EXHIBIT 1

INTRODUCTION

Respondent Compton Community College District ("CCCD") is part of the California state community college system. Respondent CCCD operates the Compton Community College, the only college in the district, with an annual operating budget in excess of 43 million dollars. Respondent Ulis C. Williams has served as both the Superintendent of Respondent CCCD and the President of the Compton Community College since 1997.

Respondent CCCD is required by the Political Reform Act (the "Act")[1] to establish a conflict of interest code applicable to its board members, employees, and consultants, and to monitor compliance with the code. The code must designate board members, employees and consultants of CCCD who are required to file personal financial disclosure statements known as statements of economic interests ("SEI's"). Under the Act, a filing officer is the person or agency who receives and retains the original SEI. The filing officer for Respondent Williams and for Respondent CCCD's board members is CCCD's code reviewing body, the Los Angeles County Board of Supervisors (the "LACBOS"). Respondent CCCD's conflict of interest code specifies that Respondent CCCD is the filing officer for its employees and consultants.

For two decades, none of the employees or consultants designated in Respondent CCCD's conflict of interest code filed an SEI. As the filing officer for the employees, Respondent CCCD was required to supply all 11 designated CCCD employees and consultants with the necessary SEI forms and manuals; determine whether the required SEI's were properly filed; promptly notify any employees who failed to timely file their SEI's; and report any noncompliance to the Enforcement Division of the Fair Political Practices Commission (the "Commission"). For the entire five year period covered in this stipulation, (and corresponding to the applicable statute of limitations period) Respondent CCCD failed to perform its obligations as filing officer, in violation of section 81010. As President of the Compton Community College and Superintendent of Respondent CCCD, Respondent Ulis Williams, by failing to ensure that CCCD's duties as a filing officer were performed, negligently caused the violations alleged herein, and is therefore also liable as provided in section 83116.5.

[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 18109 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.

For the purposes of this stipulation, Respondents' violations are stated as follows:

COUNTS 1-42

On or about and between January 1, 1999 and June 30, 2003, Respondents Compton Community College District and Ulis C. Williams failed to perform, and negligently caused a failure to perform, the required filing officer duties of Respondent Compton Community College District concerning 42 statements of economic interests filings, in that for each of these filings Respondent Compton Community College District failed to: supply the filer with the necessary forms and manuals; determine whether the filer filed the statements required by law; notify the filer of the failure to file the statement as required by law; and report the failure to file the statement as required by law to the appropriate agencies, in violation of section 81010 of the Government Code.

SUMMARY OF THE LAW

Conflict of Interest Code Requirements

An express purpose of the Act, as set forth in section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided. In furtherance of this purpose, section 87300 requires every agency to adopt and promulgate a conflict of interest code. Any conflict of interest code adopted by a local agency must be approved by its code reviewing body. (Section 87303.) Once a conflict of interest code has been established, each local agency covered under the Act is required by section 87306.5 to review its conflict of interest code every two years, and if a change in its code is necessitated by changed circumstances, submit an amended conflict of interest code to the code reviewing body. After the local agency reviews its code, if no change in the code is required, the local agency head shall submit a written statement to that effect to the code reviewing body no later than October 1 of the same year. If a local agency fails to adopt or amend a conflict of interest code as required by the Act, the agency's code reviewing body may adopt a conflict of interest code for the agency. (Section 87304.)

An agency's conflict of interest code must specifically designate the employees and consultants of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and sources of income. Under section 82019, subdivision (c), and section 87302, subdivision (a), the persons who must be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a

reasonably foreseeable material effect on any financial interest.

As mandated by section 87302, subdivision (b), an agency's conflict of interest code must require each new employee or consultant of the agency, who is so designated, to file a statement of economic interests within thirty (30) days of assuming office. On the assuming office statement of economic interests, the employee or consultant must disclose his or her investments and interests in real property held on the date of assuming office, and income received during the 12 months before assuming office. Section 87302, subdivision (b) also provides that an agency's conflict of interest code must require every designated employee or consultant to file an annual statement of economic interests, disclosing reportable economic interests during the previous calendar year, or since the date the designated employee or consultant took office if during the calendar year. Section 87302, subdivision (b) also provides that an agency's conflict of interest code must require every designated employee or consultant to file a leaving office statement of economic interests within 30 days after leaving office. On the leaving office statement, a designated employee or consultant must disclose his or her reportable economic interests during the period between the closing date of the last annual statement and the date of leaving office.

