



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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# EXECUTIVE STAFF REPORTS

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*March 19, 2020 Commission Hearing*

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# I. ENFORCEMENT DIVISION

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STAFF: GALENA WEST, CHIEF OF ENFORCEMENT

## I. Overview

During the period of February 1, 2020 through February 29, 2020 the Enforcement Division received 190 complaints, opened 78 for investigation, and rejected 69. The Enforcement Division received 99 referrals during this time. The Enforcement Division closed a total of 102 cases including:

- 47 warning letters – campaign violations (20), lobbying violations (7), and statement of economic interests violations (20);
- 25 no action closure letters alleging - campaign violations (14), advertising violations (1), and statement of economic interests violations (10); and
- 30 approved stipulations from the January Commission meeting.

The Division had 1,791 cases in various stages of resolution at the time of the February Monthly Report and currently has approximately 1,863 cases in various stages of resolution, including the 29 cases before the Commission as listed in the March Agenda.

## II. Annual Statistics

On the next page, you will find a chart that details the annual statistics for enforcement complaints, referrals and cases. This chart includes the data from 2019, where Enforcement had a highly efficient and effective year, receiving almost 2,700 complaints and referrals and closing 1,031 cases with violations found. The information in the chart has been gathered from public reports, information from the defunct and inactive database, and data that has been converted into current form, so the numbers are close estimates in some instances.

	<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
1	Complaints Received	1,180	564	1,352	744
2	Referrals Received	350	1,616	1,529	1,950
3	Total Complaint and Referrals Received	1,530	2,180	2,881	2,694
4	Cases opened	1,315	1,480	1,561	1,820
5	Cases closed <sup>3</sup>	1,803	1,477	1,243	1,465
6	Cases with resolutions approved by the Commission <sup>1</sup>	311	340	235	343
	a Streamline cases approved by Commission	234	262	173	263
	b Mainline cases approved by Commission	70	66	56	73
	c Default cases approved by Commission	7	12	6	7
7	Total fines imposed by the Commission	\$894,257	\$1,126,933	\$499,606	\$797,384
8	Warning letters issued	489	505	554	584
9	Administrative terminations	668	297	177	104
10	Cases closed with violations found <sup>2</sup>	1,468	1,142	966	1,031
11	Advisory letters issued	14	17	20	9
12	No action closure letters	321	318	252	423

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<sup>1</sup> Total for lines 6a, 6b, and 6c.

<sup>2</sup> Total for lines 6, 8, and 9.

<sup>3</sup> Total cases closed includes Commission approved cases from the previous year and a Commission approved administrative judgement. It does not include Commission approved cases not yet closed.

### III. Unexecuted Streamline Stipulations

Streamline penalty stipulations are approved by the Chief of Enforcement and reported to the Commission for discussion only before they are executed. The following streamline stipulations are presented for that purpose. After the close of the hearing, the Chief of Enforcement may execute all or any of the streamline penalty stipulations, at her discretion per Regulation 18360.2.

#### Advertisements

**In the Matter of Committee for Yes on C and Michael Ellerin; FPPC No. 19/539.** Staff:

Megan A. Van Arsdale, Commission Counsel and Alethea Perez, Special Investigator.

Committee for Yes on C is a local primarily formed ballot measure committee. Michael Ellerin is the Committee's treasurer. The Committee and Ellerin failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count); failed to timely report subvendor payments on a pre-election campaign statement, in violation of Government Code Sections 84211 and 84303 (1 count); and failed to include the proper advertisement disclosures on the Committee's website and yard sign advertisements, in violation of Government Code Sections 84502 and 84504.2 (3 counts). **Total Proposed Penalty: \$742.**

#### Campaign Late Filer

**In the Matter of Hart District Teachers Small Contributor Committee and Wade Williams; FPPC No. 17/286.** Staff: Ruth Yang, Commission Counsel. Hart District Teachers Small

Contributor Committee is a local general purpose committee. Wade Williams was the Committee's treasurer at the time of the violations. The Committee and Williams failed to timely file six semiannual campaign statements, in violation of Government Code Section 84200 (6 counts). **Total Proposed Penalty: \$1,306.**

**In the Matter of Quality Schools for Pierce Students, Yes on Measure B and Daena Meras; FPPC No. 19/1693.** Staff: Galena West, Chief of Enforcement and Tara Stock, Intake Manager.

