



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

May 30, 2014

Stephen J. Corona

Re: Warning Letter
FPPC No. 11/258: Stephen J. Corona

Dear Mr. Corona:

The Fair Political Practices Commission (the "Commission") enforces the provisions of the Political Reform Act (the "Act")¹ found in California Government Code Section 81000 and following. This case was opened by the Commission based three complaints (by the same complainant) received by the Commission on April 11, 2011, which alleged that 1) you failed to disclose your wife's income on your 2010 Annual Statement of Economic Interests; 2) on February 10, 2011, you failed to timely disclose a conflict of interest, and once disclosed, failed to leave the room; and 3) on October 14, 2010 you violated the conflicts of interests provisions of the Act when you voted regarding the Wolf Store Road Water Project.

Under the Act, no public official at any level of state or local government may make, participate in making, or in any way use or attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a disqualifying conflict of interest. (Section 87100.) To determine whether an individual has a disqualifying conflict of interest, the Commission generally employs the following sequenced analysis: (1) is the individual a public official; (2) did the official make, participate in making, or use or attempt to use the official position to influence a governmental decision; (3) what are the official's economic interests, (4) are the official's economic interests directly or indirectly involved in the governmental decision; (5) what is the applicable materiality standard for each economic interest involved; and (6) is it reasonably foreseeable that the governmental decision will have a material financial effect on the official's economic interest. (See Regulation 18700.)

Additionally, Section 87105 requires public officials who hold an office specified in Section 87200 to 1) publicly identify the financial interest that gives rise to the conflict of

¹The 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.

interest; 2) recuse himself or herself from discussing and voting on the matter; and 3) leave the room until after the discussion, vote, and any other disposition of the matter is concluded.

Also, water district board members are required to disclose all reportable economic interests, including interests in business entities, real property and sources of income, in statements of economic interests pursuant to Section 87200, et seq.

The FPPC has completed its investigation of the facts in this case. Specifically, the Commission found that 1) you failed to disclose your wife's income in your originally filed 2010 Annual SEI; and 2) on or about February 10, 2011, though you identified your financial interest in your wife's business, and recused yourself from voting on a matter involving a source of income to her business, you failed to leave the room.

Upon review of the evidence available, however, it appears there are several mitigating factors. In October 2011, you filed an amended 2010 SEI disclosing your wife's business. Additionally, though you failed to leave the room, the item passed unanimously without any discussion after you recused yourself from the vote, thus the public harm from your failure to leave the room was minimal. Further, you have no prior violations of the Act. Thus, the totality of the circumstances shows that there was minimal public harm in this regard.

Additionally, the Commission found that there is insufficient evidence to establish that Pro-Craft Plumbing, a contractor on the Wolf Store Road Water Project, was a source of income to you. Thus there is insufficient evidence to establish that you violated the conflicts of interests provisions of the Act when you voted on this matter on October 14, 2010.

This letter serves as a written warning regarding your SEI non-disclosure, and your failure to leave the room after recusing yourself from a matter in which you had a conflict of interests. You are advised that your failure to comply with the provisions of the Political Reform Act in the future could result in an enforcement action. Additionally, the information in this case will be retained, and may be used against you should an enforcement action later become necessary based on future conduct and/or newly discovered information. Please be advised that your failure to comply with the provisions of the Act in the future may 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 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 your 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.

If you have any questions regarding this matter, please feel free to contact me at 916-322-5660.

Sincerely,



Angela J. Brereton
Senior Commission Counsel
Enforcement Division