



# California Fair Political Practices Commission

September 13, 1988

Ebbie Mouton  
Deputy City Clerk  
P. O. Box 1007  
Cudahy, CA 90201

Re: Your Request for Advice  
Our File No. I-88-346

Dear Ms. Mouton:

You have requested assistance with regard to your review of statements filed by four members of the Cudahy City Council and their jointly controlled committee, Citizens for Progress of the City of Cudahy, under the campaign disclosure provisions of the Political Reform Act.<sup>1/</sup>

## QUESTION

Have the councilmembers and the jointly controlled committee properly filed the campaign disclosure statements required under the Act?

## CONCLUSION

A review of the disclosure statements indicates that some amendments are needed. These are discussed in the analysis below. Please note that this review did not include any investigation into the accuracy of the information disclosed on the statements, but focused on whether proper forms were filed and whether certain information was completely disclosed.

## FACTS

You have provided copies of campaign disclosure statements filed for 1987 and the first six months of 1988 for councilmembers Wilfred Colon, Joseph Graffio, John O. Robertson, Jr., and John Thomas Thurman, and their jointly controlled committee, Citizens for Progress of the City of Cudahy. You also have provided copies

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<sup>1/</sup>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.

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of the committee's statement of organization (Form 410) filed February 11, 1986, and two amended statements of organization filed March 18, 1986 and April 13, 1987.

Initially, and on the amendment filed March 18, 1986, the statement of organization disclosed that the committee was controlled by Councilmembers Graffio, Colon and Thurman. On April 13, 1987, an amendment was filed which stated that the committee was no longer controlled and was a general purpose committee. On all three statements of organization, Mr. Colon was listed as committee treasurer and Mr. Graffio was listed as committee secretary.

Throughout the 16-month period January 1, 1987 - June 30, 1988, all three councilmembers, as well as Mr. Robertson, filed individual campaign statements (Form 490) indicating that they controlled the committee. On its first semi-annual campaign statement for 1987, the committee reported that it was controlled by all four councilmembers. On its second semi-annual statement, it reported that only Mr. Robertson controlled the committee, although Mr. Colon signed the statement as treasurer. For the period January 1, 1988 through June 30, 1988, the committee's campaign statement again listed all four councilmembers as controlling.

On the individual semi-annual campaign disclosure statements filed by the four councilmembers covering January 1, 1987 through December 31, 1987, each also indicated that he was filing a consolidated report with the committee. However, the committee's activities were not included on the councilmembers' campaign statements, and the committee actually filed separate semi-annual statements for 1987.

For the first six months of 1988, Councilmembers Colon, Graffio and Thurman again filed individual campaign statements which indicated that they were filing consolidated statements with the committee when in fact they were not. These statements were amended to clarify that they controlled the committee, but that they had not included the committee's activities on their statements.

Also during the first six months of 1988, it appears that Mr. Robertson was being voted upon in the city's April 12 election. He filed two pre-election campaign statements which included the committee's activities. On July 28, 1988, Mr. Robertson amended the pre-election statements to exclude the committee's activities, although he acknowledged that he controlled the committee. On his semi-annual statement covering March 26, 1988 through June 30, 1988, he indicated that he controlled the committee but was not including the committee's activities in the statement.

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The committee filed a separate campaign statement for the period January 1, 1988 through June 30, 1988. However, it does not appear to include all of the activities which occurred during the six-month period. The committee again states that it was controlled by all four councilmembers.

#### ANALYSIS

##### Amendments to the Statement of Organization

The Act requires officeholders, candidates and their controlled committees to file periodic campaign disclosure reports. (Section 84200 et seq.) Section 82016 states:

"Controlled committee" means a committee which is controlled directly or indirectly by a candidate or state measure proponent or which acts jointly with a candidate, controlled committee or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent controls a committee if he, his agent or any other committee he controls has a significant influence on the actions or decisions of the committee.

From the facts outlined above, it appears that all four officeholders have controlled the committee for the entire 16-month period January 1, 1987 through June 30, 1988. Therefore, amendments are needed to the statement of organization. First, the amendment filed on April 13, 1987, which stated that the committee was not controlled, should be withdrawn. In addition, the statement must be amended to indicate when Mr. Robertson began his involvement with the committee.

The simplest method of bringing the statement of organization into compliance would probably be for the committee to complete a new amended Form 410 providing its current status. The amended Form 410 should be filed with a cover letter explaining the amendments which should have been filed during 1987 and 1988. Any councilmember who has a significant influence on the actions or decisions of the committee, must be listed as controlling the committee.

You should also inform the committee of the requirement in Section 84103 that when information contained in a statement of organization changes, an amendment must be filed within 10 days to reflect the change. In addition, if any of the following information changes during the 16 days prior to a city election, the amended information must be filed with you by personal delivery or telegram within 24 hours:

1. The name of the committee.

2. The name of the treasurer or other principal officers.
3. The name of any candidate or committee by which the committee is controlled or with which it acts jointly.

Section 84103(b).

Amendments to the Committee's Campaign Statements

With regard to the committee's campaign disclosure statements, the following items need to be amended:

1. The committee's 1987 statements cover the periods January 1-July 31 and July 31-December 31. The correct periods covered are January 1-June 30 and July 1-December 31. Activity which occurred after June 30, 1987, should be removed from the first semi-annual statement and disclosed on the second semi-annual statement.

2. On the committee's statement covering January 1-July 31, 1987, Schedule G shows a \$77 increase to cash from Mr. Thurman. The same payment appears to have been reported as a monetary contribution from Mr. Thurman on Schedule A. The \$77 increase disclosed on Schedule G was not included in the calculations for the statement of changes in financial condition (lines 13-19) on the Summary Page. Please also note that these two payments are listed as having been received on July 27, which is after the correct closing date for this statement.