Quality Schools for Pierce Students, Yes on Measure B was a local primarily formed committee supporting Measure B, which was approved by Colusa County voters at the November 8, 2016 General Election. Daena Meras was the Committee's treasurer. The Committee and Meras failed to timely file three semiannual campaign statements, in violation of Government Code Section 84200 (3 counts). **Total Proposed Penalty: \$669.**

**In the Matter of Jazmin Lopez for Valley County Water District Board Member 2018, Jazmin Lopez, and Yvette Davis; FPPC No. 18/1469.** Staff: Galena West, Chief of

Enforcement and Tara Stock, Intake Manager. Jazmin Lopez was a successful candidate for Valley County Water District Board in the November 6, 2018 General Election. Jazmin Lopez for Valley County Water District Board Member 2018 was her candidate-controlled committee. Yvette Davis was the Committee's treasurer. The Committee, Lopez, and Davis failed to timely file a semiannual campaign statement, in violation of Government Code Section 84200 (1 count), and a pre-election campaign statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$667.**

**In the Matter of Liberty Mutual Insurance Company – PAC, Laurence Yahia, and Melissa A. Cyr; FPPC No. 19/670.** Staff: Galena West, Chief of Enforcement and Dominika Wojenska, Associate Governmental Program Analyst. This matter arose from an audit performed by the Franchise Tax Board’s Political Reform Audit Program. The respondents were represented by Adrienne Olson of Steptoe & Johnson LLP. Liberty Mutual Insurance Company – PAC is a state general purpose committee. Laurence Yahia was the Committee’s treasurer until July 25, 2017. Melissa A. Cyr is the Committee’s current treasurer. The Committee, Yahia, and Cyr failed to timely file two semiannual campaign statements, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$505.**

**In the Matter of Hakan Jackson for Riverside County Treasurer – Tax Collector 2018 and Hakan Jackson; FPPC No. 18/636.** Staff: Galena West, Chief of Enforcement and Dominika Wojenska, Associate Governmental Program Analyst. Hakan Jackson was an unsuccessful candidate for Riverside County Treasurer-Tax Collector in the June 5, 2018 Primary Election. Hakan Jackson for Riverside County Treasurer – Tax Collector 2018 is his candidate-controlled committee. The Committee and Jackson failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts). **Total Proposed Penalty: \$457.**

**In the Matter of Richard DeLaRosa; FPPC No. 18/1301.** Staff: Jenna C. Rinehart, Commission Counsel. Richard DeLaRosa, former Mayor of Colton, failed to timely file an Officeholder Campaign Statement for 2018, in violation of Government Code Section 84206 (1 count). **Total Proposed Penalty: \$200.**

### **Campaign Late Reporter**

**In the Matter of Raul Campillo for City Council District 7 2020, Raul Campillo, and Taryn Vogel; FPPC No. 19/1623.** Staff: Galena West, Chief of Enforcement and Chloe Hackert, Political Reform Consultant. Raul Campillo is a candidate for City Councilmember of Los Angeles in the March 3, 2020 Primary Election. Raul Campillo for City Council District 7 2020 is his candidate-controlled committee. Taryn Vogel is the Committee’s treasurer. The Committee, Campillo, and Vogel failed to timely disclose contributor information on a semiannual campaign statement, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$172.**

### **Lobbying**

**In the Matter of Shasta Growers LLC; FPPC No. 19/1799.** Staff: Galena West, Chief of Enforcement and Chloe Hackert, Political Reform Consultant. The respondent was represented by Tim McMahon of Riggerberg Law Firm. Shasta Growers LLC, a lobbyist employer, failed to timely file two lobbyist employer quarterly reports, in violation of Government Code Section 86117 (2 counts). **Total Proposed Penalty: \$650.**

