



California Fair Political Practices Commission

June 13, 1988

The Honorable Wadie P. Deddeh
Member of the Senate
State Capitol, Room 3048
Sacramento, CA 95814

Re: Your Request for Advice
Our File Number A-88-180

Dear Senator Deddeh:

You have requested advice concerning your disclosure responsibilities under the conflict of interest provisions of the Political Reform Act.^{1/}

QUESTION

Are unsecured personal loans made to your relatives reportable on your statement of economic interests? Are payments received on such loans reportable?

CONCLUSION

Unsecured loans to your relatives are not reportable on your statement of economic interests as an investment. However, any receipt of \$250 or more in a reporting period from repayment of principal or of interest on the loans is reportable as "income" on your statement of economic interests.

FACTS

You have made two loans to your relatives. According to information provided by you in a telephone conversation on May 26, 1988, the loans are unsecured and you have no formal contract on the loans.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

ANALYSIS

You are required to file an annual statement of economic interests. (Sections 87200 and 87203.) Your statement must disclose sources of income of \$250 or more, including loans, which you receive during the filing period. (Section 87207.) However, no provision of the Act requires that you disclose loans which you make to other persons, including relatives, unless such loans constitute an investment in a business entity or an interest in real property. (Sections 82033, 82034.) Because the loans are unsecured, you do not have an investment or real property interest which is reportable on your statement of economic interests. (Section 82034.)

However, if you receive payments of \$250 or more in principal or interest during a reporting period, you must report the income on Schedule D of your annual statement of economic interests. (Section 87207(a)(1).)

If you have any questions regarding this advice, please call me at (916) 322-5662.

Sincerely,

Diane M. Griffiths
General Counsel



By: Bruce W. Robeck
Political Reform Consultant

DMG:BWR:kmt

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^{May 12}
California State Senate

SENATOR

WADIE P. DEDDEH

Fortieth Senatorial District



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NATIONAL CONFERENCE OF
STATE LEGISLATURES

May 11, 1988

Mr. John G. McLean
Legislative Coordinator
Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95804

Dear Mr. McLean:

- In March while filing my conflict of interest form for 1987, I phoned the Commission requesting advice on how to handle two personal loans I had made to my relatives.

The Commission informed me over the phone that such loans do not need to be reported, although the loans must be reported as income when they are repaid.

I appreciate the Commission's prompt and courteous response to my phone inquiry; however, I would like the Commission to confirm this information in writing for my files.

Sincerely,

A handwritten signature in cursive script that reads "Wadie P. Deddeh".

WADIE P. DEDDEH
Senator, 40th District

WPD:njp



California Fair Political Practices Commission

May 13, 1988

Honorable Wadie P. Deddeh
State Senator
State Capitol, Room 3048
Sacramento, CA 95814

Re: 88-180

Dear Senator Deddeh:

Your letter requesting advice under the Political Reform Act was received on May 12, 1988 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard (10)

Jeanne Pritchard
Chief
Technical Assistance and Analysis
Division

JP:plh

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A handwritten signature in dark ink that reads "Wadie P. Deddeh".

WADIE P. DEDDEH
Senator, 40th District

WPD:njp