



FAIR POLITICAL PRACTICES COMMISSION

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October 15, 2013

Mary McWatters, Treasurer
American Federation of State, County & Municipal
Employees-Council 57 PAC (1313474)

REDACTED

Warning Letter Re: FPPC Case No. 130931; AFSCME – Council 57 PAC

Dear Ms. McWatters:

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, 2009 through December 31, 2010. A copy of the audit report is enclosed for your information.

The audit found that accrued expenses totaling \$178,064 were not reported on the initial campaign statements filed for the period July 1, 2009 through October 16, 2010. Section 82025 of the Act states that an expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier. Section 84211 of the Act explains the requirements for reporting expenditures on the campaign statements.

The accrued expenses not reported on the initial campaign statements were violations of the Act. These expenditures were for the salary and benefits of the Sponsor's political director. The committee staff was not aware of the requirement to disclose unpaid amounts as accrued expenses and when they became aware of the requirement they filed amended campaign statements to report the expenditures. Therefore, we have decided to close this case with a warning letter.

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

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.

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 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 Robert Perna with any questions you may have regarding this letter.

Sincerely,

 **REDACTED**
Gary S. Winuk
Chief, Enforcement Division

Enclosure