



FAIR POLITICAL PRACTICES COMMISSION

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May 9, 2013

Georges Marciano
Georges Marciano for Governor 2010

REDACTED

✓ Georges Marciano for Governor 2010
c/o Georges Marciano

REDACTED

Warning Letter Re: FPPC No. 12/469, Georges Marciano and Georges Marciano for Governor 2010

Dear Mr. Marciano:

The Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (“Act”),¹ found in Government Code section 81000, et seq. This letter is in response to an audit report referred to us by the Franchise Tax Board. The report covered the period January 1, 2009, through June 30, 2010, and found that Georges Marciano for Governor 2010 (“Respondent Committee”) did not maintain adequate records for contributions received and expenditures made, in violation of the Act. Our ensuing investigation found that the outstanding balance of the personal loans you made to Respondent Committee exceeded \$100,000, in violation of the Act.

Section 84104 of the Act requires that each candidate and treasurer maintain detailed records to establish that campaign statements were properly filed. Regulation 18401 details the specific required records for both contributions and expenditures. Your failure to properly maintain records is a violation of the Act.

Section 85307 prohibits a candidate for elective state office from making a personal loan to his campaign that exceeds \$100,000. A candidate may make a series of personal loans to his campaign so long as the outstanding balance does not exceed \$100,000 at the time of making the loans. If a candidate’s personal loan balance has reached the \$100,000 limit, the loan balance

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.

must be reduced before the candidate may make any additional loans to his or her campaign. (Section 85307, subd. (b), and Regulation 18530.8, subd. (d).) Your failure to keep the outstanding balance of your personal loans to Respondent Committee at \$100,000 or less is a violation of the Act.

We have decided to close this case with a warning letter, rather than a fine, because you withdrew from the election very early and your name did not appear on the primary or general election ballot.

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 a Commission 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 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 Commission 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 Commission's website ten (10) days from the date of this letter.

Please feel free to me at 916.327.6357 with any questions you may have regarding this letter.

Sincerely,

REDACTED

Milad Dalju
Commission Counsel
Enforcement Division