FAIR POLITICAL PRACTICES COMMISSION
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August 12, 2011

Ms. Jessica Duran
Mr. James Pearson
Committee to Reform Rio Supporting Macias, Rodriguez, Torres & Sevilla for Rio School Board 2010/Major Funding from FTR Int'l, Inc.

REDACTED

Warning Letter Re: FPPC No. 11/692, Committee to Reform Rio Supporting Macias, Rodriguez, Torres & Sevilla for Rio School Board 2010/Major Funding from FTR Int'l, Inc.; et. al.

Dear Ms. Duran and Mr. Pearson:

The Fair Political Practices Commission ("FPPC") enforces the provisions of the Political Reform Act ("Act"),[1] found in Government Code section 81000, et seq. This letter is in response to a complaint filed against the Committee to Reform Rio Supporting Macias, Rodriguez, Torres & Sevilla for Rio School Board 2010/Major Funding from FTR Int'l, Inc.; et. al. ("Committee to Reform Rio") that alleged several discrepancies between the Committee to Reform Rio and the candidates the committee supported. Upon review of the statements filed by the Committee to Reform Rio, it became apparent that the committee omitted certain information.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that the Committee to Reform Rio failed to properly reflect the date the committee had received a contribution, and failed to disclose payments made for independent expenditures.

Pursuant to Section 84104, it shall be the duty of each treasurer to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, and to establish that campaign statements were properly filed. Furthermore, the treasurer of the committee shall verify that to the best of their knowledge the committee campaign statements are true and complete and use all reasonable diligence in the preparation of the statements, including but not limited to, establishing a system of record keeping sufficient to ensure that receipts and expenditures are recorded promptly and accurately, and sufficient to comply with regulations related to record keeping, maintaining the records personally or monitoring the record keeping by others, take steps to ensure compliance with all requirements to the Act concerning the receipt and expenditure of funds and the reporting of funds.

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[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.

(Regulation 18427.) As the treasurer and assistant treasurer for the Committee to Reform Rio, you are responsible for the accuracy of the committee's statements. Failure to do so in the future could result in a violation of the Act.

When a committee makes an expenditure, and that expenditure is an independent expenditure to support a candidate, the date of the independent expenditure, the cumulative amount of independent expenditures made relative to the candidate, the full name of the candidate, and the office and district for which the candidate seeks election, and the jurisdiction in which the candidate is voted upon is required to be disclosed. (Section 84211(k)(5).)

Your actions violated the Act because you failed to disclose the payments made in the amount of $450 as independent expenditures benefiting the Henrietta "Lulu" Macias Putting Children First Governing Board Member Rio School District committee on the Committee to Reform Rio's campaign statement for the period covering January 1, 2010 through October 16, 2010. An amendment must be filed to disclose this information.

However, because these omissions appear to be minor accounting oversights, and amendments have been filed to correct some of the discrepancies, 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.

Please feel free to contact me with any questions you may have regarding this letter.

Sincerely,

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Gary S. Winuk
Chief, Enforcement Division

GSW/tr

Cc: Mr. Mike Barber