



NOTICE AND AGENDA Commission Meeting¹

California Fair Political Practices Commission
1102 Q Street, Suite 3800
Sacramento, CA 95811

Thursday, March 19, 2020
9:00 A.M.

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The section further states that the portion of the teleconferenced meeting that is required to be open to the public must be audible to the public at the location specified in the notice of the meeting. The Commission may take action on any item listed on this agenda.

Welcome

Richard C. Miadich, Chair

Public Comment

- 1. Public Comment for Items not on Agenda.** During this comment period, any person is invited to speak on any topic that is not listed on this agenda. Action may not be taken on any matter raised during this public comment period until the matter is specifically listed on a future agenda. Those who wish to comment on an item that has been listed on this agenda may comment when that item has been opened for consideration by the Commission and before any action is taken.

¹You can obtain further information about the meeting by contacting the Commission Assistant, 1102 Q Street, Suite 3000, Sacramento, CA, 95811, 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. Email comment letters directly to CommAsst@fppc.ca.gov. To participate in real time, visit <http://mediasite.fppc.ca.gov/>.

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 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 [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), CommAsst@fppc.ca.gov (e-mail) and ADACoordinator@fppc.ca.gov. 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 three business days between the request and the meeting date.

Approval of Commission Minutes

2. Approval of February 2020 Commission Hearing Minutes.

Enforcement Consent Calendar 3-15

Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be removed from consent, in which case it will be discussed separately in the meeting.

Controlled Committees

3. **In the Matter of Residents for Reform, Neighborhood Preservation Coalition, David Ellis, Scott Peotter for City Council 2014, Scott Peotter, Duffield for City Council 2014, Duffy Duffield, Muldoon for NB City Council 2014, Kevin Muldoon, Diane Dixon for City Council 2014, Diane Dixon, and Lysa Ray; FPCC Nos. 15/247 and 16/19915.** Diane Dixon and her committee were represented by Ashlee Titus of Bell, McAndrews & Hiltachk LLP, Lysa Ray represented herself, and the other respondents were represented by Steve Baric of Baric & Associates. Scott Peotter, Duffy Duffield, Kevin Muldoon, and Diane Dixon were successful candidates for Newport Beach City Council in the November 4, 2014 General Election. Scott Peotter for City Council 2014, Duffield for City Council 2014, Muldoon for NB City Council 2014, and Diane Dixon for City Council 2014 were their candidate-controlled committees. Residents for Reform and Neighborhood Preservation Coalition were committees primarily formed to support these candidates, controlled by David Ellis, a paid consultant to all the candidates, and an unsuccessful candidate for Director of Orange County Municipal Water District in the same election. Ellis served as principal officer of these committee's and Lysa Ray served as the treasurer. Ray also served as treasurer for Duffield for City Council 2014 and Diane Dixon for City Council 2014.

Residents for Reform, Ellis, and Ray failed to: (1) identify Ellis as the Committee's controlling candidate, include his last name in the Committee name and disclose that the committee was primarily formed on its statement of organization, in violation of Government Code Section 84103 and Regulation 18402 (1 count), (2) timely file four 24-Hour Reports, in violation of Government Code Section 84203 (1 count), (3) properly report nonmonetary contributions on two pre-election campaign statements, in violation of Government Code Section 84211 (1 count).

Neighborhood Preservation Coalition, Ellis, and Ray failed to: (1) identify Ellis as the Committee's controlling candidate, include his last name in the Committee's name, and disclose that the committee was primarily formed on its statement of organization, in violation of Government Code Section 84103 and Regulation 18402 (1 count), and (2) timely file eight 24-Hour Reports, in violation of Government Code Section 84203 (2 counts). Each candidate and their committee (Peotter, Duffield, Muldoon and Dixon) and Ellis failed to timely report nonmonetary contributions on three campaign statements, in violation of Government Code Section 84211 (1 count each).

