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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
STATE OF CALIFORNIA
9

10 In the Matter of:

11 JACKIE WONG FOR SCHOOL BOARD
2016 AND JACKIE WONG,

12 Respondents.
13

FPPC Case No. 17/621

STIPULATION, DECISION AND ORDER

14
15 **INTRODUCTION**

16 This matter arose as a Commission initiated complaint. As part of an investigation into a separate
17 matter, the Enforcement Division found evidence of potential violations of the Political Reform Act (the
18 “Act”)¹ by the committee, Jackie Wong for School Board 2016 (“Committee”). The Committee is the
19 candidate-controlled committee formed to support Jackie Wong (“Wong”) in her election to the
20 Washington Unified School District (“WUSD”). The Act holds that all contributions deposited into the
21 campaign account are deemed to be held in trust for expenses associated with the election of the
22 candidate or for expenses associated with holding office. The Respondents violated the Act by using
23 committee funds to pay for personal purchases.

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27 ¹ The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections
28 81000 through 91014. All statutory references are to this code. The regulations of the Fair Political Practices Commission
are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references
are to this source.

1 **SUMMARY OF THE LAW**

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

3 When enacting the Political Reform Act, the people of California found and declared that
4 previous laws regulating political practices suffered from inadequate enforcement by state and local
5 authorities.² Thus, it was decreed that the Act “should be liberally construed to accomplish its
6 purposes.”³ Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act
7 will be “vigorously enforced.”⁴

8 **Prohibition Against Personal Use of Committee Funds**

9 The Act holds that contributions deposited into a campaign bank account are held in trust for
10 expenses associated with the election of the candidate or for expenses associated with holding office.⁵
11 An expenditure is lawful if it is reasonably related to a legislative or governmental purpose.
12 Expenditures that confer a substantial personal benefit must be directly related to a political, legislative,
13 or governmental purpose.⁶ “Substantial personal benefit” is defined as an expenditure of campaign
14 funds that results in a direct personal benefit with a value of more than two hundred dollars (\$200) to an
15 elected official.⁷ A qualifying personal benefit would include any time the candidate actually makes
16 personal use of an asset obtained as a result of the committee expenditure.⁸

17 Campaign funds cannot be used for the payment or reimbursement for the purchase, lease, or
18 refurbishment of any appliance or equipment, where the legal title resides, in whole or in part, in a
19 candidate or elected official, or a member of his or her immediate family.⁹ If the committee holds the
20 title of the appliance or equipment, the use must be directly related to a political legislative or
21 governmental purposes and any other usage must be only incidental.¹⁰

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24 ² Section 81001, subdivision (h).

25 ³ Section 81003.

26 ⁴ Section 81002, subdivision (f).

27 ⁵ Section 89510.

28 ⁶ Section 89512.

⁷ Section 89511, subdivision (b)(3).

⁸ Reg. 18960.

⁹ Section 89517, subdivision (a).

¹⁰ Section 89517, subdivision (c).

1 **SUMMARY OF THE FACTS**

2 The Committee was the candidate-controlled committee to support Wong’s election to the WUSD
3 School Board in the November 8, 2016 General Election. Wong was successful and is currently serving
4 in that office.

5 The Committee reported on campaign statements that it made numerous reimbursements to Tony
6 Wong, husband of the candidate. Wong, by cooperating with the investigation, provided receipts and a
7 short explanation for the purchases at issue. The purchases were made between 157 and 167 days after
8 the election.

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Date	Pavee	Item Description	Amount
04/14/2017	Microsoft	Office 365 Home subscription renewal	\$99.99
04/16/2017	Amazon	Netgear Nighthawk Gaming Router	\$214.91
04/20/2017	Amazon	Brother wireless laser printer	\$215.99
04/22/2017	Amazon	4-yr protection plan for printer	\$17.20
04/24/2017	Best Buy	Samsung Galaxy S8+ Smartphone	\$917.98
			\$1,466.07

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17 These purchases were made by either Wong or her husband and were reimbursed with funds from
18 the Committee. According to Wong, the Office 365 Home subscription was to renew an existing software
19 license on her personal computer. The Netgear Nighthawk Gaming Router is an internet router that is
20 currently being used in Wong’s home office. The Brother wireless printer is the second printer purchased
21 by the Committee and is currently being used in Wong’s home office. The 4-year protection plan
22 purchased through Amazon is for the Brother printer. The Best Buy purchase was for two smartphones,
23 including a Samsung Galaxy S8+. One phone is being used by Wong and the other by her husband.

24 Wong stated that the purchases are sometimes used for purposes related to her position as WUSD
25 Board member, delegate for the California School Board Association Region 6A, and as co-chair of the
26 subcommittee on policy and legislation. She stated that this usage is, at most, about 50% of the total
27 usage and that the remainder is personal use.

