



# California Fair Political Practices Commission

March 15, 1989

Peter A. Bagatelos  
Bagatelos & Fadem  
601 California St., Ste. 1801  
San Francisco, CA 94108

Re: Your Request for Informal  
Assistance  
Our File No. I-89-093

Dear Mr. Bagatelos:

You have requested confirmation of telephone assistance provided to you concerning the lobbying disclosure provisions of the Political Reform Act.<sup>1/</sup>

Because your letter requests advice about another person's duties under the Act and you have not specifically indicated you are authorized to make the request, we consider it to be a request for informal assistance pursuant to Regulation 18329(c). Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Section 83114; Regulation 19329(c)(3).)

However, your letter correctly summarizes my advice that Section 86205(a) does not prohibit a lobbyist or lobbying firm from making a loan to a non-profit, charitable organization when a legislative official is on the organization's board of directors as long as the official is in no way personally liable for repayment of the loan.

The staff will ask the Commission for approval to notice a regulation clarifying when a loan to an official from a lobbyist would place the official "under personal obligation" to the

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<sup>1/</sup>Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise noted. 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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lobbyist. Although the regulation probably will not affect the situation addressed in your letter, you might want to obtain a copy of the regulation once it has been scheduled for pre-notice discussion.

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

Sincerely,

Diane M. Griffiths  
General Counsel

*Carla Wardlow*

By: Carla Wardlow  
Political Reform Consultant

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LAW OFFICES OF  
**BAGATELOS & FADEM**

BARRY FADEM  
PETER A. BAGATELOS  
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THE INTERNATIONAL BUILDING  
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TELEPHONE  
(415) 982-7100  
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(415) 982-1085

February 7, 1989

Fair Political Practices Commission  
428 J Street  
Suite 800  
P.O. Box 807  
Sacramento, CA 95804-0807  
Attn: Carla Wardlow

Dear Carla:

This will confirm our telephone conversation on January 30, 1989. My conversation with you was one several telephone conversations that you had, involving Robert Podesta, Richard Eichman, and myself regarding whether a lobbyist could make a loan to a non-profit organization having a director who is a public official.

The basic facts were described to you, as follows: Robert Podesta is a state public official. Mr. Podesta is one of several directors of a non-profit, charitable organization exempt from taxation under Section 501(c)3 of the Internal Revenue Code. By law, income derived by a non-profit organization may not inure to the benefit of any private person, including any director of the organization. The organization has a short-term cash flow problem and wishes to receive a loan from Clay Jackson and/or Jackson/Barish & Associates, who are respectively a registered lobbyist and a lobbying firm as defined by the Political Reform Act.

You were asked if the making of such a loan would constitute a prohibited act under the Political Reform Act, including specifically a violation of Government Code Section 86205(a).

This will confirm your advice, which was that either the lobbyist or the lobbying firm could make such a loan to the non-profit organization without breaching the provisions of the Political Reform Act, including specifically Section 86205(a). You indicated that no obligation would be incurred by Mr. Podesta, because he personally would not be benefitted by said loan. Since Mr. Podesta would not personally be obligated for such loan, there would be no personal obligation created by him to the lobbyist or the lobbying firm. You also said that you had checked with Jeannie Pritchard and that she agreed with this

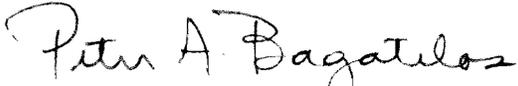
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advice. You also confirmed that you had provided the same advice to both Rich Eichman and Bob Podesta in prior calls.

Thank you very much for your assistance.

Very Truly Yours,

  
Peter A. Bagatelos

PAB/scd

cc: Maxine Knezovich  
Rich Eichman

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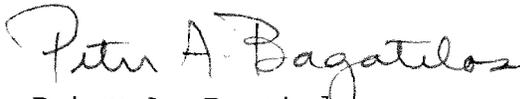
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cc: Maxine Knezovich  
Rich Eichman