would invite top supporters in any given market to stay in contact because no wants to feel that they (supporters) are forgotten.

**Exhibit #24:** (Subpoenaed document)

The event on 10/12/2010 was originally set to be at Lucky's Restaurant, but moved to Sly's Restaurant. Jubitz could not remember if the names in the email were the final list in who attended the event at Sly's restaurant,

but pretty close. Jubitz believed that Templeton attended the event. Jubitz indicated he was sure he had interacted with Templeton at the event since it was a small group who attended. He could not recall any specifics regarding his conversations with Templeton at the event. Jubitz confirmed that Andrew Barth did not attend the event at Sly's Restaurant. Jubitz confirmed that Tony Strickland attended the event. Jubitz indicated that everyone sat at one big table. Jubitz indicated that the topics of conversation among all of the attendees were the 2010 Controllers race and the political environment, in general, in 2010.

Jubitz confirmed that there were conversations between Tony Strickland and the other attendees at Sly's Restaurant regarding the need for more contributions. Jubitz indicated that there is always the need to make a pitch to ask people to ask their friends to contribute.

**Exhibit #25:** (Subpoenaed document)

Jubitz confirmed that Pluvius group organized the event at Dee and Andy Puzder. The purpose of the event was for fundraising only for Strickland's 2010 Controller's race.

Jubitz could not remember if Templeton attended the event or not. He confirmed that Barth was not in attendance at the event.

Jubitz attended the event. He did not remember any conversations specifically where Strickland discussed campaign strategies at the event.

**Exhibit #26:** (Subpoenaed document)

Jubitz did not remember the event at Moorpark Country Club on April 24, 2010. He did not remember doing/organizing an event at Moorpark Country Club.

**Exhibit #27, 28:** (Subpoenaed documents)

Jubitz confirmed that Pluvius Group did plan/organize the event at the Hyatt in Thousand Oaks, CA held on September 23, 2010. The event did occur. The purpose of the event was to raise money for the Strickland Controller 2010 campaign. Jubitz did not remember if Templeton attended the event. Jubitz did not remember if Barth attended the event. Jubitz confirmed that Tony Strickland attended the event. He recalled that Strickland probably gave a stump speech at the event, but could not remember any specific details what Strickland said at the event. Jubitz did not remember any specific conversations with anyone at the event regarding contributions or campaign strategies in connection with the Strickland for Controller 2010 campaign.

**Exhibit #29:** (Subpoenaed document)

Jubitz did not remember why Chris Wangsaporn requested to utilize Pluvius group's Los Angeles address for Tony Strickland mail. He indicated that Strickland for Controller 2010 campaign did have its own campaign headquarters.

**Exhibit #30:** (Subpoenaed document)

Jubitz indicated that he knows John Hurley by reputation. He did not know what Hurley does for a living. He did not know if Hurley was a contributor to the Strickland for Controller 2010 committee. He did not know if Hurley was a contributor to the Ventura County Republican Party. He did not know if Hurley was a contributor to the Stanislaus Republican Central Committee.

Jubitz identified Michael Sowers as a fundraising consultant in the Sacramento area. He did not know if Sowers was a fundraiser for the Strickland for Controller 2010 committee. He did not know if Sowers did fundraising events for Ventura County Republican Party (Central Committee) in 2010. He did not know if Sowers did fundraising events for Stanislaus Republican Central Committee in 2010.

**Pluvius Group's Commission:**

Angela Brereton, FPPC, senior commission counsel, asked follow up questions regarding commission that Pluvius Group received from the central committees. Jubitz confirmed that he gets a commission when a campaign contribution comes in for one of his clients. He confirmed that when Pluvius Group was getting contributions for Tony Strickland's Controller 2010 committee. Pluvius Group received a certain percentage of the contributions that came in. Jubitz was not sure if Pluvius Group got a commission from the contribution Templeton made to the Ventura County Republican Party. Jubitz did not recall if Pluvius Group received a commission from the contribution that Templeton made to the Stanislaus Republican Central Committee. Jubitz indicated that Stanislaus Republican Central Committee has never been a client of Pluvius Group. Jubitz indicated that he can look for records regarding commission received from the Ventura County Republican Party in connection with Templeton's contribution to the Ventura County Republican Party. Jubitz's legal counsel indicated that they can follow up if there are any records regarding commissions received from Ventura County Republican Party and Stanislaus Republican Central Committee in connection with Templeton's contributions to both central committees in 2010.

**Exhibit A-34**



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION

INVESTIGATION REPORT

I CASE NO: 11-0073 CASE NAME: Tony Strickland REPORT NO.: 31

REPORT DATE: 8/13/15

PAGE 1 of 4 page(s)

II REPORT TYPE: Interview Summary

III REPORT PREPARED BY: Jeffrey Kamigaki

DATE SIGNED: 8-13-15

IV DISTRIBUTION: Angela Brereton

V INTERVIEW SUMMARY ONLY:

Interview tape recorded: No

Manner of interview: Telephone

Person(s) interviewed: Andrew Barth, Capital Group, contributor

Work address:

Work phone:

Home address:

Home phone:

VI NARRATIVE:

On August 13, 2015, I interviewed Andrew Barth, Capital Group, via telephone. Angela Brereton, FPPC Counsel – Enforcement Division, was present. In summary, Barth said the following:

Barth indicated that he has been a supporter of the Republican Party and Republican candidates in California for a number of years. He clarified that he has mostly supported Republican candidates, but not exclusively. He confirmed that he used to make contributions to local and state Republican candidates before 2011. Barth indicated that in 2011 the Security Exchange Commission (SEC) changed a filing requirement that made it more difficult to contribute. Since 2011, he had not made contributions to candidates. Currently he does not make contributions to candidates at any level. Barth works for an investment management (Capital Group).

Barth confirmed that he has made contributions to the CA Republican Party. In 2010, Barth confirmed that he made a contribution to the CA Republican Party. He has not made any contributions to the CA Republican Party since 2011.

Barth indicated that he does not know Tony Strickland on a personal level. He has never had any relationship (friendship) with Tony Strickland. He added that he did not know Strickland in 2010. Barth could not remember if he had supported Tony Strickland before 2010. He indicated that if he did, it would be in past 461 filings.

**Exhibit 1 & 2:**

Barth remembered making the \$6,500.00 contribution to Strickland for Controller 2010.

Barth indicated that he could not recall hosting a fundraiser supporting Tony Strickland for his 2010 State Controller race. He recalled that he could have agreed to allow his name to be used on a political fundraising flyer. Barth added that although he could not remember hosting a fundraiser, he did remember that he could have done a "meet & greet" for Tony Strickland in 2010. He had no recollection of whether or not Capital Group hosted a fundraiser for Tony Strickland's 2010 State Controller race.

**Exhibit 3:**

Barth indicated that he never seen this exhibit before. He added that he did not know what the event titled, "Downtown – Schwarzenegger" was about.

Barth could not remember the function of Strickland's campaign finance committee for 2010 State Controller. He recalled that he possibly gave permission to allow his name to be on the campaign finance committee. Barth indicated that it was not unusual for people to agree to allow the use of their names without doing anything.

**Exhibit 1 & 4:**

Barth remembered making the \$15,000.00 contribution to the Ventura County Republican Party. He could not recall why he specifically contributed to the Ventura County Republican Party. He indicated that he has contributed to other local central committees in the past. He identified Los Angeles County Republican Party as one of the central committees he has contributed to in the past. Barth indicated that the contribution to the Ventura County Republican Party was likely to support Republican voter registration and get out of the vote efforts. He indicated that contributing to the central committees was the same reason he contributed to the CA Republican Party – for supporting Republican voter registration and get out the vote efforts.

