



California Fair Political Practices Commission

February 22, 1989

Robert E. Leidigh
Olson, Connelly, Hagel & Fong
300 Capitol Mall, Suite 350
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. A-89-092

Dear Mr. Leidigh:

You have requested advice concerning the duties of Rosemary Ferraro and other members of the California Horse Racing Board under the conflict-of-interest provisions of the Political Reform Act.¹ This letter confirms that your letter dated February 7, 1989, accurately summarizes the telephone advice I provided to you on February 3, 1989.

Please contact me at (916) 322-5901 if you have any further questions regarding this matter.

Sincerely,

Diane M. Griffiths
General Counsel

Kathryn E. Donovan
(u)

By: Kathryn E. Donovan
Counsel, Legal Division

DMG:KED:plh

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.

Law Offices of
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February 7, 1989

Ms. Kathryn E. Donovan
Senior Staff Counsel
Legal Division
FAIR POLITICAL PRACTICES COMMISSION
428 "J" Street, Suite 800
Sacramento, California 95814

RE: CONFIRMATION OF TELEPHONE ADVICE RENDERED 2/3/89

Dear Ms. Donovan:

Pursuant to our discussions, this letter will confirm telephone advice which you provided to me on February 3, 1989. That advice was sought in my capacity as special counsel to the California Horse Racing Board, a state agency. The advice was sought on behalf of Board member Rosemary Ferraro and others.

Because of the notoriety of this matter, we agreed that before rendering the advice, you would confer with other attorneys at the Commission. I asked two questions; you conferred on both with Janis Shank McLean, Senior Staff Counsel in the Enforcement Division. On the question regarding donation of a gift to a charitable organization you also conferred with Diane Griffiths, General Counsel to the Commission.

I explained that Board members on occasion attend horse race meetings at the various tracks which are under the Board's jurisdiction. On some of these occasions, the Board member is requested to present the trophy to the winning owner, trainer and jockey in the day's featured race. The Board member's name is announced to the crowd at the track and is displayed on the marquee or "tote board." Photographs are taken to commemorate the event.

I asked whether this activity would qualify as the performance of a "similar service" within the meaning of 2 California Code of Regulations Section 18728(a) and a "ceremonial role or function" within the meaning of 2 California Code of Regulations Section 18726.7(d). You advised that this activity would so qualify.

I asked the following question with respect to Board member Rosemary Ferraro. Ms. Ferraro is on the Board of Directors of the Downey Family YMCA, a

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charitable, 501(c)(3) organization. This past year, she served as the chair of its fundraising auction. She donated numerous items for the auction, none of which she plans to declare for tax deduction.

Among those items donated was a "day at the races with a Racing Board member, for four." The item was offered up for bid and was bid upon. The winning bidders were persons previously unknown to Ms. Ferraro.

After several attempts at scheduling the "day," a mutually agreeable date was determined. Ms. Ferraro accompanied the winners to the track and secured their admissions and meals and beverages from the track operator.

I asked whether the admissions, meals and beverages provided for the four who purchased the auction item were gifts which were "donated to charity" within the meaning of Government Code Section 82028(b)(2) and 2 California Code of Regulations Section 18726.1(b)(2). Your response was that these items were "donated to charity" within the meaning of the statute and regulation. Hence they are not deemed gifts to Ms. Ferraro.

I wish to thank you and the other staff for your prompt response to this inquiry. As you know, there was a special meeting of the Board that morning and a quick response was necessary.

Very truly yours,

OLSON, CONNELLY, HAGEL & FONG



ROBERT E. LEIDIGH

cc: Rosemary Ferraro