EXHIBIT 1

INTRODUCTION

Respondent Pam Garcia was a Recreation and Parks Commissioner for the City of Pasadena from May 1996 until June of 1999. Pursuant to the City of Pasadena's Conflict of Interest Code, Respondent Garcia was a designated employee of the City of Pasadena. She was therefore required to file a Statement of Economic Interests (hereafter "SEI") disclosing her economic interests every year that she served as a Commissioner and, within thirty days of leaving that position. Respondent failed to file a 1998 annual SEI on or before the due date of April 1, 1999, and failed to file a leaving office Statement within thirty days of resigning her position, in violation of the Political Reform Act (the "Act")[1].

For the purposes of this Default Decision and Order, Respondent's violations of the Act are stated as follows:

COUNT 1: Respondent Pam Garcia failed to timely file a 1998 annual Statement of Economic Interests by April 1, 1999, in violation of section 87300 of the Government Code.

COUNT 2: Respondent Pam Garcia failed to timely file a leaving office Statement of Economic Interests by June 30, 1999, in violation of section 87300 of the Government Code.

THE ADMINISTRATIVE PROCEDURE ACT

Pursuant to the Administrative Procedure Act (the "APA"),[2] a respondent is entitled to a hearing on the merits of an Accusation if the respondent files a Notice of Defense within 15 days after service of the Accusation. (Sec. 11506.) The APA further provides that a respondent's failure to file a Notice of Defense within 15 days after service of an Accusation constitutes a waiver of the respondent's right to a hearing. (Sec. 11506, subd., (c).) A default decision may be issued if the respondent fails to file a Notice of Defense within 15 days of service of the Accusation. (Sec. 11520, subd. (a).)

The Accusation in this matter was personally served on Respondent Garcia on March 2, 2001. Proof of service of the Accusation is attached hereto as Attachment A. Along with the Accusation, the Enforcement Division served Ms. Garcia with a "Statement to Respondent" which notified Ms. Garcia that she could request a hearing on the merits and warned her that, unless a Notice of Defense was sent within fifteen days of service of the Accusation, she would be deemed to have waived her right to a

[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. Commission regulations appear at Title 2, California Code of Regulations, section 18109, *et seq*.

[2] The Administrative Procedure Act is contained in Government Code sections 11370 – 11529.

hearing. Ms. Garcia filed a Notice of Defense 27 days after being served with the Accusation. By failing to timely file a Notice of Defense Ms. Garcia has waived her right to a hearing and the Commission is authorized to enter a Default Decision and Order. Additionally, Respondent has stated to Commission Counsel that she does not want a hearing in this matter and, for reasons which are explained more fully below, a Default Decision and Order is not only legally authorized but entirely justified in this case.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (c), is to assure 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. The agency's conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and other income. Under section 82019, subdivision (c), and section 87302, subdivision (a), the persons who are to 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, decisions that may foreseeably have a material effect on a financial interest.

Section 87302, subdivision (b) provides that under an agency's conflict of interest code, each designated employee of the agency must be required to annually file a statement of economic interests, for each year that the employee remains in office, at a time specified in the agency's conflict of interest code, disclosing his or her reportable financial interests during the preceding calendar year.

Section 87302, subdivision (b) requires a new designated employee to file an assuming office SEI within 30 days after assuming office, or 30 days after being appointed or nominated. In addition, the subdivision requires that the designated employee file annual SEIs at a time specified in the Conflict of Interest Code, and a leaving office SEI within 30 days of leaving the designated position with the agency.

Under section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

SUMMARY OF THE FACTS

On May 6, 1996, Respondent Pam Garcia was appointed to the Recreation and Parks Commission for the City of Pasadena. As a Commissioner, Respondent Garcia was a designated employee of the City of Pasadena pursuant to the City of Pasadena's Conflict of Interest Code and section 82019, subdivision (c) of the Political Reform Act. Accordingly, Respondent Garcia was

required to file an SEI every year that she held the position, and a leaving office Statement of Economic Interests disclosing her economic interests, and a Leaving Office Statement, within 30 days of resigning the position.

According to the Pasadena City Clerk's Office, Respondent Garcia failed to file her 1998 annual SEI by the April 1, 1999 due date.

On April 6, 1999, the Pasadena Assistant City Clerk, Judy Kent, sent a certified letter to Respondent Garcia stating that her 1998 annual SEI was past due, and requesting that the statement be filed within 30 days. The letter advised Ms. Garcia that she was liable for a late filing penalty of $10 per day, up to a maximum of $100. The letter advised that the penalty could be waived if Ms. Garcia filed her SEI within the 30 day period, and provided an explanation for the delinquent filing. On April 12, 1999, Ms. Kent spoke with Ms. Garcia and again requested that she file her SEI. Ms. Garcia told Ms. Kent that she would file her SEI that day. Ms. Garcia did not do so.