**Exhibit 5:**

Barth could not remember any specific conversations or meetings he had with Matthew Jubitz regarding the contributions he made to Tony Strickland and the Ventura County Republican Party. He indicated, but was not sure, that he probably received the Strickland contribution form and the Ventura County Republican contribution form because he recalled Jubitz being the fundraiser for both Strickland and the Ventura County Republican Party at the same time in 2010. Barth added that he viewed the Strickland for Controller 2010 and the Ventura County Republican Party as two separate entities and not linked. Barth could not remember any specific discussions with Jubitz regarding the \$15,000.00 contribution to the Ventura County Republican Party.

Barth could not specifically remember if someone requested or suggested that he make the \$15,000.00 to the Ventura County Republican Party.

Barth indicated that at the time when he made the \$15,000.00 contribution to the Ventura County Republican Party, he believed his contribution was for Republican voter registration and get out the vote efforts for the 2010 election. He indicated that he had no knowledge or understanding that his contribution to the Ventura Republican would go to Tony Strickland. He indicated that he knew that party central committees can give to candidates directly. Barth reiterated that he believed his contribution was for voter registration and get out the vote efforts.

Barth could not remember why he made the \$6,500.00 contribution and \$15,000.00 contribution on the same day, June 11, 2010. He indicated that he likely wrote the checks the same day as you would if you were writing checks for bills to pay at the same time. He indicated that there was no specific reason why the contribution checks were written on the same day.

Barth indicated that he was probably aware of the 2010 contribution limits for individual contributors to California statewide candidates. He indicated that he tried to make his contributions in accordance with the contribution limits. Barth could not remember why he only contributed \$6,500.00 to Tony Strickland's committee during the 2010 general election and not in the 2010 primary election. He indicated that at the time of his \$6,500.00 contribution to Strickland, he did not know Strickland really well. He speculated that this might have been the reason why he only gave to Strickland in the general election.

Barth indicated that he had no intentions to avoid contribution limits in 2010. He contributed to the Ventura County Republican Party to help the Party with its efforts to register voters and get out the vote. Barth indicated that when he has given to the Republican Party central committees it has hoped/expected to broadly help numerous Republicans.

Barth could not remember any conversations and/or meetings with Tony Strickland regarding the \$15,000.00 contribution to the Ventura County Republican Party.

Barth could not remember any conversations and/or meetings with anyone who represented the Strickland campaign regarding the \$15,000.00 contribution to the Ventura County Republican Party. Barth clarified that this included Jubitz. He could not remember any conversations/meetings with Jubitz regarding the \$15,000.00 contribution to the Ventura County Republican Party.

Barth could not remember any conversations and/or meetings with Mike Osborn, chairman of the Ventura County Republican Party, regarding the \$15,000.00 contribution. He indicated that he never knew Mike Osborn and does not remember him at all.

Barth indicated that he could not recall if he made any other contributions to the Ventura County Republican Party prior 2010. He indicated that he has given to other central committees such as the Los Angeles County Republican Party and the CA Republican Party. He recalled that he gave to the Los Angeles County Republican Party for voter registration and get out the vote efforts.

**Exhibit 6:**

Barth speculated that the email was probably in reference to a meet and greet with Tony Strickland for August 31, 2010. Barth indicated that he did recognize several of the attendees listed on the email, but could not remember whether they had already given, were planning to give, or not give at all to Strickland for his 2010 State Controller campaign.

**Exhibit 7:**

Barth indicated that he could not recall what Victory 2010 – Taking Back California was about/purpose. Barth referred to his 461 major donor statement (Exhibit 1) and speculated that his \$25,000.00 contribution to the California Republican Party on 9/16/2010 might have been related to the Victory 2010 – Taking Back California. He indicated that he does not know if the Victory 2010 was related to the Tony Strickland campaign for 2010 State Controller.

Barth indicated that he had no idea whether or not the \$25,000.00 to the California Republican Party was related to Tony Strickland for State Controller in 2010. He doubted that the \$25,000.00 was related to Tony Strickland.

Barth reviewed Exhibit 7 further and speculated that Victory 2010 appeared to be a broad/wide Republican party fundraising effort to help state wide candidate races. Barth identified several companies listed on Exhibit 7 to be California companies. Barth reiterated that this is only a guess he was making in determining what Victory 2010 was about. Barth asked who produced Exhibit 7. He was informed that Jubitz provided Exhibit 7. Barth described Jubitz to be very well organized.

Barth indicated that he started to get to know Jubitz in 2010 during the election through fundraising. He met Jubitz through fundraising and got to know him more recently over the last three years. Barth started a not for-profit called Beat the Streets – Los Angeles which is a youth development program to provide sport programs for under privileged kids and areas. The program serves 600 – 700 kids. Barth indicated that one of the staff members for the program, who is also serves as a board member for Beat the Streets Los Angeles was able to get office space for the program. The office happened to be next door to Jubitz office on Figueroa Street in Los Angeles.

**Exhibit A-35**

# Recipient Committee Campaign Statement

(Government Code Sections 84200-84216.5)

Type or print in ink.

COVER PAGE

CALIFORNIA  
2007/02  
FORM  
**460**

Page 1 of 66

For Official Use Only

Date Stamp

Date of election if applicable:  
(Month, Day, Year)

06/08/2010

Statement covers period

from 03/18/2010

through 05/22/2010

SEE INSTRUCTIONS ON REVERSE

## 1. Type of Recipient Committee: All Committees - Complete Parts 1, 2, 3, and 4.

- ☒ Officeholder, Candidate Controlled Committee ☐ Ballot Measure Committee  
☒ State Candidate Election Committee ☐ Primary Formed  
☐ Recall ☐ Controlled  
(Also Complete Part 5.) ☐ Sponsored  
☐ General Purpose Committee ☐ Primary Formed Candidate/  
Officerholder Committee  
☐ Small Contributor Committee (Also Complete Part 7.)  
☐ Political Party/Central Committee

## 2. Type of Statement:

- ☒ Pre-election Statement ☐ Quarterly Statement  
☐ Semi-annual Statement ☐ Special Odd-Year Report  
☐ Termination Statement ☐ Supplemental Preelection  
Amendment (Explain below) Statement - Attach Form 495

## 3. Committee Information

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE)  
Strickland for Controller 2010

ID NUMBER  
1325731

## Treasurer(s)

NAME OF TREASURER  
Lysa Ray

STREET ADDRESS (NO P.O. BOX)  
603 E Alton Ave STE H

MAILING ADDRESS  
603 E Alton Ave Suite H

CITY STATE ZIP CODE AREA CODE/PHONE  
Santa Ana CA 92705 714-540-2295

CITY STATE ZIP CODE AREA CODE/PHONE  
Santa Ana CA 92705 714-540-2295

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX

NAME OF ASSISTANT TREASURER, IF ANY

CITY STATE ZIP CODE AREA CODE/PHONE

MAILING ADDRESS

OPTIONAL: FAXE-MAIL ADDRESS

## 4. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 05/25/2010 By Lysa Ray

SIGNATURE OF TREASURER OR ASSISTANT TREASURER

Executed on 05/25/2010

By Tony Strickland

SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT OR RESPONSIBLE OFFICER OF SPONSOR

Executed on

By

SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT

Executed on

By

SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT

FPFC Form 460 (June/01)  
FPFC Toll-Free Helpline: 866/ASK-FPFC  
State of California

# Recipient Committee Campaign Statement Cover Page – Part 2

Type or print in ink.

## 5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE  
Tony Strickland

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)  
Sought: State Controller  
Statewide

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET) CITY STATE ZIP  
603 E Alton Ave Ste H Santa Ana CA 92705

**Related Committees Not Included in this Statement:** List any committees not included in this statement that are controlled by you or are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.

COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O.BOX)	
CITY STATE ZIP CODE AREA CODE/PHONE	
COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O.BOX)	
CITY STATE ZIP CODE AREA CODE/PHONE	

## 6. Ballot Measure Committee

NAME OF BALLOT MEASURE

BALLOT NO. OR LETTER JURISDICTION ☐ SUPPORT ☐ OPPOSE

Identify the controlling officeholder, candidate, or state measure proponent, if any.

NAME OF OFFICEHOLDER, CANDIDATE, OR PROPONENT

OFFICE SOUGHT OR HELD DISTRICT NO. IF ANY

## 7. Primarily Formed Committee List names of officeholder(s) or candidate(s) for which this committee is primarily formed.

NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE

Attach continuation sheets if necessary

# Campaign Disclosure Statement Summary Page

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SUMMARY PAGE

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Strickland for Controller 2010

Statement covers period  
from 03/18/2010  
through 05/22/2010

CALIFORNIA  
FORM 460

Page 3 of 66

I.D. NUMBER  
1325751

## Contributions Received

	Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B CALENDAR YEAR TOTAL TO DATE
1. Monetary Contributions .....	Schedule A, Line 3 \$342,350.00	\$366,350.00
2. Loans Received .....	Schedule B, Line 7 \$0.00	\$0.00
3. SUBTOTAL CASH CONTRIBUTIONS .....	Add Lines 1 + 2 \$342,350.00	\$366,350.00
4. Nonmonetary Contributions .....	Schedule C, Line 3 \$0.00	\$0.00
5. TOTAL CONTRIBUTIONS RECEIVED .....	Add Lines 3 + 4 \$342,350.00	\$366,350.00

## Calendar Year Summary for Candidates Running in Both the State Primary and General Elections

	1/1 through 6/30	7/1 to Date
20. Contribution Received .....	\$ 0.00	\$ 0.00
21. Expenditures Made .....	\$ 0.00	\$ 0.00

## Expenditures Made

6. Payments Made .....	Schedule E, Line 4 \$198,676.94	\$198,676.94
7. Loans Made .....	Schedule H, Line 7 \$0.00	\$0.00
8. SUBTOTAL CASH PAYMENTS .....	Add Lines 6 + 7 \$198,676.94	\$198,676.94
9. Accrued Expenses (Unpaid Bills) .....	Schedule F, Line 3 \$8,540.00	\$8,540.00
10. Nonmonetary Adjustment .....	Schedule C, Line 3 \$0.00	\$0.00
11. TOTAL EXPENDITURES MADE .....	Add Lines 8 + 9 + 10 \$207,216.94	\$207,216.94

## Expenditure Limit Summary for State Candidates

22. Cumulative Expenditures Made* (If Subject to Voluntary Expenditure Limit)	Date of Election (mm/dd/yy)	Total to Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## Current Cash Statement

12. Beginning Cash Balance .....	Previous Summary Page, Line 16 \$24,000.00	To calculate Column B, add amounts in Column A to the corresponding amounts from Column B of your last report. Some amounts in Column A may be negative figures that should be subtracted from previous period amounts. If this is the first report being filed for this calendar year, only carry over the amounts from Lines 2, 7, and 9 (if any).
13. Cash Receipts .....	Column A, Line 3 above \$342,350.00	
14. Miscellaneous Increases to Cash .....	Schedule I, Line 4 \$0.00	
15. Cash Payments .....	Column A, Line 8 above \$198,676.94	
16. ENDING CASH BALANCE .....	Add Lines 12 + 13 + 14, then subtract Line 15 \$167,673.06	

## LOAN GUARANTEES RECEIVED

Schedule B, Part 2	\$0.00
--------------------	--------

## Cash Equivalents and Outstanding Debts

18. Cash Equivalents .....	See instructions on reverse \$0.00
19. Outstanding Debts .....	Add Line 2 + Line 9 in Column B above \$8,540.00

\*Since January 1, 2001, Amounts in this section may be different from amounts reported in Column B.



# Schedule A (Continuation Sheet) Monetary Contributions Received

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Strickland for Controller 2010

Statement covers period  
from 03/18/2010  
through 05/22/2010

CALIFORNIA  
FORM  
**460**

SCHEDULE A (CONT.)

Page 30 of 66

I.D. Number  
1325751

DATE RECEIVED	FULL NAME, MAILING ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
4/6/2010	William Templeton 3535 Gillespie #706 Dallas, TX 75219	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Castel Peak Resources Investments	\$6,500.00	\$13,000.00	2010P: \$6,500.00 2010G: \$6,500.00
4/6/2010	William Templeton 3535 Gillespie #706 Dallas, TX 75219	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Castel Peak Resources Investments	\$6,500.00	\$13,000.00	2010P: \$6,500.00 2010G: \$6,500.00
5/14/2010	Keith Tobias 4377 Commonwealth Ave La Canada, CA 91011	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Red Pine Enterprises President	\$500.00	\$500.00	2010P: \$500.00
5/22/2010	Union Pacific Railroad Company 915 L St #1180 Sacramento, CA 95814	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$1,000.00	\$1,000.00	2010P: \$1,000.00
5/17/2010	Eleanor Valle 2196 Dean Cir Los Angeles, CA 90049	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Self Author/Actress	\$500.00	\$500.00	2010P: \$500.00
<b>SUBTOTAL</b>						

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
C - Other  
PTY - Political Party  
SCC - Small Contributor Committee

**Exhibit A-36**

**Recipient Committee  
Campaign Statement**

(Government Code Sections 84200-84216.5)

Type or print in ink.

Date Stamp

CALIFORNIA  
2007/02  
FORM  
**460**

COVER PAGE

Page 1 of 14

For Official Use Only

SEE INSTRUCTIONS ON REVERSE

**1. Type of Recipient Committee:** All Committees - Complete Parts 1, 2, 3, and 4.

- ☒ Officeholder, Candidate Controlled Committee ☐ Ballot Measure Committee  
☒ State Candidate Election Committee ☐ Primary Formed  
☐ Recall ☐ Controlled  
(Also Complete Part 5.) ☐ Sponsored  
☐ General Purpose Committee ☐ Primary Formed Candidate/  
☐ Small Contributor Committee ☐ Officeholder Committee  
☐ Political Party/Central Committee (Also Complete Part 7.)

**2. Type of Statement:**

- ☐ Pre-election Statement ☐ Quarterly Statement  
☒ Semi-annual Statement ☐ Special Odd-Year Report  
☐ Termination Statement ☐ Supplemental Preelection  
☐ Amendment (Explain below) Statement - Attach Form 495

Statement covers period  
from 05/23/2010  
through 06/30/2010

Date of election if applicable:  
(Month, Day, Year)  
06/08/2010

**3. Committee Information**

I.D. NUMBER  
1325751

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE)  
Strickland for Controller 2010

STREET ADDRESS (NO P.O. BOX)  
603 E Allon Ave STE H

CITY STATE ZIP CODE AREA CODE/PHONE  
Santa Ana CA 92705 714-540-2295

MAILING ADDRESS  
603 E Allon Ave Suite H

CITY STATE ZIP CODE AREA CODE/PHONE  
Santa Ana CA 92705 714-540-2295

CITY STATE ZIP CODE AREA CODE/PHONE

OPTIONAL: FAXE-MAIL ADDRESS

MAILING ADDRESS  
CITY STATE ZIP CODE AREA CODE/PHONE

OPTIONAL: FAXE-MAIL ADDRESS

**4. Verification**

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 07/22/2010 By Lysa Ray  
SIGNATURE OF TREASURER OR ASSISTANT TREASURER

Executed on DATE By  
SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT OR RESPONSIBLE OFFICER OF SPONSOR

Executed on DATE By  
SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT

Executed on DATE By  
SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT

# Recipient Committee Campaign Statement Cover Page – Part 2

Type or print in ink.