3. On the committee's statement covering July 31-December 31, 1987, the following errors have been noted:

a. Only Mr. Robertson has been listed on the cover page as controlling the committee.

b. The Summary Page does not contain cumulative figures from January 1 (Columns A and C).

c. Although the cover page indicates that the statement covers through December 31, 1987, all subsequent pages indicate that the statement covers through January 31, 1988.

4. The committee's statement covering January 1-June 30, 1988, appears to cover only the period March 26-June 30. Because the committee erroneously filed two consolidated pre-election statements with Mr. Robertson in connection with the city's April 12, 1988, election and Mr. Robertson has amended his filings to exclude the committee's activities, the committee must now file two pre-election statements and a semi-annual statement for the first six months of 1988. In addition, the closing date used on

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the second pre-election statement is incorrect. The correct periods covered in connection with the April 12, 1988 election are:

January 1 - February 27  
February 27 - March 26  
March 27-June 30

Amendments to the Councilmembers' Statements

With regard to the councilmembers' statements, the following items should be amended:

1. Each councilmember must amend his semi-annual statements filed for 1987 to indicate that he was not filing a consolidated statement with the committee. The committee should be listed in Part III of the cover page to the Form 490, rather than in Part II.

2. As with the committee, there appears to be some confusion about the periods covered for the semi-annual statements filed for 1987. For example, several of the cover pages show January 1-June 30, but the attached schedules show January 1-July 31. The correct periods covered are January 1-June 30 and July 1-December 31, 1987, and the information disclosed on the attached schedules must reflect activity for the correct periods.

3. Most of the individual statements filed by the councilmembers also must be amended because they do not contain completed Summary Pages, nor do they indicate the source(s) of the funds used to make the expenditures each has disclosed. When a candidate or officeholder uses personal funds to make expenditures and does not anticipate being repaid, the funds must be disclosed on Schedule A as monetary contributions from the candidate or officeholder. For further information on how to report a candidate's personal funds, refer to pages 112 and 113 of the 1988 Information Manual on Campaign Disclosure Provisions of the Political Reform Act.

Although I have not performed a detailed review of all of the information disclosed on each of the statements you provided, I did notice that some information was incomplete with regard to addresses, dates of contributions, and employer names. You may wish to review the statements yourself to determine what other amendments may be needed.

In addition, please note that when a committee is controlled by more than one candidate or officeholder, each candidate or officeholder must file a separate campaign statement (Form 490) and the jointly controlled committee must file separately on Form 420. An individual candidate or officeholder may not file a consolidated campaign statement with a committee which is also controlled by another candidate or officeholder.

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Please do not hesitate to contact me at (916) 322-5662 if you have any questions.

Sincerely,

Diane M. Griffiths  
General Counsel

*Carla Wardlow*

By: Carla Wardlow  
Political Reform Consultant



# CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

P.O. Box 1007  
5220 Santa Ana Street  
Cudahy, California 90201  
(213) 773-5143

August 9, 1988

Ms. Carla Wardlow  
California Fair Political Practices Commission  
P.O. Box 807  
Sacramento, California 95804-0807

Dear Ms. <sup>Carla</sup> Wardlow:

Pursuant to our telephone conversation of July 28, 1988, I am enclosing copies of the Statements listed below for your review, which have been filed with the City Clerk's office.

1. Statements covering period 1/1/87 through 6/30/87.  
Form 490 for Wilfred Colon, Joseph Graffio, John O. Robertson, Jr., and John Thomas Thurman, and Form 420 for Citizens for Progress of the City of Cudahy.
2. Statements covering period 7/1/87 through 12/31/87.  
Form 490 for Wilfred Colon, Joseph Graffio, John O. Robertson, and John Thomas Thurman, and Form 420 for Citizens for Progress of the City of Cudahy.
3. Statements covering period 1/1/88 through 6/30/88.  
Forms 490 and 405 for Wilfred Colon, John Thomas Thurman, and Joseph Graffio, and Form 420 for Citizens for progress of the City of Cudahy.
4. Statements covering period 1/1/88 through 2/26/88.  
Forms 490 and 405 for John O. Robertson. No filing for Citizens for Progress of the City of Cudahy.
5. Statements covering period 2/27/88 through 3/25/88.  
Forms 490 and 405 for John O. Robertson. No filing for Citizens for Progress of the City of Cudahy.
6. Statement covering period 3/26/88 through 6/30/88.  
Form 490 for John O. Robertson.
7. Statement of Organization (Recipient Committee).  
Form 410 for Citizens for Progress filed and received by the Secretary of State on 2/11/86 and Forms 405 for Citizens for Progress of the City of Cudahy filed and received by the Secretary of State on 3/18/86 and 4/13/87.

Carla Wardlow  
FPCC

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(Please note that I have not included copies of Statements filed by Council Member/Candidate Gabriel Zippi and Candidates Faye Dunlap and Joseph Fregeau, there being no problem with their Statements.)

As you will recall, several questions developed during our conversations regarding the Statements filed by the Council Members and Statements of Organization filed by the Committee with the Secretary of State when Council Member/Candidate John O. Robertson requested to file amendments to his Campaign Statements Form 490 and file separately from the Committee. You stated on the telephone that after you have had a chance to review the above Statements, you would write a letter outlining step-by-step any amendments that should be made.

Thank you for all of your help in the past and if you have any questions or need any further information, please call me at (213) 773-5143.

Very truly yours,



Ebbie Mouton  
Deputy City Clerk

Enclosures

cc: Gerald M. Caton, City Clerk

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