



**FAIR POLITICAL PRACTICES COMMISSION**

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April 23, 2013

Mr. Harley F. Pinson  
Pinson for Supervisor 2012

**REDACTED**

Mr. Kenneth Rhodes, Treasurer  
Pinson for Supervisor 2012

**REDACTED**

**Re: Warning Letter to Harley Pinson, Pinson for Supervisor 2012, and Kenneth Rhodes (FPPC Case No. 12/524)**

Gentlepersons:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act").<sup>1</sup> This letter is in response to a complaint, which alleged that you violated the Act's campaign reporting provisions. After investigation, the FPPC is closing its file on this matter with a warning letter as set forth below.

At the core of the Act's campaign reporting system is the requirement set forth in Sections 84200, et seq. that candidates, their controlled committees, and committee treasurers are responsible for filing campaign statements and reports for certain reporting periods and by certain deadlines.

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<sup>1</sup> The 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.

Campaign statements must include information about the making of contributions and expenditures, including information about payments to subvendors.

In this regard, Section 84211, subdivision (b), requires reporting of “[t]he total amount of expenditures made during the period covered by the campaign statement and the total cumulative amount of expenditures made.” Also, Section 84211, subdivision (i), requires reporting of the total amount of expenditures made during the period covered by the campaign statement to persons who have received \$100 or more. Additionally, Section 84211, subdivision (k), requires that certain identifying information be provided for each person to whom an expenditure of \$100 or more has been made during the period covered by the campaign statement, including the following: (1) the person’s full name; (2) his or her street address; (3) the amount of each expenditure; (4) a brief description of the consideration for which each expenditure was made; and (5) in the case of an expenditure which is a contribution to a candidate, elected officer, or committee, the date of the contribution, the cumulative amount of contributions made to that recipient, the full name of the recipient, and the office and district/jurisdiction for which he or she seeks nomination or election.

Also, no expenditure of \$500 or more may be made (other than for overhead or normal operating expenses) by an agent or independent contractor on behalf of, or for the benefit of, any candidate or committee unless it is reported by the candidate or committee as if the expenditure were made directly by the candidate or committee. (Section 84303.) This type of information commonly is referred to as “subvendor information.” Specifically, the following subvendor information must be reported: (1) the subvendor’s full name; (2) his or her street address; (3) the amount of each expenditure; and (4) a brief description of the consideration for which each expenditure was made. (Section 84211, subds. (k)(1)-(4) and (6).)

You violated the Act in this regard because you failed to report the required subvendor information on a pre-election campaign statement for the reporting period ending May 19, 2012 for payments to subvendors in the approximate amount of \$40,838. Also, for the reporting period ending June 30, 2012, you failed to report required subvendor information for payments to subvendors in the approximate amount of \$17,265. The majority of the subvendor payments pertained to media ads, slate mailers and campaign signs.

In mitigation, there is no history of prior violations of the Act by any of you. Also, you quickly amended the statements when you were contacted by the FPPC.

Although the Enforcement Division has decided to close this case with this warning letter, the information in this case will be retained and may be used against you should an

enforcement action become necessary due to newly discovered information and/or failure to comply with the Act in the future. Failure to comply with the provisions of the Act in the future may result in monetary penalties of up to \$5,000 per violation.

Please note that our Legal Division and Technical Assistance Division can provide advice and assistance for issues which may arise in the future. You may contact either division by calling our toll-free number: 1-866-ASK-FPPC (1-866-275-3772). Also, you may refer to the FPPC website at [www.fppc.ca.gov](http://www.fppc.ca.gov) for current information.

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.

Your cooperation in ensuring that the requirements of the Act are consistently satisfied is greatly appreciated. Please feel free to contact me at (916) 322-5660 with any questions you may have regarding this letter.

Very truly yours,

**REDACTED**

Neal Bucknell  
Senior Commission Counsel  
Enforcement Division