CALIFORNIA  
FORM  
**460**

Page 2 of 34

COVER PAGE - PART 2

## 5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE  
Tony Strickland

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)  
Sought: State Controller  
Statewide

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET) CITY STATE ZIP  
603 E. Alton Ave Ste H Santa Ana CA 92705

**Related Committees Not Included in this Statement:** List any committees not included in this statement that are controlled by you or are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.

COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O.BOX)	
CITY STATE ZIP CODE AREA CODE/PHONE	
COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O.BOX)	
CITY STATE ZIP CODE AREA CODE/PHONE	

## 6. Ballot Measure Committee

NAME OF BALLOT MEASURE

BALLOT NO. OR LETTER JURISDICTION ☐ SUPPORT ☐ OPOSE

Identify the controlling officeholder, candidate, or state measure proponent, if any.

NAME OF OFFICEHOLDER, CANDIDATE, OR PROPONENT

OFFICE SOUGHT OR HELD DISTRICT NO. IF ANY

## 7. Primarily Formed Committee List names of officeholder(s) or candidate(s) for which this committee is primarily formed.

NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPOSE

Attach continuation sheets if necessary

# Campaign Disclosure Statement Summary Page

Type or print in ink.  
Amounts may be rounded to whole dollars.

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Strickland for Controller 2010

Statement covers period  
from 05/23/2010  
through 06/30/2010

CALIFORNIA  
FORM 460

Page 3 of 34

I.D. NUMBER  
1325751

## Contributions Received

	Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B CALENDAR YEAR TOTAL TO DATE
1. Monetary Contributions	Schedule A, Line 3 \$173,045.04	\$539,395.04
2. Loans Received	Schedule B, Line 7 \$0.00	\$0.00
3. SUBTOTAL CASH CONTRIBUTIONS	Add Lines 1 + 2 \$173,045.04	\$539,395.04
4. Nonmonetary Contributions	Schedule C, Line 3 \$0.00	\$928.63
5. TOTAL CONTRIBUTIONS RECEIVED	Add Lines 3 + 4 \$173,045.04	\$540,323.67

## Calendar Year Summary for Candidates Running in Both the State Primary and General Elections

	1/1 through 6/30	7/1 to Date
20. Contribution Received	\$0.00	\$0.00
21. Expenditures Made	\$0.00	\$0.00

## Expenditures Made

6. Payments Made	Schedule E, Line 4 \$31,931.23	\$230,608.17
7. Loans Made	Schedule H, Line 7 \$0.00	\$0.00
8. SUBTOTAL CASH PAYMENTS	Add Lines 6 + 7 \$31,931.23	\$230,608.17
9. Accrued Expenses (Unpaid Bills)	Schedule F, Line 3 \$6,000.00	\$14,540.00
10. Nonmonetary Adjustment	Schedule G, Line 3 \$0.00	\$928.63
11. TOTAL EXPENDITURES MADE	Add Lines 8 + 9 + 10 \$37,931.23	\$246,076.80

## Expenditure Limit Summary for State Candidates

22. Cumulative Expenditures Made* (If Subject to Voluntary Expenditure Limit)	Date of Election (mm/dd/yy)	Total to Date

## Current Cash Statement

12. Beginning Cash Balance	Previous Summary Page, Line 16 \$167,673.06	To calculate Column B, add amounts in Column A to the corresponding amounts from Column B of your last report. Some amounts in Column A may be negative figures that should be subtracted from previous period amounts. If this is the first report being filed for this calendar year, only carry over the amounts from Lines 2, 7, and 9 (if any).
13. Cash Receipts	Column A, Line 3 above \$173,045.04	
14. Miscellaneous Increases to Cash	Schedule I, Line 4 \$0.00	
15. Cash Payments	Column A, Line 8 above \$31,931.23	
16. ENDING CASH BALANCE	Add Lines 12 + 13 + 14, then subtract Line 15 \$308,786.87	

If this is a termination statement, Line 16 must be zero.

## LOAN GUARANTEES RECEIVED

Schedule B, Part 2  
\$0.00

## Cash Equivalents and Outstanding Debts

18. Cash Equivalents	See instructions on reverse \$0.00
19. Outstanding Debts	Add Line 2 + Line 9 in Column B above \$14,540.00

\*Since January 1, 2001, Amounts in this section may be different from amounts reported in Column B.

# Schedule A (Continuation Sheet) Monetary Contributions Received

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 05/23/2010  
through 06/30/2010

SCHEDULE A (CONT.)  
CALIFORNIA  
FORM 460  
Page 5 of 34

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Strickland for Controller 2010

I.D. Number  
1325751

DATE RECEIVED	FULL NAME, MAILING ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER ID NUMBER)	CONTRIBUTOR CODE -	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
6/30/2010	Andrew Barth 2200 Clauer Rd San Marino, CA 91108	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Capital Group Investment Management	\$6,500.00	\$6,500.00	2010P: \$6,500.00
5/29/2010	Etika Brunson 8581 Santa Monica Blvd #511 West Hollywood, CA 90069	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Etika Brunson Design CEO	\$1,000.00	\$1,000.00	2010P: \$1,000.00
6/14/2010	Robert Butler 3744 Winford Dr. Tarzana, CA 91356	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Forrest Machining Inc. Machine Shop	\$1,000.00	\$1,000.00	2010P: \$1,000.00
6/30/2010	CA Association of Health Plans PAC Sic. 850 Sacramento, CA 95814 Committee ID: 950541	<input type="checkbox"/> IND <input checked="" type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$1,500.00	\$1,500.00	2010P: \$1,500.00
5/31/2010	CA Independent Oil Marketers PAC 3831 North Freeway Blvd. Suite 130 Sacramento, CA 95834 Committee ID: 760982	<input type="checkbox"/> IND <input checked="" type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$750.00	\$750.00	2010P: \$750.00
<b>SUBTOTAL</b>						

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
OTH - Other  
PTY - Political Party  
SCC - Small Contributor Committee

# Schedule A (Continuation Sheet) Monetary Contributions Received

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 05/23/2010  
through 06/30/2010

CALIFORNIA  
FORM  
**460**

Page 16 of 34

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Strickland for Controller 2010

I.D. Number  
1325751

DATE RECEIVED	FULL NAME, MAILING ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
6/30/2010	***RETURNED*** Union Pacific Railroad Company 915 L St #1180 Sacramento, CA 95814	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		(\$1,000.00)	\$0.00	2010P: \$0.00
6/10/2010	Valero PAC 1215 K Street 17th Floor Sacramento, CA 95814 Committee ID: 1236101	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$3,000.00	\$3,000.00	2010P: \$3,000.00
6/30/2010	All Purpose Candidate Support Ventura County Republican Party 3625 E Thousand Oaks Blvd #259 Westlake Village, CA 91362 Committee ID: 742080	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$44,100.00	\$45,000.00	2010P: \$45,000.00
6/30/2010	All Purpose Candidate Support Ventura County Republican Party 3625 E Thousand Oaks Blvd #259 Westlake Village, CA 91362 Committee ID: 742080	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$900.00	\$45,000.00	2010P: \$45,000.00
5/29/2010	Western Mutual Insurance Company 27489 Agoura Rd Agoura Hills, CA 91301	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$1,000.00	\$4,000.00	2010P: \$4,000.00
<b>SUBTOTAL</b>						

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
OTH - Other  
PTY - Political Party  
SCC - Small Contributor Committee

**Exhibit A-37**



# Recipient Committee Campaign Statement

(Government Code Sections 84200-84216.5)

Type or print in ink.