1 The purchases were not reasonably or directly related to a political, legislative, or governmental
2 purpose. Those purchases that conferred a substantial benefit were utilized for Wong’s personal use. The
3 personal use was more than incidental.

4 **VIOLATION**

5 **Count 1: Personal Use of Campaign Funds**

6 Respondents Committee and Wong made payments with campaign funds for home office
7 equipment, software, and smartphones that were not related to a political, legislative, or governmental
8 purpose in violation of Sections 89512 and 89517.

9 **PROPOSED PENALTY⁵²**

10 This matter consists of one count. The maximum penalty that may be imposed is \$5,000 per
11 count. Thus, the maximum penalty that may be imposed is \$5,000.¹¹

12 In determining the appropriate penalty for a particular violation of the Act, the Commission
13 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the
14 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
15 any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or
16 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective
17 amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior
18 record of violations.¹² Personal use of campaign funds is a very serious violation of the Act. Personal use
19 of campaign funds by a candidate betrays the trust of the contributors who give to a campaign. The
20 restriction on the use of campaign funds helps to distinguish campaign contributions from gifts to the
21 candidate or office holder. Wong did not conceal the expenditures and does not have a prior record of
22 violations.

23 The Commission considers penalties in prior cases with the same or similar violations and
24 comparable facts. *In the Matter of Jose Solorio*, FPPC No. 16/19767 (The Commission approved a
25 stipulated decision on November 17, 2016.) Respondent, an experienced candidate who had served
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¹¹ See Section 83116, subdivision (c).

28 ¹² Regulation 18361.5, subdivision (d).

1 previously as City Council member and Assembly member, used campaign funds totaling approximately
2 \$2,866 to pay part of the rent for an apartment where he lived and worked on his campaign. Respondent
3 reimbursed the Committee prior to the election. The Commission imposed a \$3,500 penalty for one count
4 of personal use.

5 In the present matter, the Committee and Wong spent \$1,466 on expenditures that were used for
6 Wong’s personal benefit. The amount spent by Wong was less than in *Solorio*, however, Wong did not
7 reimburse the Committee and the Committee has since terminated. In addition, unlike in *Solorio*, Wong
8 is not an experienced candidate. After considering the factors listed in Regulation 18361.5, prior similar
9 cases, and other relevant facts, a penalty of \$3,000 is recommended.

10 **CONCLUSION**

11 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
12 Respondents Jackie Wong For School Board 2016 and Jackie Wong hereby agree as follows:

- 13 1. Respondents violated the Act as described in the foregoing pages, which are a true and
14 accurate summary of the facts in this matter.
- 15 2. This stipulation will be submitted for consideration by the Fair Political Practices
16 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.
- 17 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose
18 of reaching a final disposition without the necessity of holding an administrative hearing to determine the
19 liability of Respondents pursuant to Section 83116.
- 20 4. Respondents understand, and hereby knowingly and voluntarily waive, any and all
21 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9.
22 This includes, but is not limited to the right to appear personally at any administrative hearing held in this
23 matter, to be represented by an attorney at Respondents’ own expense, to confront and cross-examine all
24 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
25 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
26 reviewed.
- 27 5. Respondents agree to the issuance of the decision and order set forth below. Also,
28 Respondents agree to the Commission imposing against them an administrative penalty in the amount of

1 \$3,000. One or more cashier's checks or money orders totaling said amount—to be paid to the General
2 Fund of the State of California—is/are submitted with this stipulation as full payment of the
3 administrative penalty described above, and same shall be held by the State of California until the
4 Commission issues its decision and order regarding this matter.

5 6. If the Commission refuses to approve this stipulation—then this stipulation shall become
6 null and void, and within fifteen business days after the Commission meeting at which the stipulation is
7 rejected, all payments tendered by Respondents in connection with this stipulation shall be reimbursed to
8 Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
9 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
10 Director, shall be disqualified because of prior consideration of this Stipulation.

11 7. The parties to this agreement may execute their respective signature pages separately. A
12 copy of any party's executed signature page, including a hardcopy of a signature page transmitted via fax
13 or as a PDF email attachment, is as effective and binding as the original.

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15 Dated: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

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18 Dated: _____

Jackie Wong, individually and on behalf of Jackie
Wong for School Board 2016, Respondents

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21 The foregoing stipulation of the parties "Jackie Wong For School Board 2016 and Jackie Wong,"
22 FPPC Case No. 17/621, is hereby accepted as the final decision and order of the Fair Political Practices
23 Commission, effective upon execution below by the Chair.

24 IT IS SO ORDERED.

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26 Dated: _____

Joann Remke, Chair
Fair Political Practices Commission