Section 87300 provides that a conflict of interest code has the force and effect of law, and any violation of the code is deemed a violation of the Act.

Definition of "Consultant"

Regulation 18701, subdivision (a)(2) defines a "consultant" as an individual who, pursuant to a contract with a state or local government agency, makes specified governmental decisions, or serves in a staff capacity with the agency and in that capacity participates in making governmental decisions.

Duties of Filing Officers

The filing officer for a statement of economic interests is the person or agency which receives and retains the original of that statement. (Section 82027 and Regulation 18115.) Section 87500, subdivision (j) provides that the filing officer for the head of an agency, or a member of a board or commission not under a department of state government or under the jurisdiction of a local legislative body, is the code reviewing body for that person's agency. At the discretion of the code reviewing body, an agency's head and its board members may file their SEI's with the agency, who must then make copies and forward the original SEI's to the code reviewing body or may file their SEI's directly with the code reviewing body. Under section 87500, subdivision (o), the filing officer for the employees and consultants of an agency is the agency that employs or has contracted with the employees or consultants. The agency may specify another filing officer in its conflict of interest code.

Section 81010 sets forth the duties of filing officers, and requires every filing officer to: (1) supply the necessary forms and manuals prescribed by the Commission; (2) determine whether required documents have been filed, and, if so, whether they conform on their face with the requirements of the Act; (3) notify promptly all persons who have failed

to file a statement in the form and at the time required by the Act; (4) report apparent violations of the Act to the appropriate agencies; and (5) complete and maintain a current list of all reports and statements filed with the filing officer.

Aiding and Abetting Liability

In addition to those who themselves violate the Act, any person who has filing or reporting obligations under the Act, or who is compensated for services involving the planning, organizing, or directing of any activity regulated by the Act, who purposely or negligently causes another to violate the Act, or who aids and abets another in violating the Act, is himself or herself liable for violating the Act. (Section 83116.5.)

SUMMARY OF THE FACTS

In 1977, Respondent CCCD first enacted a conflict of interest code which applied to its directors, officers, employees, and consultants. During much of the 1980's and 1990's, Respondent CCCD failed to comply with its obligation to conduct biennial reviews of its conflict of interest code, as required by section 87306.5. Respondent CCCD's failure to respond to several biennial review notices sent to it by its code reviewing body, the LACBOS, led the LACBOS to adopt a conflict of interest code on behalf of Respondent CCCD in 1992, as permitted by section 87304. The 1992 conflict of interest code specifically enumerates 11 positions, including the position of "consultant," as being designated employee positions, the holders of which are required to file SEI's. The 1992 conflict of interest code specifies that the filing officer for the designated employees, which shall receive and retain their SEI's, is Respondent CCCD.

Throughout the 1980's and 1990's, none of the employees or consultants designated as SEI filers in Respondent CCCD's conflict of interest code filed any SEI's. Respondent CCCD has violated the Act as the filing officer for its designated employees and consultants concerning 42 separate SEI filings by failing to: supply the designated CCCD employees and consultants with the necessary SEI forms and manuals; determine whether they properly filed the required SEI's; promptly notify the employees and consultants that they failed to timely file their SEI's as required under the Act; and report any noncompliance to the Enforcement Division of the Commission. Respondent Ulis C. Williams is employed for compensation as the President of the Compton Community College and Superintendent of Respondent CCCD, and is the person with primary responsibility for the administration of Respondent CCCD. Respondent Williams negligently caused these violations by failing to ensure that Respondent CCCD performed its duties as the filing officer for its employees.