COVER PAGE

CALIFORNIA  
2001/02  
FORM  
**460**

Page 1 of 17

For Official Use Only

SEE INSTRUCTIONS ON REVERSE

## 1. Type of Recipient Committee: All Committees - Complete Parts 1, 2, 3, and 4.

- ☐ Officeholder, Candidate Controlled Committee  
☐ State Candidate Election Committee  
☐ Recall  
(Also Complete Part 5.)  
☒ General Purpose Committee  
☐ Sponsored  
☐ Small Contributor Committee  
☒ Political Party/Central Committee
- ☐ Ballot Measure Committee  
☐ Primary Formed  
☐ Controlled  
☐ Sponsored  
(Also Complete Part 6.)  
☐ Primary Formed Candidate/Officeholder Committee  
(Also Complete Part 7.)

## 2. Type of Statement:

- ☐ Pre-election Statement  
☒ Semi-annual Statement  
☐ Termination Statement  
☐ Amendment (Explain below)
- ☐ Quarterly Statement  
☐ Special Odd-Year Report  
☐ Supplemental Preelection Statement - Attach Form 495

## 3. Committee Information

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE)  
Ventura County Republican Party

I.D. NUMBER  
742080

STREET ADDRESS (NO P.O. BOX)  
80 Wood Road  
Suite 304A

CITY STATE ZIP CODE AREA CODE/PHONE  
Camarillo CA 93010-8310 (805) 557-1240

MAILING ADDRESS  
1391 Oak Trail Street  
CITY STATE ZIP CODE AREA CODE/PHONE  
Newbury Park CA 91320-5918 (805) 375-2075

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX  
CITY STATE ZIP CODE AREA CODE/PHONE  
OPTIONAL: FAX/E-MAIL ADDRESS

MAILING ADDRESS  
CITY STATE ZIP CODE AREA CODE/PHONE  
OPTIONAL: FAX/E-MAIL ADDRESS  
(866) 370-9411 / antiilgram@fnsyos.com

## 4. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 07/27/2010  
DATE By Arkady Milgram

SIGNATURE OF TREASURER OR ASSISTANT TREASURER

Executed on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
SIGNATURE OF CONTROLLING OFFICER/HOLDER, CANDIDATE, STATE MEASURE PROPONENT OR RESPONSIBLE OFFICER OF SPONSOR

Executed on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
SIGNATURE OF CONTROLLING OFFICER/HOLDER, CANDIDATE, STATE MEASURE PROPONENT

Executed on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
SIGNATURE OF CONTROLLING OFFICER/HOLDER, CANDIDATE, STATE MEASURE PROPONENT

FPPC Form 460 (June/01)  
FPPC Toll-Free Helpline: 866/ASK-FPPC  
State of California

# Recipient Committee Campaign Statement Cover Page -- Part 2

Type or print in ink.

## 5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE			
N/A N/A			
OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)			
RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET)		CITY	STATE ZIP
N/A		N/A	CA 00000

**Related Committees Not Included in this Statement:** List any committees not included in this statement that are controlled by you or are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.

COMMITTEE NAME	I.D. NUMBER	CONTROLLED COMMITTEE?
NAME OF TREASURER		<input type="checkbox"/> YES <input type="checkbox"/> NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O. BOX)		
CITY	STATE ZIP CODE	AREA CODE/PHONE
COMMITTEE NAME	I.D. NUMBER	
NAME OF TREASURER		CONTROLLED COMMITTEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O. BOX)		
CITY	STATE ZIP CODE	AREA CODE/PHONE

## 6. Ballot Measure Committee

NAME OF BALLOT MEASURE	
BALLOT NO. OR LETTER	JURISDICTION <input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
Identify the controlling officeholder, candidate, or state measure proponent, if any.	
NAME OF OFFICEHOLDER, CANDIDATE, OR PROPONENT	
OFFICE SOUGHT OR HELD	DISTRICT NO. IF ANY

## 7. Primarily Formed Committee

List names of officeholder(s) or candidate(s) for which this committee is primarily formed.

NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE

Attach continuation sheets if necessary

# Campaign Disclosure Statement Summary Page

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SUMMARY PAGE

Statement covers period  
from 06/06/2010  
through 06/30/2010

CALIFORNIA  
FORM 460

Page 3 of 17

I.D. NUMBER  
742080

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Ventura County Republican Party

## Contributions Received

	Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B CALENDAR YEAR TOTAL TO DATE
1. Monetary Contributions .....	Schedule A, Line 3 \$48,400.00	\$487,100.00
2. Loans Received .....	Schedule B, Line 7 \$0.00	\$0.00
3. SUBTOTAL CASH CONTRIBUTIONS .....	Add Lines 1 + 2 \$48,400.00	\$487,100.00
4. Nonmonetary Contributions .....	Schedule C, Line 3 \$0.00	\$0.00
5. TOTAL CONTRIBUTIONS RECEIVED .....	Add Lines 3 + 4 \$48,400.00	\$487,100.00

## Calendar Year Summary for Candidates Running in Both the State Primary and General Elections

	1/1 through 6/30	7/1 to Date
20. Contribution Received .....	\$0.00	\$0.00
21. Expenditures Made .....	\$0.00	\$0.00

## Expenditures Made

6. Payments Made .....	Schedule E, Line 4 \$58,172.99	\$473,205.74
7. Loans Made .....	Schedule H, Line 7 \$0.00	\$0.00
8. SUBTOTAL CASH PAYMENTS .....	Add Lines 6 + 7 \$58,172.99	\$473,205.74
9. Accrued Expenses (Unpaid Bills) .....	Schedule F, Line 3 (\$1,294.66)	\$54,195.90
10. Nonmonetary Adjustment .....	Schedule G, Line 3 \$0.00	\$0.00
11. TOTAL EXPENDITURES MADE .....	Add Lines 8 + 9 + 10 \$56,878.33	\$527,401.64

## Expenditure Limit Summary for State Candidates

### 22. Cumulative Expenditures Made\* (If Subject to Voluntary Expenditure Limit)

Date of Election (mm/dd/yy) Total to Date

## Current Cash Statement

12. Beginning Cash Balance .....	Previous Summary Page, Line 16 \$41,255.76	To calculate Column B, add amounts in Column A to the corresponding amounts from Column B of your last report. Some amounts in Column A may be negative figures that should be subtracted from previous period amounts. If this is the first report being filed for this calendar year, only carry over the amounts from Lines 2, 7, and 9 (if any).
13. Cash Receipts .....	Column A, Line 3 above \$48,400.00	
14. Miscellaneous Increases to Cash .....	Schedule I, Line 4 \$0.00	
15. Cash Payments .....	Column A, Line 8 above \$58,172.99	
16. ENDING CASH BALANCE.....	Add Lines 12 + 13 + 14, then subtract Line 15 \$31,482.77	

## 17. LOAN GUARANTEES RECEIVED .....

Schedule B, Part 2

\$0.00

## Cash Equivalents and Outstanding Debts

18. Cash Equivalents .....	See instructions on reverse \$0.00
19. Outstanding Debts .....	Add Line 2 + Line 9 in Column B above \$54,195.90

\*Since January 1, 2001, Amounts in this section may be different from amounts reported in Column B.

