



NOTICE AND AGENDA Commission Meeting¹

**California Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814**

**Thursday, January 15, 2015
10:00 A.M.**

According to (Gov. Code Section 11123) (a) all meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article. The Section further states that the portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.

Commissioner Eskovitz will attend this meeting of the Commission via teleconference from 355 South Grand Avenue, Los Angeles, CA 90071.

Agendas will be posted at the teleconference location and the teleconference location will conduct the meetings in a manner that protects the rights of any party or member of the public appearing before the state body (Commission).

WELCOME

Jodi Remke, FPPC Chair

PUBLIC COMMENT

1. Public Comment.

This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.

2. Approval of November 2014 Commission Meeting Minutes.

[November Minutes](#)

¹You can obtain further information about the meeting by contacting the Commission Assistant, 428 J Street, Suite 620, Sacramento, CA, 95814, Tel. (916) 322-5745. Written comments on agenda items should be submitted to the Commission no later than 12:00 p.m. the day before the meeting in order to afford the Commissioners adequate time to fully consider the comments. The fax number for comment letters is (916) 322-6440.

The agenda and related documents are posted on the FPPC website at www.fppc.ca.gov. Materials submitted by the public regarding each agenda item will be made available at the meeting and on the website.

Members of the public may listen to the meeting by phone by calling (877) 411-9748; access code 723284; or watch the meeting via Webinar at [meeting via YouTube](#).

The meeting location is accessible to the disabled. Persons who, due to a disability, need assistance in order to participate in this meeting should, prior to the meeting, contact the Commission Assistant at (916) 322-5745 (voice), (916) 322-6440 (facsimile) or in writing. TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodations for persons with disabilities. Please allow a reasonable period of time between the request and the meeting date.

GENERAL ITEMS 3 - 7

3. Approval of FPPC Campaign Manuals for Slate Mailer Organizations, General Purpose Recipient Committees, Major Donor Committees and Independent Expenditure Committees and approval of revised Form 511- Paid Spokesperson Report.

Staff: Lynda Cassady, Division Chief, Technical Assistance.

[Memo for Approval of Form 511 and Manuals](#)

[Manual 4 December 2014 DRAFT](#)

[Manual 5 December 2014 DRAFT](#)

[Manual 6 December 2014 DRAFT](#)

[Manual 7 Oct 2014 DRAFT](#)

[Form 511 \(NEW\)](#)

[Interested Persons Comment Memo.pdf](#)

4. Amend Regulation 18450.11 – Spokesperson Disclosure. Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel Sukhi K. Brar. Staff proposes that the Commission amend Regulation 18450.11 to incorporate new amendments made to Section 84511 by AB 510 (Ammiano).

[Memo 18450.11](#)

[18450.11](#)

5. Amend Regulation 18740 - Legally Prohibited Disclosure: Statement of Economic Interests. Staff: General Counsel Zackery P. Morazzini. Staff proposes that the Commission amend Regulation 18740 to allow the Commission to consider federal law, along with California law, when considering requests from SEI filers to exclude the names of certain sources of income from the SEI when such disclosure would violate a legally recognized privilege. The proposed amendments would also streamline the processing of such requests.

[Memo 18740](#)

[18740](#)

6. Amend Regulation 18705 Amend Regulations 18705, 18705.3, 18705.4 and 18705.5 and Repeal Regulations 18704, 18704.1, and 18704.5 - Materiality Standard for a Financial Interest in a Source of Income, Source of Gift, and Personal Financial Effect.

Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel William J. Lenkeit. Staff proposes that the Commission amend Regulations 18705, 18705.3, 18705.4 and 18705.5 to set new standards to simplify the process of determining when the reasonably foreseeable financial effects of a governmental decision will materially affect an official's interest under Section 87103(a) and (d).

[Memo 18705, 18705.3, 18705.4, 18705.5](#)

[18705 Materiality Standards](#)

[18705.3 Materiality Standard -- Financial Interest in a Source of Income](#)

[18705.3 Amendment to Pg 5 introduced at the Jan 15 Hearing](#)

[18705.4 Materiality Standard -- Financial Interest in Source of Gift](#)

[18705.5 Materiality Standard -- Financial Interest in a Personal Financial Effect](#)

Informational Item (No action required)

7. **2014 End of Year Report.** Staff: Erin Peth, Executive Director and Jaycob Bytel, External Affairs Coordinator.