**In the Matter of Walnut LLC; FPPC No. 19/1801.** Staff: Galena West, Chief of Enforcement and Chloe Hackert, Political Reform Consultant. Walnut LLC, as a lobbyist employer, failed to timely file a lobbyist employer report, in violation of Government Code Section 86117 (1 count). **Total Proposed Penalty: \$400.**

#### **Statement of Economic Interests Late Filer**

**In the Matter of Daniel St. John; FPPC No. 19/694.** Staff: Galena West, Chief of Enforcement and Cheng Saetern, Assistant Political Reform Consultant. Daniel St. John, a Board Member for Southern Marin Fire Protection District, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**In the Matter of Dave Wilderotter; FPPC No. 19/709.** Staff: Galena West, Chief of Enforcement and Cheng Saetern, Assistant Political Reform Consultant Cheng Saetern. Dave Wilderotter, a committee member for Capital Projects Advisory Committee, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

#### **Statement of Economic Interests Late Reporter**

**In the Matter of Jay Schenirer; FPPC No. 18/1518.** Staff: Jenna C. Rinehart, Commission Counsel and Teri Rindahl, Political Reform Consultant. Jay Schenirer, a Sacramento City Councilmember, failed to timely report his spouse's income on his 2014, 2015, 2016, and 2017 Annual Statements of Economic Interest, in violation of Government Code Section 87207 (4 counts). **Total Proposed Penalty: \$400.**

**In the Matter of Peter Mendoza; FPPC No. 19/1566.** Staff: Galena West, Chief of Enforcement and Tara Stock, Intake Manager. Peter Mendoza, a member of the California State Independent Living Council, failed to timely disclose two sources of income on his 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Proposed Penalty: \$200.**

**In the Matter of Lowell Hurst; FPPC No. 18/1513.** Staff: Megan A. Van Arsdale, Commission Counsel. Lowell Hurst, a Watsonville City Councilmember, failed to timely disclose a gift of travel to China from the Chinese Government on his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87207 (1 count). **Total Proposed Penalty: \$100.**

**In the Matter of David Spaur; FPPC No. 18/1516.** Staff: Megan A. Van Arsdale, Commission Counsel. David Spaur, as a Monterey County Economic Development Department Executive Director, failed to timely disclose a gift of travel to China from the Chinese Government on his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$100.**

## II. LEGAL DIVISION

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STAFF: DAVID BAINBRIDGE, GENERAL COUNSEL

### A. Pending Litigation

*California State Association of Counties and California School Boards Association v. FPPC*  
Los Angeles County Superior Court, Central District, Case No. BS174653

On September 11, 2018, petitioners served a first amended petition for writ of mandate and complaint for declaratory relief. Petitioners allege that Regulations 18420.1 and 18901.1 are invalid as a matter of law, that the Commission has exceeded its jurisdiction in adopting these Regulations, and that the Regulations are unenforceable.

The Attorney General's Office is representing the Commission and timely filed an answer to the petition/complaint. On March 4, 2019, the Commission filed a Motion for Judgment on the Pleadings.

On March 29, 2019, the Commission's Motion for Judgment on the Pleadings was granted with leave to amend. The court vacated all hearing dates and set a new trial setting conference. Plaintiffs timely filed a Second Amended Complaint (SAC) on June 27, 2019.

The Commission filed a demurrer and the hearing occurred on November 22, 2019. In its ruling, the court: (1) sustained the demurrer to the first cause of action without leave to amend; (2) sustained the demurrer with leave to amend on plaintiff CSBA's standing on all cause of action and plaintiff CSAC's standing on all causes of actions challenging Regulation 18901.1; and (3) overruled the remaining grounds for demurrer. Plaintiffs have filed a third amended complaint and a response is due on or before March 19, 2020. The trial setting conference is scheduled for April 3, 2020.

