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27 June 2014

Ms. Hyla Wagner, Senior Staff Counsel  
Fair Political Practices Commission  
428 J Street, Sixth Floor  
Sacramento, CA 95814

RE: SB 27 Proposed Regulations

Dear Ms. Wagner,

The following comments are based on my oral comments made at the interested persons meeting of 17 June. My comments specifically focus on Regulation 18422.5, subdivision (a)(1) and the use of electronic mail for the filing of disclosure documents. These comments would be pertinent however for any disclosure process designed by the Commission that relies on e-mail as a delivery method.

The use of e-mail for the filing of disclosure documents is an inadequate and insecure process. Compared to traditional paper filing, it provides no benefit to the public, and provides no benefit to the regulated community. It only provides a benefit to the FPPC, which saves the small labor cost of scanning paper filing documents.

Use of paper filing is actually superior from the filer's perspective, since delivery confirmation is guaranteed when using US mail, courier service, or fax.

To specifically enumerate the shortcomings of using e-mail for disclosure reporting:

- There is no authentication of the source of the filing. It is trivially easy to alter e-mail header information to make an e-mail appear to be sent from any source or sender.
- Without human review, there is no way to determine if the content of the e-mail message is valid and meets the requirements for disclosure.
- Without human review, there is no way to determine if valid content is complete (e.g. you are sent a "Top 5" list, instead of a "Top 10" list).
- Without human review, it is impossible to determine if a filing is a duplication of a previous submission.
- Without human review, there is no confirmation sent to the filer that the filing was received and accepted.
- Without human review, there is no possibility of automatically displaying the content of a filing to the public

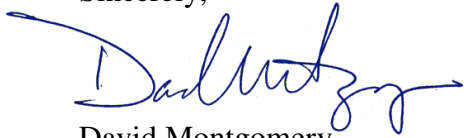
Even accepting these shortcomings, once the filing is reviewed and accepted, ***the filing can only be displayed like a picture to the public***. Until a person goes through the manual process of transcribing and collating the content of the information contained in the filing, there can be no analysis of its content!

While it is common knowledge that the Commission and the Secretary of State have insufficient resources to implement any proper e-filing systems for newly created disclosure forms in the near future, it should be publicly confirmed by the Commission that using e-mail for disclosure purposes is only a short-term solution adopted out of necessity, and that the Commission will take reasonable steps in the future to provide adequate reporting mechanisms commensurate with the technical stature of the State of California.

In the meantime, our company publicly offered at the interested persons meeting to create for the Commission e-filing specifications for any new FPPC forms created as part of this rulemaking ***at no cost*** in preparation for proper e-filing of these forms at some later date. As you may be aware, NetFile previously designed an e-filing specification for the Form 501 in partnership with the Secretary of State for use as the filing of record (per AB 2452) in our local e-filing jurisdictions.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Montgomery", with a long horizontal flourish extending to the right.

David Montgomery  
President, NetFile