[FPPC 2014 Annual Report](#)

PROPOSED CONSENT CALENDAR ITEMS 8- 25

ENFORCEMENT MATTERS

Mass Mailer

8. **In the Matter of City of Rialto; FPPC No. 12/869.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Simon Russell. In this matter, Respondent, the City of Rialto, sent mass mailers at public expense, in violation of Government Code Section 89001 (2 counts). **Total Proposed Penalty: \$6,000.**

[Rialto - Stip and Exh](#)

9. **In the Matter of Truckee Tahoe Airport District; FPPC No. 14/774.** Staff: Commission Counsel Milad Dalju and Special Investigator Jay Martin. In this matter, Respondent, Truckee Tahoe Airport District, sent mass mailers at public expense, in violation of Government Code Section 89001 (2 counts). **Total Proposed Penalty: \$4,000.**

[Truckee Tahoe Airport District - Stip and Exh](#)

Conflict of Interest

10. **In the Matter of Arthur J. Aguilar; FPPC No. 14/194.** Staff: Commission Counsel Milad Dalju and Special Investigator Ann Flaherty. In this matter, Respondent, Arthur J. Aguilar, General Manager of the Central Basin Municipal Water District until October 31, 2012: failed to report 31 gifts he received between January 1, 2009, and October 31, 2012, in violation of Government Code Section 87300 (1 count); accepted gifts in excess of the annual gift-limit in 2009, 2010, 2011, and between January 1 and October 31, 2012, in violation of Government Code Section 89503 (1 count), and; in his capacity as the General Manager of the Central Basin Municipal Water District, made, participated in making, or attempted to use his official position to influence eight governmental decisions in which he knew, or had reason to know, he had a financial interest, in violation of Government Code Section 87100 (7 counts). **Total Proposed Penalty: \$30,000.**

[Aguilar - Stip and Exh](#)

Campaign Voluntary Expenditure Limits

11. **In the Matter of Phillip Chen and Phillip Chen for Assembly 2014; FPPC No. 14/567.** Staff: Senior Commission Counsel Dave Bainbridge and Political Reform Consultant Teri Rindahl. Respondent, Phillip Chen, ran for State Assembly in the 2014 Primary Election. Respondent, Phillip Chen for Assembly 2014, was his candidate-controlled committee. In this matter, Respondents accepted voluntary expenditure limits, but exceeded the limit prior to the Primary Election, in violation of Government Code Section 85400, subdivision (a)(1) (1 count).

Total Proposed Penalty: \$2,500.

[Chen - Stip and Exh](#)

Campaign Reporting

12. In the Matter of the United Food and Commercial Workers Active Ballot Club Yes on Prop. 30, No on Prop. 32 Committee, and Anthony Perrone; FPPC No. 14/605. Staff: Commission Counsel Zachary W. Norton and Program Specialist Great Beauchamp. Respondent, United Food and Commercial Workers Active Ballot Club Yes on Prop. 30, No on Prop. 32 Committee (“the Committee”), was a primarily formed committee to support Proposition 30 and oppose Proposition 32 in the 2012 General Election. The Committee was sponsored by the United Food and Commercial Workers Union. Respondent, Anthony Perrone, was at all times relevant, treasurer of the Committee. In this matter, Respondents failed to timely file a second pre-election campaign statement covering the period October 1, 2012, through October 20, 2012, due October 25, 2012, in violation of Government Code Sections 84200.5, subdivision (b), and 84200.7, subdivision (b) (1 count); failed to timely file a late contribution report, in violation of Government Code Sections 84203, subdivision (a) and 84605, subdivision (a)(2) (1 count); and failed to timely report contributions and expenditures on a first pre-election campaign statement covering the period January 1, 2012, through September 30, 2012, due October 5, 2012, in violation of Government Code Section 84211, subdivisions (a), (b), (d), (i), and (k) (1 count). **Total Proposed Penalty: \$6,500.**

[Perrone - Stip and Exh](#)

13. In the Matter of Familias por Maywood aka Familias por Maywood Supporting Aguirre Magaña Varela for Maywood City Council, and Felipe Aguirre; FPPC No. 12/422 (Default Decision). Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Simon Russell. Respondent, Familias por Maywood aka Familias por Maywood Supporting Aguirre Magaña Varela for Maywood City Council (“Respondent Committee”), is a campaign committee that over the years has been controlled by various candidates for City Council in the City of Maywood. In the 2009 General Election, Respondent, Felipe Aguirre (“Respondent Aguirre”), controlled Respondent Committee. During the time Respondent Aguirre controlled Respondent Committee, Respondent Committee failed to file a semi-annual campaign statement, in violation of Government Code Section 84200, subdivision (a) (1 count), failed to file a late contribution report, in violation of Government Code Section 84203 (1 count), and received cash contributions and made cash expenditures of \$100 or more, in violation of Government Code Section 84300, subdivisions (a) and (b) (1 count). **Total Proposed Penalty: \$5,000.**