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

## SCHEDULE A

CALIFORNIA  
FORM  
**460**

Statement covers period  
from 06/06/2010  
through 06/30/2010

Page 4 of 17through 06/30/2010

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER

Ventura County Republican Party

**I.D. Number**  
**742080**

DATE RECEIVED	FULL NAME, MAILING ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER ID NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
6/28/2010	Andrew Barth 2200 Chaucer Road San Marino, CA 91108-1314	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Capital Group Investment Management	\$15,000.00	\$15,000.00	
6/11/2010	W.M. Templeton 3535 Gillespie Street Apt. 706 Dallas, TX 75219-4889	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Self Employed-WM Templeton Investments	\$32,400.00	\$32,400.00	
6/11/2010	Fletcher For Assembly 2010 330 Encinitas Boulevard Suite 101 Encinitas, CA 92024-8705 Committee ID: 1314487	<input type="checkbox"/> IND <input checked="" type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$1,000.00	\$1,000.00	
		<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC				
		<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC				

1. Amount received this period - contributions of \$100 or more.  
(Include all Schedule A subtotals.) .....

\$48,400.00

2. Amount received this period - unitemized contributions of less than \$100

\$0.00

3. Total monetary contributions received this period.

(Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.) ..... TOTAL

\$48,400.00

- Contributor Codes
- IND - Individual
- COM - Recipient Committee  
(other than PTY or SCC)
- OTH - Other
- PTY - Political Party
- SCC - Small Contributor Committee

**FPPC Form 460 (JUNE/01)**  
**FPPC Toll-Free Helpline: 866/ASK-FPPC**

# Schedule B - Part 1

## Loans Received

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Ventura County Republican Party

Statement covers period  
from 06/06/2010  
through 06/30/2010

SCHEDULE B - PART 1  
CALIFORNIA  
FORM 460  
Page 5 of 17  
I.D. NUMBER  
742080

FULL NAME, STREET ADDRESS AND ZIP CODE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	(a) OUTSTANDING BALANCE BEGINNING THIS PERIOD	(b) AMOUNT RECEIVED THIS PERIOD	(c) AMOUNT PAID OR FORGIVEN THIS PERIOD*	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD	(e) INTEREST PAID THIS PERIOD	(f) ORIGINAL AMOUNT OF LOAN	(g) CUMULATIVE CONTRIBUTIONS TO DATE
<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC				<input type="checkbox"/> PAID <input type="checkbox"/> FORGIVEN	DATE DUE	RATE %	DATE INCURRED	CALENDAR YEAR PER ELECTION**
<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC				<input type="checkbox"/> PAID <input type="checkbox"/> FORGIVEN	DATE DUE	RATE %	DATE INCURRED	CALENDAR YEAR PER ELECTION**
<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC				<input type="checkbox"/> PAID <input type="checkbox"/> FORGIVEN	DATE DUE	RATE %	DATE INCURRED	CALENDAR YEAR PER ELECTION**
SUBTOTALS								

### Schedule B Summary

- Loans received this period. (Total Column (b) plus unitemized loans less than \$100.)
- Loans paid or forgiven this period (Total Column (c) plus loans under \$100 paid or forgiven.) (Include loans paid by a third party that are also itemized on Schedule A.)
- Net change this period. (Subtract Line 2 from Line 1.) Enter the net here and on the Summary Page, Column A, Line 2.

\* Amounts forgiven or paid by another party also must be reported on Schedule A.  
\*\* If required.

Contributor Codes  
IND-Individual COM-Recipient Committee (other than PTY or SCC) OTH-Other PTY-Political Party SCC-Small Contributor Committee

FPPC Form 460 (June/01)  
FPPC Toll-Free Helpline: 866/ASK-FPPC

# Schedule B - Part 2

## Loan Guarantors

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 06/06/2010  
through 06/30/2010

SCHEDULE B - PART 2  
CALIFORNIA  
FORM 460

Page 6 of 17

I.D. Number  
742080

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Ventura County Republican Party

FULL NAME, STREET ADDRESS AND ZIP CODE OF GUARANTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED ENTER NAME OF BUSINESS)	LOAN	AMOUNT GUARANTEED THIS PERIOD	CUMULATIVE TO DATE	BALANCE OUTSTANDING TO DATE
	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		LENDER _____  DATE _____		CALENDAR YEAR _____  PER ELECTION (IF REQUIRED) _____	
	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		LENDER _____  DATE _____		CALENDAR YEAR _____  PER ELECTION (IF REQUIRED) _____	
	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		LENDER _____  DATE _____		CALENDAR YEAR _____  PER ELECTION (IF REQUIRED) _____	
<b>SUBTOTAL</b>						

Enter on  
Summary Page,  
Line 17 only.

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

**NAME OF FILER**  
Ventura County Republican Party

CALIFORNIA  
FORM  
**460**

Page 7 of 17

I.D. Number  
742080

**Attach additional information on appropriately labeled continuation sheets.**

1. Amount received this period - nonmonetary contributions of \$100 or more.

16 JULY 2004

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
OTH - Other  
PTY - Political Party  
SCC - Small Contributor Committee

# Schedule D

## Summary of Expenditures

### Supporting/Opposing Other

### Candidates, Measures and Committees

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 06/06/2010  
through 06/30/2010

SCHEDULE D  
CALIFORNIA  
FORM  
460

Page 8 of 17

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Ventura County Republican Party

I.D. NUMBER  
742080

DATE	NAME OF CANDIDATE, OFFICE, AND DISTRICT, OR MEASURE NUMBER OR LETTER AND JURISDICTION, OR COMMITTEE	TYPE OF PAYMENT	DESCRIPTION (IF REQUIRED)	AMOUNT THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
6/8/2010	Payee Name: VoterLink- MEMBERSHIP COMMUNICATION Candidate Name: Audra Strickland County Supervisor District 2 Jurisdiction: Ventura County	<input type="checkbox"/> Monetary Contribution <input checked="" type="checkbox"/> Nonmonetary Contribution <input type="checkbox"/> Independent Expenditure	MBR-Phone lists and Calls to support Audra Strickland	\$3,442.35	\$357,722.91	
6/30/2010	Payee Name: Strickland for Controller 2010 Candidate Name: Tony Strickland State Controller District w/a Jurisdiction: Statewide	<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	to support Tony Strickland	\$900.00	\$1,226.25	
6/30/2010	Payee Name: Public Opinion Strategies, LLC Candidate Name: Audra Strickland County Supervisor District 2 Jurisdiction: Ventura County	<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	MBR-Polling to support Audra Strickland	\$5,000.00	\$357,722.91	
		<input type="checkbox"/> Support <input type="checkbox"/> Oppose				
SUBTOTAL				\$9,342.35		

## Schedule D Summary

- Contributions and independent expenditures made this period of \$100 or more. (Include all Schedule D subtotals.) ..... \$9,342.35
- Unitemized contributions and independent expenditures made this period of under \$100 ..... \$0.00
- Total contributions and independent expenditures made this period. (Add Lines 1 and 2. Do not enter on the Summary Page.) ..... TOTAL \$9,342.35



# Schedule E Payments Made

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 06/06/2010  
through 06/30/2010

CALIFORNIA  
FORM  
**460**

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Ventura County Republican Party

Page 9 of 17  
I.D. NUMBER  
742080

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, email)

NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
DMH & Associates-MEMBER COMMUNICATIONS 17595 Harvard Avenue # C-138 Irvine, CA 92614-8516	MBR		MBR - Mail Production and Postage to support Audra Strickland	\$3,981.63
DMH & Associates-MEMBER COMMUNICATIONS 17595 Harvard Avenue # C-138 Irvine, CA 92614-8516	MBR		MBR - Mail Production and Postage to support Audra Strickland	\$3,981.63
DMH & Associates-MEMBER COMMUNICATIONS 17595 Harvard Avenue # C-138 Irvine, CA 92614-8516			Doorhanger State Printing	\$2,718.75
<b>SUBTOTAL</b>				

\* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

## Schedule E Summary

1. Payments made this period of \$100 or more. (Include all Schedule E subtotals.) ..... \$58,109.06
2. Unitemized payments made this period of under \$100. .... \$63.93
3. Total interest paid this period on loans. (Enter amount from Schedule B, Part 1, Column (e).) ..... \$0.00
4. Total payments made this period. (Add lines 1, 2, and 3. Enter here and on the Summary Page, Column A, Line 6.) ..... **TOTAL** \$58,172.99

# Schedule E (Continuation Sheet) Payments Made

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 06/06/2010  
through 06/30/2010

SCHEDULE E (CONT.)  
CALIFORNIA  
FORM  
**460**  
Page 10 of 17  
I.D. NUMBER  
742080

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
Ventura County Republican Party

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.	MBR member communications	RAD radio airtime and production costs
CNS campaign consultants	MTG meetings and appearances	RFD returned contributions
CTB contribution (explain nonmonetary)*	OFC office expenses	SAL campaign workers' salaries
CVC civic donations	PET petition circulating	TEL l.v. or cable airtime and production costs
FIL candidate filing/ballot fees	PHO phone banks	TRC candidate travel, lodging, and meals
FND fundraising events	POL polling and survey research	TRS staff/spouse travel, lodging, and meals
IND independent expenditure supporting/opposing others (explain)*	POS postage, delivery and messenger services	TSF transfer between committees of the same candidate/sponsor
LEG legal defense	PRO professional services (legal, accounting)	VOT voter registration
LIT campaign literature and mailings	PRT print ads	WEB information technology costs (internet, email)

NAME AND ADDRESS OF PAYEE OR CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Strickland for Controller 2010 603 E. Alton Avenue Suite H Santa Ana, CA 92705-5646 Committee ID: 1325751	CTB	Monetary Contribution:	\$44,100.00
Complete Campaigns.com 3635 Ruffin Road Floor 3 San Diego, CA 92123-1880	OFC		\$250.00
Mr. Joel Angeles 1105 Mesa Bluff Drive Costa Mesa, CA 92627-4807	SAL		\$1,500.00
Christopher Collier 440 Pasco Camarillo Apt. 304 Camarillo, CA 93010-5991	OFC		\$677.05
Strickland for Controller 2010 603 E. Alton Avenue Suite H Santa Ana, CA 92705-5646 Committee ID: 1325751	CTB	Monetary Contribution: to support Tony Strickland	\$900.00

\* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

**SUBTOTAL** \$58,109.06

# Schedule F Accrued Expenses (Unpaid Bills)

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Ventura County Republican Party

Statement covers period from 06/06/2010 through 06/30/2010		CALIFORNIA FORM <b>460</b>
Page 11	of 17	
I.D. NUMBER 742080		

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

- |   |   |   |
|---|---|---|
| CMP campaign paraphernalia/misc.                                  | MBR member communications                     | RAD radio airtime and production costs                        |
| CNS campaign consultants  | MTG meetings and appearances                  | RFD returned contributions                                    |
| CTB contribution (explain nonmonetary)*                           | OFC office expenses                           | SAL campaign workers' salaries                                |
| CVC civic donations   | PET petition circulating                      | TEL tv, or cable airtime and production costs                 |
| FIL candidate filing/ballot fees                                  | PHO phone banks                               | TRC candidate travel, lodging, and meals                      |
| FND fundraising events  | POL polling and survey research               | TRS staff/spouse travel, lodging, and meals                   |
| IND independent expenditure supporting/opposing others (explain)* | POS postage, delivery and messenger services  | TSF transfer between committees of the same candidate/sponsor |
| LEG legal defense   | PRO professional services (legal, accounting) | VOT voter registration  |
| LIT campaign literature and mailings                              | PRT print ads                                 | WEB information technology costs (internet, email)            |

NAME AND ADDRESS OF CREDITOR (IF COMMITTEE, ALSO ENTER ID NUMBER)	CODE OR DESCRIPTION OF PAYMENT	(a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD (ALSO REPORT ON E)	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Public Opinion Strategies, LLC 214 N Fayeite Street Alexandria, VA 22314-2433	POL Polling	\$30,000.00	\$0.00	\$0.00	\$30,000.00
DMH & Associates-MEMBER COMMUNICATIONS 17595 Harvard Avenue # C-138 Irvine, CA 92614-8516	MBR MBR- Mail Production and Postage	\$7,963.26	\$0.00	\$7,963.26	\$0.00
DMH & Associates-MEMBER COMMUNICATIONS 17595 Harvard Avenue # C-138 Irvine, CA 92614-8516	Doorhanger State Printing	\$2,718.75	\$0.00	\$2,718.75	\$0.00
<b>SUBTOTALS</b>					

\* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

## Schedule F Summary

- Total accrued expenses incurred this period. (Include all Schedule F, Column (b) subtotals for accrued expenses of \$100 or more, plus total unitemized accrued expenses under \$100.) **INCURRED TOTALS \$9,387.35**
- Total accrued expenses paid this period. (Include all Schedule F, Column (c) subtotals for payments on accrued expenses of \$100 or more, plus total unitemized payments on accrued expenses under \$100.) **PAID TOTALS \$10,682.01**
- Net change this period. (Subtract Line 2 from Line 1. Enter the difference here and on the Summary Page, Column A, Line 9.) **NET (\$1,294.66)**

# Schedule F (Continuation Sheet) Accrued Expenses (Unpaid Bills)

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period  
from 06/06/2010  
through 06/30/2010

SCHEDULE F (CONT.)  
CALIFORNIA  
FORM  
**460**

Page 12 of 17

NAME OF FILER  
Ventura County Republican Party

ID NUMBER  
742080

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>CMP campaign paraphernalia/misc.</li> <li>CNS campaign consultants</li> <li>CTB contribution (explain nonmonetary)*</li> <li>CVC civic donations</li> <li>FIL candidate filing/ballot fees</li> <li>FND fundraising events</li> <li>IND independent expenditure supporting/opposing others (explain)*</li> <li>LEG legal defense</li> <li>LIT campaign literature and mailings</li> </ul> | <ul style="list-style-type: none"> <li>MBR member communications</li> <li>MTG meetings and appearances</li> <li>OFC office expenses</li> <li>PET petition circulating</li> <li>PHO phone banks</li> <li>POL polling and survey research</li> <li>POS postage, delivery and messenger services</li> <li>PRO professional services (legal, accounting)</li> <li>PRT print ads</li> </ul> | <ul style="list-style-type: none"> <li>RAD radio airtime and production costs</li> <li>RFD returned contributions</li> <li>SAL campaign workers' salaries</li> <li>TEL l.v. or cable airtime and production costs</li> <li>TRC candidate travel, lodging, and meals</li> <li>TRS staff/spouse travel, lodging, and meals</li> <li>TSF transfer between committees of the same candidate/sponsor</li> <li>VOT voter registration</li> <li>WEB information technology costs (internet, email)</li> </ul> |
|--|--|--|
- \*Payments that are contributions or independent expenditures must also be summarized on Schedule D.

