

August 26, 2014

Mr. Lawrence Johnson  
P.O. Box 516  
Shasta, CA 96087

Re: Your Request for Informal Assistance  
**Our File No. I-14-145**

Dear Mr. Johnson:

This letter responds to your request for advice regarding the statement of economic interests provisions of the Political Reform Act (the "Act").<sup>1</sup>

### **QUESTION**

In determining that civil grand jurors are required to complete and file the Statement of Economic Interests Form 700, has the Commission ever given consideration to the situation where the grand juror is not voluntarily in that position but has instead been compelled by the Superior Court to serve as a grand juror and whether that grand juror still has to file the Statement of Economic Interests Form 700?

### **CONCLUSION**

Yes, the Commission has fully examined the financial disclosure responsibilities of members of civil grand juries, and has determined that they are all required to file a Statement of Economic Interests Form 700, regardless whether they are chosen from a pool of volunteer applicants or through random selection by a Superior Court.

### **FACTS**

You are a member of the California Grand Juror's Association and are currently involved in providing training to various grand juries throughout the State. As part of your "Legal Topics" training you always advise the newly impaneled grand jurors of their obligation to

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

complete and file the Statement of Economic Interests Form 700. Recently, a grand juror in a county that does not accept volunteers for its grand jury but instead summons individuals to serve on the civil grand jury voiced opposition to the requirement that she complete and file a Form 700. She noted that public officials and employees who are required to complete and file the Form 700 are in their positions voluntarily whereas she is not. You ask, for purposes of your presentations, whether the Commission has considered this question before.

### ANALYSIS

The Commission considered the financial disclosure obligations of grand jurors at some length in 1985-1987, following a statutory change to the definition of “local government agency” removing the exemption for judicial agencies from the financial disclosure and disqualification provisions of the Act.

Section 87300 requires that every agency “adopt and promulgate” a conflict of interest code. The term “agency,” as defined in Section 82003 includes a “local government agency.”

“Local government agency” is defined as:

“[A] county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency of the foregoing.” (Section 82041.)

Grand Juries are considered local government agencies. (See *Knapp* Advice Letter, No. A-02-229 and *Bryan* Advice Letter, No. A-92-284.) The Commission found that since grand juries conduct studies or investigations, make recommendations to improve county governments, can recommend termination of government contracts with the county, and have significant impact on county operations, they do have an impact upon government decisions and are not solely advisory in nature. As discussed in the *Whittington* Advice Letter, No. A-85-185, grand juries may investigate the operations of local governments, make reports and recommendations, and contract for the services of experts.

The Commission determined that the Act does require conflict of interest codes to be adopted setting out the financial disclosure responsibilities of grand jurors, and that members of civil grand juries must file statements of economic interests on Form 700. The Commission reached this conclusion based on broad powers of the grand jury. Then-FPPC Chairman, John Larson, wrote:

“The Commission is well aware of the important role played by members of the grand jury. It is precisely because of the importance of this role that the grand jurors are subject to the conflict of interest provisions. The Commission is also aware that grand jurors serve as uncompensated volunteers. However the Act makes no distinction between compensated and uncompensated public officials. On the contrary, the courts have specifically held that the financial disclosure laws apply to uncompensated bodies.

(Commission on Cal. State Gov. Org. & Econ. v. Fair Political Practices Com. (1977) 75 Cal. App. 3d 716, 724.)” (Noyes Advice Letter, No. I-89-379.)

The conflict of interest codes for grand juries require grand jurors to disclose economic interests that may be materially affected by decisions in which they participate. Because the roles of grand juries vary from county to county, however, the extent of disclosure required by grand jurors is an issue to be determined at the local level by the board of supervisors, which is the code reviewing body for a grand jury.

Enclosed are several advice letters which may be useful background for your presentations to grand jury members: the *Whittington* Advice Letter, No. A-85-185, the *Noyes* Advice Letter, No. I-89-379, the *Knapp* Advice Letter, No. A-02-229, and the *Wylie* Advice Letter No. A-04-269. In addition, enclosed is a copy of the *Bryan* Advice Letter, No. A-92-284 which provides that members of a *criminal* grand jury empowered with the sole function of returning criminal indictments are not required to file statements of economic interest.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Zackery P. Morazzini  
General Counsel

By: Raina Shah  
FPPC Law Clerk

RS:jgl