Ellis received contributions and made expenditures from multiple controlled committees campaign bank accounts, in violation of Government Code Section 85201 (1 count). **Total Proposed Penalty: \$27,000.**

4. **In the Matter of Hickey for Director 2014, Harrison and Garcia for Director 2016, and John “Jack” Hickey; FPPC No. 16/19831.** Staff: Bridgette Castillo, Senior Commission Counsel. Jack Hickey was a successful candidate for Sequoia Healthcare District (“SHD”) in the November 4, 2014 General Election. Hickey for Director 2014 was his candidate-controlled committee. The Committee and Hickey failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (1 count). Additionally, Harland Harrison and Lois Garcia were candidates for SHD in the November 8, 2016 General Election. Harrison and Garcia for Director 2016 was a committee formed by Hickey, and he served as the Committee’s treasurer. The Committee and Hickey failed to include his last name in the Committee’s name, in violation of Government Code Sections 84102, subdivisions (e) and (g), 84211, subdivision (p), and Regulation 18402, subdivision (c) (1 count). **Total Proposed Penalty: \$5,000.**

Campaign Bank Account

5. **In the Matter of Santa Clara County Republican Party, Shane Connolly, and Kelly Lawler; FPPC No. 19/1507.** Staff: Ruth Yang, Commission Counsel. This matter arose from an audit performed by the Franchise Tax Board’s Political Reform Audit Program. The respondents were represented by Ashlee Titus of Bell, McAndrews & Hiltachk, LLP. Santa Clara County Republican Party is a state general purpose political party committee. Shane Connolly was the treasurer at the time of the violations. Kelly Lawler of the KAL Group was paid by the Committee to prepare its campaign statements and reports at the time of the violations. The Committee, Connolly, and Lawler failed to timely disclose payments for member communications on 24-Hour Reports, in violation of Government Code Section 85312 (1 count), and made prohibited contributions from the Committee’s restricted use bank account, in violation of Government Code Section 85303 and Regulation 18534, subdivision (d). **Total Proposed Penalty: \$7,000.**
6. **In the Matter of Melendez for California State Senate 2018 and Rudy Melendez; FPPC No. 18/863.** Staff: Theresa Gilbertson, Commission Counsel. Rudy Melendez was an unsuccessful candidate for State Senate District 18 in the November 6, 2018 General Election. Melendez for California State Senate 2018 was his candidate-controlled committee. The Committee and Melendez failed to timely file a semiannual campaign statement, a pre-election campaign statement, and a 24-Hour Report, in violation of Government Code Sections 84200, 84200.5, and 84203 (1 count). The Committee and Melendez also failed to deposit all contributions to and make all expenditures from a designated campaign bank account, in violation of Government Code Section 85201 (1 count). **Total Proposed Penalty: \$4,000.**

Campaign Late Filer/Reporter

7. **In the Matter of Cupertino Residents for Sensible Zoning Action Committee and Yes on C for Citizens, No on D for Developer – Committee Supporting Cupertino Citizens’ Sensible Growth Initiative, Xiaowen Wang, and Xiangchen Xu; FPPC No. 16/20077.** Staff: Theresa Gilbertson, Commission Counsel and Kaitlin Osborn, Special Investigator. Cupertino Residents for Sensible Zoning Action Committee was a local general purpose committee. Yes on C for Citizens, No on D for Developer – Committee Supporting Cupertino Citizens’ Sensible Growth Initiative was a local primarily formed committee. For both committees, Xiaowen Wang served as treasurer and Xiangchen Xu served as principal

officer. Cupertino Residents for Sensible Zoning Action, Wang, and Xu failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (1 count); and for both committees, Wang, and Xu failed to maintain adequate source documentation and sufficient records to substantiate campaign reporting, in violation of Government Code Section 84104 and Regulation 18401 (1 count per committee). **Total Proposed Penalty: \$6,500.**

