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

April 21, 2011

Via US Mail

Mike Gatto
Mike Gatto for Assembly 2010-Special Primary
Mike Gatto for Assembly 2010
REDACTED

Jane Leiderman
Mike Gatto for Assembly 2010-Special Primary
Mike Gatto for Assembly 2010
REDACTED

Re: Mike Gatto, Mike Gatto for Assembly 2010-Special Primary, Mike Gatto for Assembly 2010, and Jane Leiderman; FPPC No. 10/129

Dear Mr. Gatto and Ms. Leiderman:

The Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act (the "Act")[1]. As you may be aware, the Commission received a complaint against you, the Mike Gatto for Assembly 2010 committee and the Mike Gatto for Assembly 2010-Special Primary committee alleging violations of the Act. These allegations include failing to make campaign expenditures out of the designated campaign bank accounts and failing to file online campaign reports. The Commission has decided to close this case with this warning letter.

The Commission has completed its investigation into the facts of this case. Specifically, the Commission's Enforcement Division ("Enforcement Division") found that some expenditures were made out of the Mike Gatto for Assembly 2010-Special Primary committee for the Mike Gatto for Assembly 2010 committee and some expenditures were made out of the Mike Gatto for Assembly 2010 committee for the Mike Gatto for Assembly 2010-Special

[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.

Primary committee, during the pre-election reporting periods: 1) January 1, 2010, through February 27, 2010: 2) February 28, 2010, through March 17, 2010; and 3) March 18, 2010, through May 22, 2010, in violation of Government Code section 85201, subdivision (e). Additionally, the Enforcement Division determined that you and the Mike Gatto for Assembly 2010 committee failed to file an online campaign report with the Secretary of State, during the 90-day period before the Special Primary Election held on April 13, 2010, in violation of Government Code section 85309, subdivision (a). Further, the Enforcement Division determined that you and the Mike Gatto for Assembly 2010 committee failed to file an online campaign report within 10 business days of receipt of a contribution of $5,000 or more, outside the 90-day period before an election, in violation of Government Code section 85309, subdivision (c).

The failure to use the correct bank account for each committee and the failure to file online campaign reports are violations of the Act. (Government Code sections 85201, subdivision (e), and 85309, subdivisions (a) and (c).) However, based, in part, on the facts that the Enforcement Division found no evidence that the bank account violation was anything other than inadvertent, the committees refunded the entire amount used by the wrong account prior to any contact from the Enforcement Division, and both committees had sufficient funds to pay the cost of the mailers and the political polling at the time the expenditures were made, we are closing this matter 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.

The Commission publishes forms and manuals to facilitate compliance with the provisions of the Act. If you need forms or manuals, or guidance regarding your obligations, please call the Commission's Technical Assistance Division at 1-866-275-3772. Please also visit our website at www.fppc.ca.gov.

Sincerely,

REDACTED

Bridgette Castillo
Commission Counsel
Enforcement Division