



FAIR POLITICAL PRACTICES COMMISSION

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August 21, 2014

Mr. Sam Liccardo
Neighbors for Sam Liccardo for Mayor 2014

REDACTED

Mr. Dennis Cunningham
Neighbors for Sam Liccardo for Mayor 2014

REDACTED

Warning Letter Re: FPPC No. 14/351; Neighbors for Sam Liccardo for Mayor 2014; Sam Liccardo; Dennis Cunningham, Treasurer, Respondent(s)

Dear Messrs. Liccardo and Cunningham:

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 a sworn complaint received against you that alleged Mr. Liccardo violated the one bank account rule when he paid for certain expenses out of his personal bank account.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you failed to timely itemize expenditures made by the incumbent elected officer on the committee's campaign statements, that reimbursement to the incumbent elected officer did not occur within 90 days and that a very minimal amount of the expenditures incurred by were for campaign-related purposes.

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.

The Act provides that incumbent elected officers may pay for certain expenses out of their own pocket and be reimbursed by the committee without first depositing the funds in the campaign bank account. Those expenditures may not be campaign-related and the reimbursement to the incumbent elected officer must be made within 90 days. (Section 89511.5.) Additionally, when an expenditure is made during the period covered by a campaign statement by an agent or independent contractor, including the incumbent elected officer, that expenditure is required to be itemized on the committee's respective campaign statement for that period. (Section 84211(k).)

Sam Liccardo is an incumbent elected officer and incurred approximately \$3,045 in accrued expenses during the period January 1, 2013 through December 31, 2013. However, the expenditures by Mr. Liccardo were not itemized or reported until the semi-annual statement for the period May 18, 2014 through June 30, 2014. Additionally, a minimal amount of the expenditures made appear to be campaign-related and the reimbursement to Mr. Liccardo did not occur within 90 days.

Your actions violated the Act because the committee failed to itemize the expenditures when they incurred; failed to reimburse the incumbent elected officer within 90 days and a very small amount of the expenditures by the incumbent elected officer appear to be campaign-related. However, since the amount that appears to be campaign-related was a relatively small amount, less than \$500, and since the accrued expense to Mr. Liccardo was initially reported in 2013, we are closing this matter.

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 me with any questions you may have regarding this letter.

Sincerely,

REDACTED

Gary S. Winuk
Chief, Enforcement Division

GSW/jt