FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

March 10, 2014

Paul Kouri
Paul Kouri for State Assembly
REDACTED

Warning Letter Re: FPPC No. 14/189: Paul Kouri; Paul Kouri for State Assembly Respondent(s)

Dear Mr. Kouri:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),[1] found in Government Code section 81000, et seq. This letter is in response to your self-reported potential violation of the Act's campaign provisions. We are closing this matter with a warning letter.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you made campaign expenditures with a personal credit card and prior to filing the Form 501, Candidate Intention Statement.

The Act provides that prior to the solicitation or receipt of any contribution or loan, an individual who intends to be a candidate for an elective state office, shall file with the Secretary of State an original statement, singed under penalty of perjury, of intention to be a candidate for a specific office (Form 501). (Section 85200.) Furthermore, the Act allows for the use of credit accounts. In lieu of establishing a new credit account, a candidate may designate an existing personal credit card with a zero balance as the campaign bank account credit card by listing the card number and date of designation in the campaign records. The candidate must ensure that no personal expenses are charged to this account until after the election and after all campaign charges have been paid with funds from the campaign bank account. (Section 85201.)

[1] 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.

Your actions violated the Act because you failed to file the Candidate Intention Statement, Form 501, and failed to zero out your personal credit card prior to making any campaign expenditures. However, because you self-reported the violation, and you do not have an enforcement history, we are closing this matter with a warning letter.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to $5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

Please feel free to contact Teri Rindahl at 916.327.2018 with any questions you may have regarding this letter.

Sincerely,

REDACTED

Gary S. Winuk, Chief
Enforcement Division

GSW/tr