The chart below sets forth, by count, each of the instances in which Respondents violated the Act, by Respondent CCCD not performing its duties as the filing officer for its designated employees and consultants, and by Respondent Williams negligently causing the violations by not taking necessary action to ensure that Respondent CCCD performed these duties.

Count	Date Assumed Office / Reporting Period Beginning	Reporting Period Ending Date	SEI Filing Due Date	Statement Type	Employee/Consul-tant Name (First, Last)	Filed	Position
1	01/01/1998	12/31/1998	04/01/1999	Annual	Essie French-Preston	NO	Dean of Student Affairs
2	01/01/1998	12/31/1998	04/01/1999	Annual	Ben Lett	6/20/01	Director of Business Affairs
3	01/01/1998	12/31/1998	04/01/1999	Annual	Shirley Shephard	NO	Purchasing Agent
4	01/01/1998	12/31/1998	04/01/1999	Annual	Gwyndolyn Oliver	NO	Director of Maintenance and Operations
5	09/09/1998	12/31/1998	04/01/1999	Annual	Darnell Mitchell	NO	Director of Athletics
6	01/01/1998	12/31/1998	04/01/1999	Annual	Eugene Hewitt	NO	Director of Research and Planning
7	01/01/1998	12/31/1998	04/01/1999	Annual	Leroy Porter	NO	Vice President of Evening Division (Formerly: Dean of Evening Division and Extended Programs.)
8	07/01/1998	12/31/1998	04/01/1999	Annual	Ann Stevens	NO	Head Librarian
9	01/1/1998	12/31/1998	04/01/1999	Annual	Paul Richards	NO	Consultant
10	01/01/1999	4/01/1999	05/01/1999	Annual / Leaving	Gwyndolyn Oliver	NO	Director of Maintenance and Operations
11	01/19/2000	1/18/2000	02/19/2000	Assuming	Larry Todd	NO	Director of Maintenance and Operations
12	01/01/1999	12/31/1999	04/01/2000	Annual	Paul Richards	NO	Consultant
13	01/01/1999	12/31/1999	04/01/2000	Annual	Essie French-Preston	NO	Dean of Student Affairs
14	01/01/1999	12/31/1999	04/01/2000	Annual	Ben Lett	6/20/01	Director of Business Affairs
15	01/01/1999	12/31/1999	04/01/2000	Annual	Shirley Shephard	NO	Purchasing Agent
16	01/01/1999	12/31/1999	04/01/2000	Annual	Darnell Mitchell	NO	Director of Athletics
17	01/01/1999	12/31/1999	04/01/2000	Annual	Eugene Hewitt	NO	Director of Research and Planning
18	01/01/1999	12/31/1999	04/01/2000	Annual	Leroy Porter	NO	Vice President of Evening Division (Formerly: Dean of Evening Division and Extended Programs.)
19	01/01/1999	12/31/1999	04/01/2000	Annual	Ann Stevens	NO	Head Librarian
20	07/01/2000	06/30/2000	08/01/2000	Assuming	Mervyn Dymally	NO	Consultant
21	01/01/2000	12/31/2000	04/01/2001	Annual	Paul Richards	NO	Consultant
22	01/01/2000	12/31/2000	04/01/2001	Annual	Essie French-Preston	NO	Dean of Student Affairs
23	01/01/2000	12/31/2000	04/01/2001	Annual	Ben Lett	7/11/01	Director of Business Affairs
24	01/01/2000	12/31/2000	04/01/2001	Annual	Shirley Shephard	NO	Purchasing Agent
25	01/19/2000	12/31/2000	04/01/2001	Annual	Larry Todd	NO	Director of Maintenance and Operations
26	01/01/2000	12/31/2000	04/01/2001	Annual	Darnell Mitchell	NO	Director of Athletics
27	01/01/2000	12/31/2000	04/01/2001	Annual	Eugene Hewitt	NO	Director of Research and Planning
28	01/01/2000	12/31/2000	04/01/2001	Annual	Leroy Porter	NO	Vice President of Evening Division (Formerly: Dean of Evening Division and Extended Programs.)