- 8. In the Matter of Salinas Valley Leadership Group and Warren Wayland; FPPC No. 18/1265.** Staff: Jenna C. Rinehart, Commission Counsel. Salinas Valley Leadership Group is a local general purpose committee. Warren Wayland is the Committee's treasurer. The Committee and Wayland failed to timely file a pre-election campaign statement, in violation of Government Code Sections 84200.5, subdivision (c), and 84200.8 (1 count). Additionally, the Committee and Wayland failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$4,000.**
- 9. In the Matter of James Elia for State Assembly 2018, James Elia, and Sara Kagy; FPPC No. 18/1372.** Staff: Jenna C. Rinehart, Commission Counsel. James Elia was a successful candidate for State Assembly District 71 in the June 5, 2018 Primary Election and unsuccessful in the November 6, 2018 General Election. Elia for State Assembly 2018 was his candidate-controlled committee. Sara Kagy was the Committee's treasurer. The Committee, Elia, and Kagy failed to timely file one pre-election campaign statement in electronic format and another in paper format prior to the Primary Election, and failed to timely file two pre-election campaign statements in paper format prior to the General Election, in violation of Government Code Sections 84200.5, 84200.8, and 84605 (1 count). Additionally, the Committee, Elia, and Kagy failed to timely file one semiannual campaign statement in paper format, and one in both paper and electronic format, in violation of Government Code Sections 84200 and 84605 (1 count). **Total Proposed Penalty: \$3,000.**
- 10. In the Matter of Re-Elect Magdalena Carrasco for City Council D5 2018, Magdalena Carrasco, and Huascar Castro; FPPC No. 18/1404. Staff: Jenna C. Rinehart, Commission Counsel.** Magdalena Carrasco was a successful candidate for San Jose City Council District 5 in the June 5, 2018 Primary Election. Re-Elect Magdalena Carrasco for City Council D5 2018 was her candidate-controlled committee. Huascar Castro was the Committee's treasurer. The Committee, Carrasco, and Castro failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count), and failed to report contributor information on campaign statements throughout 2017 and 2018, in violation of Government Code Section 84211, subdivision (f) (1 count). **Total Proposed Penalty: \$3,000.**

Advertisements

- 11. In the Matter of Committee for Excellent High Schools, Karen Loebbaka, and Kevin Saavedra; FPPC No. 19/219.** Staff: Christopher Burton, Senior Commission Counsel and Dominika Wojenska, Associate Governmental Program Analyst. Committee for Excellent High Schools is a local primarily formed ballot measure committee that supported Tamalpais Union High School District Measure J in the November 6, 2018 General Election. Kevin Saavedra is the Committee's treasurer and Karen Loebbaka is the Committee's principal officer. The Committee, Loebbaka, and Saavedra failed to timely change the Committee's name to reflect its support of the ballot measure and failed to include their proper name on a

website advertisement, in violation of Government Code Sections 84103, 84107, and 84502 (1 count). The Committee, Loebbaka, and Saavedra also failed to timely file 24-Hour Reports for 31 different late contributions, in violation of Government Code Section 84203 (2 counts). **Total Proposed Penalty: \$8,000.**

12. In the Matter of Better Millbrae and Alan R. Wong; FPPC No. 18/762. Staff: Jenna C. Rinehart, Commission Counsel. Better Millbrae is a local general purpose committee. Alan R. Wong was the Committee's treasurer at the time of the violations. The Committee and Wong failed to timely amend its statement of organization to include the name of its sponsor, in violation of Government Code Sections 84102, 84103, and Regulation 18419 (1 count). Additionally, the Committee and Wong failed to timely file a semiannual campaign statement, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$4,000.**

13. In the Matter of Hemet Taxpayers Association and Robert Righetti; FPPC No. 16/20081. Staff: Jenna C. Rinehart, Commission Counsel. Hemet Taxpayers Association is a local general purpose committee. Robert Righetti served as the Committee's treasurer. In or around October 2016, the Committee and Righetti failed to include the proper advertisement disclosures on its over-sized print media, in violation of Government Code Section 84507 and Regulation 18450.4 subdivision (b)(3)(D) (1 count). **Total Proposed Penalty: \$2,500.**

Default Proceedings

14. In the Matter of Corso for Council 2014, Taxpayers for Oceanside Neighborhoods, and Dana Corso; FPPC No. 15/245. Staff: Michael W. Hamilton, Commission Counsel and Bob Perna, Program Specialist. Dana Corso was an unsuccessful candidate for Oceanside City Council in the November 4, 2014 General Election. Taxpayers for Oceanside Neighborhoods was a local general purpose committee also controlled by Corso. With regards to Taxpayers for Oceanside Neighborhoods, Corso failed to timely amend the Committee's statement of organization to include her last name in the name of the Committee, the office being sought, and the year of the election, in violation of Government Code Section 84103 (1 count); failed to timely file three semiannual campaign statements, in violation of Government Code Section 84200 (3 counts); and failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts). Corso for Council 2014 and Corso failed to timely file a semiannual campaign statement, in violation of Government Code Section 84200 (1 count); failed to timely file a pre-election campaign statement, in violation of Government Code Section 84200.5 (1 count); failed to timely file three 24-Hour Reports, in violation of Government Code Sections 84203 and 84203.3 (3 counts); and failed to timely report contributions during the reporting period ending September 30, 2014, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$15,500.**

