



California Fair Political Practices Commission

September 27, 1988

Rachel Richman
c/o Assemblymember Thomas Bates
State Capitol
P.O. Box 952849
Sacramento, CA 94249

Re: Your Request for Advice
Our File No. A-88-340

Dear Ms. Richman:

You have requested advice regarding your disclosure requirements under the conflict of interest provisions of the Political Reform Act (the "Act").^{1/}

QUESTIONS

1. Are reimbursements for travel and for per diem for a board member of an educational, academic or charitable organization or from a recipient committee reportable on your statement of economic interests?
2. Is membership on the board of an organization which is not a business entity reportable as a business position on your statement of economic interests?

CONCLUSIONS

1. Reimbursements for travel and for per diem from an educational, academic or charitable organization or from a recipient campaign committee are not reportable on your statement of economic interests.
2. Disclosure of your membership on the board of an organization is required on your statement of economic interests only if the organization is operated for profit.

^{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.

FACTS

According to FPPC records, you are a legislative aide employed by the Assembly. The Assembly conflict of interest code requires that you file annual statements of economic interests which disclose reportable investments, real property interests, sources of income and business positions. You are on the board of an organization named "Campaign California." You receive reimbursement for travel and for meals when you attend board meetings.

ANALYSIS

As a legislative aide employed by the Assembly, you are required to file a disclosure statement, pursuant to a conflict of interest code adopted by the Assembly. (Sections 87300 and 87302.) Assembly employees in the position of legislative aide must disclose reportable investments, real property interests, sources of income and business positions.

Part of the income you receive is in the form of reimbursements for travel and meals for service on the board of an organization named Campaign California. Your letter does not reveal whether Campaign California is a charitable, educational or academic organization, or is a recipient committee or is operated for profit. Since the answers to your questions depend on the proper classification of Campaign California into one of the above categories, the following will discuss the disclosure requirements for each contingency.

Income includes a payment received for reimbursement for expenses and for per diem. (Section 82030(a).) However, reimbursements for travel and per diem received from an educational, academic or charitable organization are not income that is reportable under the Act. (Section 82030(b)(2).) So if Campaign California may be classified appropriately as an educational, academic or charitable organization, then reimbursements you receive for travel and per diem are not reportable on your statement of economic interests. All income other than reimbursement for travel or per diem which is received from educational, academic or charitable organizations is reportable.

A second possible classification of Campaign California is as a political committee which is organized to influence voters for or against California state or local candidates or measures. (Section 82013(a) and Regulations 18215 and 18225.) If Campaign California is a recipient committee, as defined in Section 82013(a), then reimbursements you receive from the organization for travel and per diem which are reported on the organization's campaign statements, if any, are not reportable on your statement of economic interests. (Regulation 18727.5, copy enclosed.) However, all other income from the recipient committee would be reportable by you on your statement of economic interests.

The third alternative is that Campaign California is an organization which is operated for profit. The Act defines a business entity as any organization or enterprise operated for profit, including but not limited to a proprietorship, firm, business trust, joint venture, syndicate, corporation or association. (Section 82005.) Reimbursement for travel or other expenses or per diem which is received from a business entity is reportable income. If Campaign California is a business entity, the reimbursements for travel or other expenses and for per diem which you received from them would be fully reportable on your statement of economic interests.

Your second question is whether service on the board of Campaign California must be disclosed on your statement of economic interests. As noted above, we do not know whether or not Campaign California is a business entity. (Section 82005.) You are required to disclose your position on the board of Campaign California only if it is classified as a business entity.

Enclosed are supplemental schedules D and G, Form 730, in the event that you may be required to amend your statement of economic interests for 1987. If you have any questions, 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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THOMAS H. BATES
MEMBER OF THE ASSEMBLY
TWELFTH DISTRICT

CHAIR
STANDING COMMITTEE ON
HUMAN SERVICES

August 19, 1988

Jeanne Pritchard
Director
Technical Assistance Division
Fair Political Practices Commission
428 J St.
Sacramento, Ca. 95814

Dear Ms. Pritchard:

The purpose of this letter is to confirm and clarify the legal requirements concerning disclosure.

Several months ago, I called the FPPC to inquire whether I needed to disclose the money I received from Campaign California in reimbursement for my travel and meals to attend Board meetings. I am a member of the Board. I was told that I should list my Board member status on the disclosure form, but did not have to list re-imbursement for travel expenses within California.

I am writing to follow up and confirm that this is correct. If I need to file an amended form to disclose the reimbursement, please send me one immediately so that I can comply with the requirements.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Richman".

Rachel Richman