29	01/01/2000	12/31/2000	04/01/2001	Annual	Ann Stevens	NO	Head Librarian
30	07/01/2000	12/31/2000	04/01/2001	Annual	Mervyn Dymally	NO	Consultant
31	01/01/2001	5/--/2001	06/30/2001	Leaving	Larry Todd	NO	Director of Maintenance and Operations
32	01/01/2001	06/30/2001	07/30/2001	Leaving	Mervyn Dymally	NO	Consultant
33	07/01/2001	6/30/2001	08/01/2001	Assuming	Shirley Edwards	NO	Executive Vice President (Formerly: Dean of Instruction and Curriculum)
34	07/25/2001	09/26/2001	10/26/2001	Assuming/ Annual / Leaving	Richard Alatorre	NO	Consultant
35	01/01/2001	12/31/2001	04/01/2002	Annual	Paul Richards	NO	Consultant
36	07/01/2001	12/31/2001	04/01/2002	Annual	Shirley Edwards	NO	Executive Vice President (Formerly: Dean of Instruction and Curriculum)
37	01/01/2001	12/31/2001	04/01/2002	Annual	Darnell Mitchell	NO	Director of Athletics
38	01/01/2001	12/31/2001	04/01/2002	Annual	Eugene Hewitt	NO	Director of Research and Planning
39	01/01/2001	12/31/2001	04/01/2002	Annual	Leroy Porter	NO	Vice President of Evening Division (Formerly: Dean of Evening Division and Extended Programs.)
40	01/01/2002	12/31/2002	04/01/2003	Annual	Paul Richards	NO	Consultant
41	01/01/2002	12/31/2002	04/01/2003	Annual	Shirley Edwards	NO	Executive Vice President (Formerly: Dean of Instruction and Curriculum)
42	01/01/2002	12/31/2002	04/01/2003	Annual	Leroy Porter	NO	Vice President of Evening Division (Formerly: Dean of Evening Division and Extended Programs.)

ADDITIONAL INFORMATION

Upon discovering, as part of an unrelated investigation, that the employees and consultants of Respondent CCCD were not filing SEI's, Enforcement Division Investigator Jon Wroten conducted a conference call with Robert Joiner, Dean of Human Resources and Economic Development, and Reuben James, Special Advisor to the President and Financial Planning and Internal Auditor of Business Affairs for Compton Community College. Mr. James stated during that conference call that no one at Respondent CCCD had ever notified any employees or consultants that they were failing to comply with an obligation to file SEI's, and he was unaware of Respondent CCCD having a duty to do so. Investigator Wroten followed up on that conference call with a letter to Mr. James, informing him that Respondent CCCD was in violation of the Act and needed to immediately bring itself into compliance. Mr. Wroten made a referral to the Commission's Technical Assistance Division and admonished Mr. James to contact the Technical Assistance Division for assistance in bringing Respondent CCCD into compliance with its filing officer duties. Neither Mr. James, nor anyone else associated with Respondent CCCD, contacted the Technical Assistance Division for assistance.

Based on Investigator Wroten's referral, Bonita Kwong of the Commission's Technical Assistance Division spoke with Rueben James by telephone to explain the SEI Outreach program and to schedule an SEI training session with Respondent CCCD. Ms. Kwong also sent a brochure to Mr. James by facsimile, explaining the Outreach program. Mr. James stated that he would need to speak with his supervisor (Respondent Ulis Williams) before he could schedule the training session. Mr. James told Ms. Kwong that he would return her call, but he failed to do so. When she had not heard from Mr. James, Ms. Kwong left a voicemail message for Mr. James once again attempting to schedule an outreach visit. Mr. James never responded to Ms. Kwong.

