



FAIR POLITICAL PRACTICES COMMISSION

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December 12, 2012

Mr. Mike Williams  
Mike Williams for Trustee 2010

**REDACTED**

Mr. Patrick Thompson (committee treasurer)

**REDACTED**

Western Pacific Research, Inc.

**REDACTED**

**Re: Warning Letter to Mike Williams, Mike Williams for Trustee 2010, Patrick Thompson (committee treasurer), and Western Pacific Research, Inc. (FPPC Case No. 10/1094)**

Gentlepersons:

The Fair Political Practices Commission ("FPPC") enforces the provisions of the Political Reform Act (the "Act").<sup>1</sup> This letter is in response to an anonymous complaint received in December 2010, which alleged certain reporting violations. After investigation, the FPPC is closing its file on this matter with a warning letter for the reasons set forth below.

The Act defines a "committee" to include any person or combination of persons who receive contributions totaling \$1,000 or more in a calendar year. This type of committee is commonly referred to as a "recipient committee." A recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a "controlled committee." A candidate controls a committee if he or

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<sup>1</sup> The 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.

she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.

At the core of the Act's campaign reporting system is the requirement that a recipient committee must file campaign statements and reports, including semi-annual campaign statements, pre-election campaign statements, and late contribution reports.

The Act requires candidates and their controlled committees to disclose on each campaign statement: (1) the total amount of expenditures made during the period covered by the campaign statement; and (2) the total amount of expenditures made during the period covered by the campaign statement to persons who have received \$100 or more. Also, for each person to whom an expenditure of \$100 or more has been made during the period covered by the campaign statement, additional information must be disclosed, such as the recipient's name, street address, the amount of each expenditure, and a description of the consideration for which each expenditure was made.

Additionally, generally speaking, no expenditure of \$500 or more may be made, other than for overhead and normal operating expenses, by an agent or independent contractor on behalf of, or for the benefit of, any committee, unless the expenditure is reported by the committee as if the expenditure were made directly by the committee. This type of information reported by a committee is commonly referred to as "subvendor information."

The Act provides that a committee's treasurer and candidate may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. Also, any person who purposely or negligently causes any other person to violate any provision of the Act may be held liable. (However, this only applies to persons who have filing or reporting obligations under the Act, or who are compensated for services involving the planning, organizing, or directing of any activity regulated or required by the Act.)

In this case, our investigation found that Mike Williams was elected to the Kern High School District Board of Trustees in the November 2010 election. Mike Williams for Trustee 2010 was his controlled committee. Patrick Thompson was the committee treasurer.

Western Pacific Research, Inc. ("WPR") is a well-known political campaign consulting firm, which served as a campaign consultant for Mr. Williams' committee.

During 2010, the committee made approximately \$37,393 in expenditures. Required subvendor information was missing from the original campaign statements that were filed for payments to four subvendors of WPR totaling approximately \$17,915 (The Adart Co - \$15,085, NY Fotography - \$937, Continuing the Republican Rev. - \$930, Palm Card and Logo Design - \$963). Virtually all of this missing subvendor information was required to be reported before the election (on the campaign statement that was filed for the period ending September 30, 2010), but it was not reported until after the election—on or about January 21, 2011—when the committee filed an amendment.

This was the first time Mr. Williams ran for office. He had no previous experience with the Act, and he was not aware of the subvendor reporting requirements. He relied upon WPR to prepare the campaign statements accurately.

An employee of WPR, Martin B. Allen, was listed on the campaign statements as the assistant treasurer. However, it does not appear that he signed the statements. WPR confirmed that its employee, Mr. Allen, prepared the campaign statements. According to WPR, Mr. Allen was hired around the beginning of 2010 and was given the responsibility of preparing campaign statements. Mr. Allen had no previous experience with the Act and was self-taught, but he was aware of the subvendor reporting requirement.

Mr. Williams and his committee have no prior history of violating the Act, and all of the parties cooperated with the Enforcement Division's investigation.

Although the Enforcement Division has decided to close this case with this warning letter, the information in this case will be retained and may be used against you should an enforcement action become necessary due to newly discovered information and/or failure to comply with the Act in the future. Failure to comply with the provisions of the Act in the future may result in monetary penalties of up to \$5,000 per violation.

Please note that our Legal Division and Technical Assistance Division can provide advice and assistance for issues which may arise in the future. You may contact either division by calling our toll-free number: 1-866-ASK-FPPC (1-866-275-3772). Also, you may refer to the FPPC website at [www.fppc.ca.gov](http://www.fppc.ca.gov) for current information.

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.

Your cooperation in ensuring that the requirements of the Act are consistently satisfied is greatly appreciated. Please feel free to contact me at (916) 322-5660 with any questions you may have regarding this letter.

Very truly yours,

**REDACTED**

Grant Beauchamp  
Program Specialist  
Enforcement Division