[Aguirre - Default Decision and Order](#)

14. In the Matter of Green Technology Leadership Group PAC, No on Prop 23, and Rita Copeland, Treasurer; FPPC No. 14/258. Staff: Commission Counsel Milad Dalju and Program Specialist Bob Perna. In this matter, Respondent, Green Technology Leadership Group PAC, No on Prop 23, and its treasurer, Respondent, Rita Copeland, failed to timely report payments to three subvendors, totaling \$151,500, made during the October 1 through October 16, 2010, reporting period, in violation of Government Code Sections 84211, subdivision (k) and 84303 (1 count), and failed to timely report expenses, totaling \$33,820.50,

accrued during the October 1 through October 16, 2010, reporting period, in violation of Government Code Sections 84200.5 and 84211, subdivisions (b), (i), and (k) (1 count). **Total Proposed Penalty: \$4,500.**

[Green Technology Leadership Group PAC - Stip and Exh](#)

15. In the Matter of Voters for Good Government and Billie Martinez, Principal Officer; FPPC No. 14/348. Staff: Commission Counsel Zachary W. Norton. Respondent, Voters for Good Government (“the Committee”), was a county general purpose committee, based in Los Angeles County. Respondent, Billie Martinez, was at all times relevant, principal officer of the Committee. In this matter, Respondents failed to file a late independent expenditure report within 24 hours of making an independent expenditure opposing Willie Rivera, and to disclose this expenditure on a semi-annual campaign statement, in violation of Government Code Sections 82036.5, 84204, subdivision (a), and 84211, subdivision (k) (1 count). **Total Proposed Penalty: \$2,000.**

[Voters for Good Government - Stip and Exh](#)

16. In the Matter of Santa Maria Firefighters Local 2020 PAC and Leonard Champion, Treasurer; FPPC No. 14/1077. Staff: Political Reform Consultant Teri Rindahl. In this matter, Respondents, Santa Maria Firefighters Local 2020 PAC and Leonard Champion, Treasurer, failed to timely file campaign statements covering the periods of July 1, 2012 through June 30, 2014, with the County of Santa Barbara Elections Office, in violation of Government Code Section 84200 (4 counts). **Total Proposed Penalty: \$800.**

[Santa Maria Firefighters Local 2020 PAC - Stip](#)

17. In the Matter of the Building and Construction Trades Council of Marin Let’s All Build Responsibly L.A.B.R. and Bill Scott, Treasurer; FPPC No. 14/135. Staff: Political Reform Consultant Teri Rindahl. In this matter, Respondents, Building and Construction Trades Council of Marin Let’s All Build Responsibly L.A.B.R. and Bill Scott, Treasurer, failed to timely electronically file a campaign statement covering the period July 1, 2012, through December 31, 2012, due January 31, 2013, with the Office of the Secretary of State, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

[Scott - Stip](#)

Major Donor Reporting

18. In the Matter of Pacific Communities Builder, Inc.; FPPC No. 14/777. Staff: Senior Commission Counsel Neal Bucknell, Special Investigator Ann Flaherty, Program Specialist Grant Beauchamp, and Political Reform Consultant Adrienne Korchmaros. From January 2010 through June 2014, Respondent, Pacific Communities Builder, Inc., directed and controlled the making of campaign contributions by various limited liability companies, limited partnerships, and corporations, which were managed by Respondent. These contributions were required to be aggregated with Respondent’s own contributions. In this way, Respondent qualified as a major donor committee, but Respondent failed to timely file required semi-annual statements, pre-election statements, and late contribution reports, in violation of Government Code Sections 84200, 84200.5, and 84203 (18 counts). **Total Proposed Penalty: \$9,653.**

[Pacific Communities Builder Inc - Stip](#)

19. In the Matter of Humboldt Redwood Company LLC and its Affiliate Mendocino Redwood Company LLC; FPPC No. 14/1323. Staff: Political Reform Consultant Jeanette Turvill. In this matter, Respondent, Humboldt Redwood Company LLC, and its affiliate Mendocino Redwood Company LLC, failed to timely file eight Major Donor Committee Campaign Statements (Form 461) between 2010 and 2014, in violation of Government Code Section 84200 (8 counts), and failed to file five Late Contribution Reports (Form 497) in 2014, in violation of Government Code Section 84203 (5 counts). **Total Proposed Penalty: \$8,319.**
[Humboldt Redwood Company - Stip](#)