NAME AND ADDRESS OF CREDITOR (IF COMMITTEE, ALSO ENTER ID NUMBER)	CODE OR DESCRIPTION OF PAYMENT	(a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD (ALSO REPORT ON E)	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Voetlink- MEMBERSHIP COMMUNICATION 11299 N 6000 W Highland, UT 84003-8841	MBR Phone lists and Calls	\$0.00	\$3,442.35	\$0.00	\$3,442.35
Beil, McAndrews & Hiltachik, LLP 455 Capitol Mall Suite 801 Sacramento, CA 95814-4433	PRO	\$14,808.55	\$945.00	\$0.00	\$15,753.55
Public Opinion Strategies, LLC 214 N Fayette Street Alexandria, VA 22314-2433	MBR Polling	\$0.00	\$5,000.00	\$0.00	\$5,000.00
<b>SUBTOTALS</b>		\$55,490.56	\$9,387.35	\$10,682.01	\$54,195.90

# Schedule G

## Payments Made by an Agent or Independent Contractor (on Behalf of This Committee)

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SCHEDULE G

### SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Ventura County Republican Party

Statement covers period  
from 06/06/2010  
through 06/30/2010

CALIFORNIA  
FORM  
460

Page 13 of 17

I.D. NUMBER  
742080

NAME OF AGENT OR INDEPENDENT CONTRACTOR  
Christopher Collier

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.  
 CNS campaign consultants  
 CTB contribution (explain nonmonetary)\*  
 CVC civic donations  
 FIL candidate filing/ballot fees  
 FND fundraising events  
 IND independent expenditure supporting/opposing others (explain)\*  
 LEG legal defense  
 LIT campaign literature and mailings  
 \* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

MBR member communications  
 MTG meetings and appearances  
 OFC office expenses  
 PET petition circulating  
 PHO phone banks  
 POL polling and survey research  
 POS postage, delivery and messenger services  
 PRO professional services (legal, accounting)  
 PRT print ads  
 RAD radio, television and production costs  
 RFD returned contributions  
 SAL campaign workers' salaries  
 TEL t.v. or cable airtime and production costs  
 TRC candidate travel, lodging, and meals  
 TRS staff/spouse travel, lodging, and meals  
 TSF transfer between committees of the same candidate/sponsor  
 VOT voter registration  
 WEB information technology costs (internet, email)

NAME AND ADDRESS OF PAYEE OR CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Mimi's Cafe 3375 E. Main Street Ventura, CA 93003-5075	MTG			\$270.67
Misc. Expenses Under Threshold Under \$100 Threshold Westlake Village, CA 91362	MTG			\$201.33
Dominos Pizza 2220 N Moorpark Road Suite 104 Thousand Oaks, CA 91360-3171	MTG			\$205.05
<b>TOTAL*</b>				\$677.05

Attach additional information on appropriately labeled continuation sheets.

\* Do not transfer to any other schedule or to the Summary Page. This total may not equal the amount paid to the agent or independent contractor as reported on Schedule E.

# Schedule G

## Payments Made by an Agent or Independent Contractor (on Behalf of This Committee)

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Ventura County Republican Party

NAME OF AGENT OR INDEPENDENT CONTRACTOR  
Ventura County Republican Party (Fed.)

Statement covers period  
from 06/06/2010  
through 06/30/2010

SCHEDULE G  
CALIFORNIA  
FORM 460  
Page 14 of 17  
I.D. NUMBER  
742080

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

- CMP campaign paraphernalia/misc.
- CNS campaign consultants
- CTB contribution (explain nonmonetary)\*
- CVC civic donations
- FIL candidate filing/ballot fees
- FND fundraising events
- IND independent expenditure supporting/opposing others (explain)\*
- LEG legal defense
- LIT campaign literature and mailings
- MBR member communications
- MTG meetings and appearances
- OFC office expenses
- PET petition circulating
- PHO phone banks
- POL polling and survey research
- POS postage, delivery and messenger services
- PRO professional services (legal, accounting)
- PRT print ads
- RAD radio, airline and production costs
- RFD returned contributions
- SAL campaign workers' salaries
- TEL t.v. or cable airline and production costs
- TRC candidate travel, lodging, and meals
- TRS staff/spouse travel, lodging, and meals
- TSF transfer between committees of the same candidate/sponsor
- VOT voter registration
- WEB information technology costs (internet, email)

\* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

NAME AND ADDRESS OF PAYEE OR CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Hyatt Westlake Plaza 880 S Westlake Boulevard Westlake Vlg, CA 91361-2905	SAL	Election Night Party		\$3,337.36
The KAL Group 976 Pacific Avenue Willows, CA 95988-9788	PRO	Bookkeeping		\$654.61
Mr. Michael Osborn 4924 Thille Street Ventura, CA 93003-8231	SAL	Reimbursement; See Memo		\$3,337.36
Ventura County Fair 10 Harbor Boulevard Ventura, CA 93001-2706	MTG	Booth Fee		\$553.00
<b>TOTAL*</b>				<b>\$1213.61</b>

Attach additional information on appropriately labeled continuation sheets.

\* Do not transfer to any other schedule or to the Summary Page. This total may not equal the amount paid to the agent or independent contractor as reported on Schedule E.

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

## SCHEDULE G

CALIFORNIA  
FORM  
**460**

**SEE INSTRUCTIONS ON REVERSE**

NAME OF FILER

**Ventura County Republican Party**

NAME OF AGENT OR INDEPENDENT CONTRACTOR  
Ventura County Republican Party (Fed.)

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CNN	campaign participation	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	posting, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, email)

\* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

NAME AND ADDRESS OF PAYEE OR CREDITOR  
(IF COMMITTEE, ALSO ENTER I.D. NUMBER)

CODE

**OR**

DESCRIPTION OF PAYMENT

AMOUNT PAID

telcentris  
10180 Telesis Court  
Suite 150  
San Diego, CA 92121-2742

**Attach additional information on appropriately labeled continuation sheets**

**TOTAL\*** \$208,60

\* Do not transfer to any other schedule or to the Summary Page. This total may not equal the amount paid to the agent or independent contractor as reported on Schedule E.

**FPPC Form 460 (June/01)**  
**FPPC Toll-Free Helpline: 866/ASK-FPPC**

# Schedule H - Loans Made to Others\*

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SCHEDULE H

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
Ventura County Republican Party

Statement covers period  
from 06/06/2010  
through 06/30/2010

CALIFORNIA  
FORM  
460

Page 16 of 17

I.D. NUMBER  
742080

FULL NAME, STREET ADDRESS AND ZIP CODE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	(a) OUTSTANDING BALANCE BEGINNING THIS PERIOD	(b) AMOUNT LOANED THIS PERIOD	(c) REPAYMENT OR FORGIVENESS THIS PERIOD*	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD	(e) INTEREST RECEIVED	(f) ORIGINAL AMOUNT OF LOAN	(g) CUMULATIVE LOANS TO DATE
				<input type="checkbox"/> PAID <input type="checkbox"/> FORGIVEN	DATE DUE	RATE %	DATE INCURRED	CALENDAR YEAR PER ELECTION**
				<input type="checkbox"/> PAID <input type="checkbox"/> FORGIVEN	DATE DUE	RATE %	DATE INCURRED	CALENDAR YEAR PER ELECTION**
SUBTOTALS					DATE DUE			

\* Loans that are contributions to another candidate or committee must also be summarized on Schedule D. Loans forgiven must also be reported on Schedule E.

(Enter (e) on  
Schedule I, Line 3)

## Schedule H Summary

- Loans made this period  
(Total Column (b) plus unitemized loans less than \$100.)
- Payments received on loans  
(Total Column (c) plus unitemized payments less than \$100.)

\*\* If Required

- Net change this period. (Subtract Line 2 from Line 1.)  
(Enter the net here and on the Summary Page, Column A, Line 7.)

NET (May be a negative number)



Type or print in ink.  
Amounts may be rounded  
to whole dollars.

**NAME OF FILER**  
Ventura County Republican Party

Page 17 of 17

CALIFORNIA  
FORM  
**460**

**I.D. NUMBER**

742080

[illegible]**SUBTOTAL \$5.00**

## Schedule I Summary

1. Increases to cash of \$100 or more this period.
2. Unitemized increases to cash under \$100 this period.
3. Total of all interest received this period on loans made to others. (Schedule H, Column (e).)
4. Total miscellaneous increases to cash this period. (Add Lines 1, 2, and 3. Enter here and on the Summary Page, Line 14.)

50.00

**\$0.00**

50.00

**TOTAL** 50.00