FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

March 21, 2011

Steven F. Veres
South Coast Air Quality Management District/City of San Fernando Council Member
REDACTED

Warning Letter Re: FPPC No. 11/110, Steven F. Veres

Dear Mr. Veres:

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 proactive investigation begun against you by the FPPC that alleged you accepted a gift in excess of the limits.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that, although your gift schedule lists a gift of travel from the Robert Woods Johnson Foundation/Transtria in the amount of $1,250, the gift of travel actually came from Leadership for Healthy Communities. This gift exceeded the gift limit for calendar year 2009, which was $420. However, we also determined that you believed the trip was paid for by the Robert Woods Johnson Foundation because the letter inviting you stated that the event you were attending was funded by a grant from the Robert Woods Johnson Foundation. Instead, however, although Leadership for Healthy Communities did receive a grant from the Robert Woods Johnson Foundation, Leadership for Healthy Communities invited you to attend and directed the money from the grant to be used in part to pay for your travel. Therefore, under FPPC Regulation 18954, Leadership for Healthy Communities was the true source of the gift. There is a distinction in the Act's gift of travel prohibitions between travel paid by tax exempt organizations that fall under Section 501(c)(3) of the Internal Revenue Code 501(c)(3), in which

[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.

case travel on an issue of public policy paid by such entities is unlimited by the Act, and those that fall under 501(c)(4). (Section 89506, subdivision (a)(2).) Thus, you were unaware that since the gift of travel was from Leadership for Healthy Communities, a 501(c)(4) tax-exempt organization, it was subject to limits.

The Act provides that no elected officer of a local government agency may accept gifts in excess of the applicable gift limit. Specifically, the Act states that elected officers of local government agencies may not receive a gift from any single source in any calendar year with a total value of more than $250. (GC § 89503, subd. (a).) The $250 gift limit is adjusted biennially to reflect changes in the Consumer Price Index, pursuant to Section 89503, subdivision (f). For calendar year 2009, the applicable gift limit was $420 from a single source in a calendar year. Your actions violated the Act because you accepted a gift in excess of $420. However, due to the mitigating circumstances previously identified, 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 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.

If you have questions regarding this matter, please contact Adrianne Korchmaros at (916) 322-8241.

Sincerely,

REDACTED

Gary S. Winuk, Chief
Enforcement Division

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cc: FPPC Technical Assistance Division