15. In the Matter of Wyman for Attorney General 2014 and James M. O'Hearn; FPPC No. 17/378. Staff: Christopher Burton, Senior Commission Counsel and George Aradi, Special Investigator. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Phillip D. Wyman was an unsuccessful candidate for California Attorney General in the June 3, 2014 Primary Election. Wyman for Attorney General 2014 was his candidate-controlled committee. James M. O'Hearn is the Committee's

treasurer. The Committee and O’Hearn failed to meet the recordkeeping requirements of the Act, in violation of Government Code Section 84104 and Regulation 18401 (1 count); failed to timely report certain subvendor payments on a campaign statement, in violation of Government Code Sections 84303 and 84211, subdivision (k)(6) (1 count); failed to timely file two semiannual campaign statements, in violation of Section 84200, subdivision (a) (1 count); and failed to timely file two 24-Hour Reports, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$15,000.**

General Items 16-26

16. Prenotice Discussion of Proposed Repeal and Adoption of Regulation 18707 Disclosure Requirements. Staff: Dave Bainbridge, General Counsel; Karen Harrison, Senior Commission Counsel, Legal Division. Staff proposes to reorganize Regulation 18707 and, substantively, to provide a clear rule concerning disclosure of financial interests by public officials in instances of partial absence from a public meeting. The proposed changes are presented for discussion and direction by the Commission and will be presented for adoption at a subsequent meeting.

Staff Memo

Proposed Repeal of Regulation 18707 Proposed Adoption of Regulation 18707

17. Amendment of Regulation 18419. Staff: Dave Bainbridge, General Counsel and Zachary W. Norton, Senior Counsel, Legal Division. Staff proposes amendments to Regulation 18419 regarding sponsored committees to clarify when a person qualifies as a committee sponsor. The proposed amendments were presented for discussion and direction at the August 2019 meeting, and are now presented for adoption.

Staff Memo

Amendments to Regulation 18419

18. Approval of Commissioner Compensation Request. Staff: Loressa Hon, Chief of Administration. Consideration of Commissioner’s requests for compensation exceeding 40 hours in a calendar month as required by the Commission’s Compensation and Reimbursement Policy.

Staff Memo

19. Update on Digital Transparency Task Force. Chair Miadich and Commissioner Hayward.

20. Legislative Development. Staff: Phillip Ung, Director, Legislative and External Affairs. The Commission will review and discuss memorandums provided by the Legislative Director on Commission sponsored legislation and other PRA related legislation, if any. The Commission may provide direction on sponsored legislation and other PRA related legislation. The Commission may direct staff to amend bill proposals and provide additional updates.

Legislative Update

21. Committee Updates.

Law and Policy Committee Update.

Budget and Staffing Committee Update.

- 22. Advice Letter Report and Commission Review.** Staff: Dave Bainbridge, General Counsel and Brian Lau, Assistant General Counsel. The Commission may review and discuss advice letters that have been issued since the February Executive Staff Report. The Commission may act to withdraw the advice provided.

Advice Letter Report

23. Executive Staff Reports.

Enforcement Division. Galena West, Chief of Enforcement

Legal Division. David Bainbridge, General Counsel

Administration & Technology Division, Loressa Hon, Chief of Administration

Executive Director Update, Thomas Jones

Executive Staff Report

- 24. Closed Session. Pending Litigation (Gov. Code § 11126(e)(1).)** Request for Authority to File a Civil Complaint: In the Matter of Friends of Joe Aguirre for Delano City Council 2014 and Joe Aguirre; FPPC No. 17/193.

(Executive Director Memo released pursuant to Government Code Section 11125.1.

However, under Government Code Section 11126(e)(1), request will be considered in closed session in consultation with the Commission's counsel).

- 25. Closed Session. Administrative Adjudication (Gov. Code § 11126(c)(3).)** Consideration of Proposed decision of Administrative Law Judge, In the matter of G. Rick Marshall and G. Rick Marshall for School Board 2015, FPPC No. 15/2013, OAH No. 2019060256.

ALJ's Proposed Decision, January 7, 2020

Enforcement's Brief in Support of the Proposed Decision

26. Commissioner Comments and Proposed Future Agenda Items.

Note: Although any Commissioner may identify a topic of interest, the Commission may not substantially discuss or take action on any matter raised during the meeting that is not included on this agenda, except to decide to place the matter on the agenda of a future meeting. (Government Code Sections 11125 & 11125.7(a).)