FAIR POLITICAL PRACTICES COMMISSION
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July 27, 2010

Dana W. Reed, Treasurer
Californians for Energy Independence – Yes on Prop 10 (1303380)
REDACTED

Warning Letter Re: FPPC Case No. 100251; Californians for Energy Independence

Dear Mr. Reed:

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 an audit report referred to us by the Franchise Tax Board. The audit covered the period January 1, 2008 through December 31, 2008. A copy of the audit report is enclosed for your information.

The audit found that the committee understated subvendor expenditures for payments made to Greenstripe Media. The expenditures included payments made to television stations, cable companies and radio stations.

Section 84303 of the Act requires that all expenditures of $500 or more made by an agent or independent contractor be reported in the campaign statements as if they were made directly by the committee. The failure to report the payments made by Greenstripe was a violation of the Act. The committee did, however, correctly disclose numerous other subvendor payments made by Greenstripe.

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.

[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.

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 FPPC. 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 Program Specialist William Marland with any questions you may have regarding this letter.

Sincerely,

REDACTED

Sue Straine
Chief Investigator
Enforcement Division

Enclosure