On May 14, 1999, and June 2, 1999, Ms. Kent left telephone messages at Respondent Garcia's business reminding Ms. Garcia to file her SEI. Ms. Garcia did not respond.

On June 16, 1999, the Assistant City Clerk sent a second letter to Respondent Garcia informing her that her SEI had not been received. The letter further advised Ms. Garcia that the $100 late fee was being imposed, and that the matter would be referred to the Fair Political Practices Commission if she did not file her SEI and pay the penalty within ten days.

On August 11, 1999, Ms. Kent sent a letter to the Commission requesting assistance in handling Respondent Garcia's delinquent SEI filing. On September 29, 1999, Investigator Bill Motmans of the Enforcement Division contacted Ms. Garcia by phone. Mr. Motmans reminded Ms. Garcia that her 1998 SEI was overdue. Ms. Garcia told Mr. Motmans that she didn't think she had to file an SEI because she had resigned her position as a Parks and Recreation Commissioner in June of 1999. Investigator Motmans advised Ms. Garcia that she still had to file her 1998 SEI as well as a leaving office SEI, within 30 days of the effective date of her resignation.

On September 29, 1999, the Mayor of Pasadena, Bill Bogaard, wrote a letter to Respondent Garcia and asked her to file her leaving office SEI within 30 days.

On November 1, 2000, Respondent Garcia was served with an Order issued by Executive Director Wayne Strumpfer finding that Probable Cause had been established that Respondent had committed the two alleged violations of the Political Reform Act.

On December 29, 2000, Respondent Garcia was served by mail with an Accusation, alleging the two violations of the Political Reform Act as set forth above. Ms. Garcia did not respond.

On February 28, 2001, Respondent Garcia was personally served at her place of business with the Accusation. On March 27, 2001, 27 days after she was served with the Accusation, the

Enforcement Division received a blank Notice of Defense form signed by Ms. Garcia as well as her signed 1998 annual SEI and her leaving office SEI. The Enforcement Division forwarded the delinquent SEI's to the Pasadena City Clerk's office for filing.

On April 2, 2001, Commission Counsel Steven Meinrath wrote a letter to Respondent Garcia requesting clarification as to whether she was requesting a hearing and asserting any defenses. On April 14, 2001, Respondent signed and mailed to the FPPC a second Notice of Defense with only one box checked. That box corresponded with the statement, "I admit the Accusation in whole." Also on April 14, 2001, Respondent signed and returned to the FPPC a signed Stipulation agreeing to pay an administrative penalty of $1,000, however, no payment was enclosed. (Attached as Exhibit B.)

On May 18, 2001, Mr. Meinrath wrote a letter to Respondent and offered to accept payment of the $1,000 penalty in three installments on June 1, June 30 and July 30, 2001. On June 4, 2001, the FPPC received the first payment of $334 from Respondent. On July 5, 2001, Mr. Meinrath left a voicemail message for Respondent stating that a scheduled second payment had not been received, and that unless the payment is received, enforcement action would ensue. On July 9, 2001, Respondent left a telephone message for Mr. Meinrath stating that she did not want a hearing in this matter and promising to immediately file the second and third payments. On July 17, 2001, Mr. Meinrath spoke with Respondent on the telephone and Respondent agreed to make the second payment no later than July 30, 2001 and the third payment no later than August 17, 2001. Respondent has made no payments after making that agreement. On August 18, 2001, Respondent telephoned Mr. Meinrath and stated that she had mailed a money order for the remaining $666 on August 16, 2001 to the FPPC. No money order arrived at the FPPC and Mr. Meinrath left messages on Respondent's office voicemail on August 22, August 24 and October 29, 2001, stating that, despite Respondent's repeated promises, no further payments have been received and enforcement action will resume.

ADDITIONAL INFORMATION

In 1997, Ms. Garcia filed her 1996 annual SEI two-and-a-half months late and paid a $100 late filing fee to the Pasadena City Clerk's Office.

CONCLUSION

This matter consists of two counts, which carry a maximum possible administrative penalty of Four Thousand Dollars ($4,000). The facts of the case, including the fact that Respondent Garcia filed her 1998 annual SEI almost two years late, and the fact that she filed her leaving office SEI almost 21 months late, justify imposition of a penalty of Two Thousand Dollars ($2,000).