20. In the Matter of USA Properties Fund, Inc.; FPPC No. 14/1336. Staff: Political Reform Consultant Jeanette Turvill. In this matter, Respondent, USA Properties Fund, Inc., failed to timely file three Major Donor Committee Campaign Statements (Form 461) in 2013 and 2014, in violation of Government Code Section 84200 (3 counts). **Total Proposed Penalty: \$1,200.**
[USA Properties Fund Inc. - Stip](#)

Lobbying Reporting

21. In the Matter of Pasadena Metro Blue Line Construction Authority and Habib F. Balian, Responsible Officer; FPPC No. 14/1079. Staff: Legal Analyst Tracey Frazier and Law Clerk Robert Binning. Respondent, Pasadena Metro Blue Line Construction Authority, is a California lobbyist employer. At all times relevant, Respondent, Habib F. Balian, was Pasadena Metro Blue Line Construction Authority's Responsible Officer. In this matter, Respondents failed to timely file three Reports of Lobbyist Employer (Form 635) between October 1, 2013, and June 30, 2014, disclosing total payments paid for lobbying services in the amount of \$79,200, in violation of Government Code Sections 86115, 86117, and 84605 (3 counts). **Total Proposed Penalty: \$3,000.**
[Balian - Stip and Exh](#)

Statement of Economic Interests – Non-Filer

22. In the Matter of Walter Park; FPPC No. 13/896. Staff: Commission Counsel Adam Silver. In this matter, Respondent, Walter Park, as a Commissioner on the San Francisco Access Appeals Board, failed to timely file his 2012 Statement of Economic Interests covering the period January 1, 2012, through December 31, 2012, due on April 2, 2013, with the San Francisco Ethics Commission, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**
[Park - Stip](#)

Pro-Active Gift Non-Reporting Cases

23. In the Matter of Gilbert Garcia; FPPC No. 14/695. Staff: Legal Analyst Tracey Frazier and Law Clerk Kellan Patterson. In this matter, Respondent, Gilbert Garcia, as a Board Member of the Rowland School District, failed to timely disclose a gift of: one meal valued at \$111.23 on his 2012 Statement of Economic Interests. The gift was from Stone and Youngberg LLC., and the omission was in violation of Government Code Section 87207 (1

count). **Total Proposed Penalty: \$200.**

[Garcia - Stip](#)

24. In the Matter of Melinda Hennes; FPPC No. 14/698. Staff: Legal Analyst Tracey Frazier and Law Clerk Tom Preston. In this matter, Respondent, Melinda Hennes, as a Superintendent of the Atwater Elementary School District, failed to timely disclose gifts of: two meals valued at \$204.92 on her 2011 Statement of Economic Interests. All gifts were from Stone and Youngberg LLC., and all omissions were in violation of Government Code Section 87207 (1 count). **Total Proposed Penalty: \$200.**

[Hennes - Stip](#)

25. In the Matter of Vidal Preciado; FPPC No. 14/1008. Staff: Staff Attorney Bridgette Castillo, Legal Analyst Tracey Frazier, and Law Clerk Elizabeth Smutz. In this matter, Respondent, Vidal Preciado, as a Trustee of the Delhi Unified School District, failed to timely disclose a gift of: one meal valued at \$157.64 on his 2011 Statement of Economic Interests. The gift was from Stone and Youngberg LLC., and the omission was in violation of Government Code Section 87207 (1 count). **Total Proposed Penalty: \$200.**

[Preciado - Stip](#)

EXECUTIVE STAFF REPORTS ITEM 26

Legislative Report. Staff: Senior Commission Counsel and Legislative Coordinator, Sukhi Brar

[January 2015 Legislative Report](#)

Litigation Report. Staff: General Counsel, Zackery P. Morazzini

[January 2015 Lit report](#)

Legal Division Report. Staff: General Counsel, Zackery P. Morazzini

[January Legal Report](#)

Enforcement Division Report. Staff: Chief of Enforcement, Gary Winuk

[January Enforcement Division Report](#)

Technical Assistance Division Report. Staff: Chief of Technical Assistance Division, Lynda Cassady

[January TAD Report](#)