At the same time that the Enforcement Division was acting on Respondents' failure to see that the employees and consultants of Respondent CCCD began filing SEI's, the LACBOS was also taking action. After repeatedly notifying Respondent CCCD of its obligation to conduct a biennial review of its conflict of interest code, on July 2, 2002, the LACBOS mailed to Respondent CCCD another biennial review notice and included a detailed packet of information explaining conflict of interest code review procedures, as well as explaining the actions required of Respondent CCCD. In October 2002, Respondent CCCD submitted to the LACBOS a proposed amended conflict of interest code *which deleted all employees as SEI filers*, with the exception of the members of the Board of Trustees and the President/Superintendent. On November 6, 2002, John McKibben, Deputy Executive Officer for the LACBOS, sent a letter to Rueben James that stated he could not recommend approval of Respondent CCCD's proposed amended conflict of interest code to the Board of Supervisors because Respondent CCCD's proposal to delete all designated employees below the highest level of the District's organization failed to comply with the requirements of the Act. Along with his letter, Mr. McKibben provided documentation to assist Respondent CCCD in properly reviewing and amending its conflict of interest code, and offered to assist further, if necessary.

On March 14, 2003, Mr. McKibben followed up on his earlier communication with a sharply-worded five-page letter to Mr. James that detailed Respondent CCCD's chronic failure to comply with its obligation to review and update its conflict of interest code, despite the numerous attempts made by the LACBOS to secure such compliance. Mr. McKibben gave Mr. James a firm deadline of April 1, 2003 to provide the LACBOS with an amended conflict of interest code.

On March 27, 2003, Mr. James sent Mr. McKibben a draft of an amended conflict of interest code for Respondent CCCD, but failed to provide the necessary explanation and justification for the proposed amendments, despite explicit instructions to do so.

Further correspondence ensued between the LACBOS and Respondent CCCD until, on June 3, 2003, the LACBOS approved an amended conflict of interest code for Respondent CCCD, based largely on the March 27, 2003 code proposed by Respondent CCCD. Respondent CCCD's new conflict of interest code designates a total of 34 positions as SEI filers.

On July 21, 2003, in a conversation with Investigator Wroten, Respondent Williams

stated that he apologized on behalf of Respondent CCCD for its past violations of the Act, and stated that a system had been established to ensure future compliance. Since that time, the state Chancellor of the Community College system has taken control of Respondent District on the basis of Respondent District's extreme financial mismanagement. Although the Chancellor has suspended Respondent District's elected Board of Trustees and appointed a special trustee in its place, he has allowed Respondent Ulis Williams to remain in office.

CONCLUSION

Throughout the period covered by this stipulation, Respondent CCCD completely failed to comply with its duties as the filing officer for its employees and consultants, and thereby violated the Act. In failing to ensure that Respondent CCCD complied with these duties, Respondent Ulis Williams negligently caused these violations. When advised of their lack of compliance, Respondents resisted bringing themselves into compliance despite substantial efforts on the part of both the LACBOS and the Commission's Technical Assistance Division to assist them.

Respondents failed to supply employees designated as SEI filers under Respondent CCCD's conflict of interest code with the necessary forms and manuals prescribed by the Commission; failed to determine whether required documents had been filed, and, if so, whether they conformed on their face with the requirements of the Act; failed to notify promptly all persons who failed to file a statement in the form and at the time required by the Act; and failed to report apparent violations of the Act to the appropriate agencies for 42 separate SEI filings, all in violation of section 81010.

This matter involves 42 violations of section 81010 of the Act, and carries a total maximum administrative penalty of One Hundred Fifty Thousand Dollars ($150,000).[2]

The special trustee has brought Respondent District up to date in terms of its responsibilities as a filing officer and has agreed to closely monitor Respondents' future compliance.

Although the violations described above are very serious, in recognition of the recent efforts to bring Respondent District into compliance with the law, a penalty somewhat below the maximum is appropriate. Based on the foregoing facts and circumstances, the agreed upon administrative penalty of $100,000 is justified.

[2] Prior to January 1, 2001, section 83116 provided that violations of the Political Reform Act were punishable by an administrative penalty of up to $2,000 (counts 1-20). Proposition 34, approved by voters in November 2000, amended section 83116, which now provides that violations committed on or following January 1, 2001 are punishable by administrative penalties of up to $5,000 per violation (counts 21-42).