*Howard Jarvis Taxpayers Association, et al. v. Edmund Brown, et al.*  
Court of Appeal, Third Appellate District, Case No. C086334

On December 12, 2016, the Howard Jarvis Taxpayers Association and retired State Senator and Judge Quentin L. Kopp filed a lawsuit against Governor Brown and the Commission to invalidate a new law that would allow public funds to be used for political campaigning. In September of 2016, the Governor signed Senate Bill No. 1107 which authorizes the use of public funds to finance campaigns if a jurisdiction adopts a law or ordinance creating a public financing program. Plaintiffs alleged the new law improperly eliminates the prohibition against public financing of campaigns, implemented pursuant to Proposition 73 in 1988, because it was done without voter approval. In addition, plaintiffs alleged that the new law violates the Political Reform Act because it does not "further the purposes of the Act," an express requirement in the Act for legislative amendment.

The Superior Court issued a ruling, on August 23, 2017, declaring the amendments in Senate Bill No. 1107 to Government Code section 85300 void and of no legal effect, and issuing an injunction restraining the FPPC from enforcing those amendments. On August 26, 2019, the Court of Appeal affirmed the Superior Court's order invalidating SB 1107. The parties' tentative settlement on plaintiffs' claims for attorney's fees and costs is subject to court approval.

### **B. Outreach and Training**

- Political Reform Consultant, Katie Trumbly, presented a Form 700 Filers workshop for CALSTRS on February 4th. Fifteen people attended.
- Staff Services Manager, Alana Jeydel, presented a second Form 700 Filers workshop for CALSTRS on February 5th. Fifteen people attended.
- Political Reform Consultant, Alexandra Castillo, presented a Form 700 filers outreach via webinar to the State Center Community College District, on February 7th.
- Political Reform Consultant, Alexandra Castillo, presented a combination Filing Officer workshop to the City Clerks Association, Inland Empire, Region 6, in Rancho Cucamonga, on February 11th. Eighty people attended.
- Political Reform Consultant, Katie Trumbly, presented a Form 700 Filer training to the CA High Speed Rail Authority in Sacramento, on February 12th. Approximately 70 people were in attendance either in person or via live stream.
- Staff Services Manager, Alana Jeydel, and Political Reform Consultant, Stephen Hernandez, conducted a Form 700 filer workshop here at the FPPC on February 19th. Four people attended.
- Video Tutorials: Commission video tutorials were accessed a total of 583 times in February. Form 700 videos were accessed 400 times, the Candidate/Treasurer video was accessed 103 times, and the filing officer videos were accessed 96 times.

### **C. Advice**

In February 2020, the Legal Division responded to the following requests for advice:

- ***Education Program:*** The Education Program responded to 870 requests for technical assistance via phone.
- ***Requests for Advice:*** The Email Advice and Conflict of Interest Code Program and Legal Division attorneys collectively responded to more than 897 e-mail and telephone requests for advice, 38 of which were not responded to within 24 hours.



- **Advice Letters:** The Legal Division received 13 advice letter requests under the Political Reform Act and completed 17.
- **Section 1090 Letters:** The Legal Division received eight advice letter requests concerning Section 1090 and completed two letters. This year to date, we have received 10 advice requests regarding Section 1090.

#### **D. Miscellaneous Decisions**

None to report.

#### **E. Potential Upcoming Regulations**

*April 16<sup>th</sup>, 2020*

- Minor and Technical Clean-Up Regulations. (Prenotice discussion.)
- Public Participation in Commission Meetings: Provide rules and guidelines for participation by the public in Commission meetings. (Adoption.)
- Over the Limit Contributions (Regulation 18531): Amend the existing regulation to allow return of over the limit contributions that have been deposited in a campaign account within a certain period. (Adoption.)

*May 21<sup>st</sup>, 2020*

- Recusal Process (Regulation 18707): Amend the existing regulation to ensure an official prohibited from participating on an item at a public meeting due to a financial conflict of interest adequately identifies the interest requiring recusal on the record. (Adoption.)
- Limited Liability Companies: New regulation requiring disclosure of individual(s) associated with Limited Liability Companies that make contributions. (Adoption.)

*June 18<sup>th</sup>, 2020*

- Minor and Technical Clean-Up Regulations. (Adoption.)
- Enforcement Proceedings (Regulations 18360, 18361.4, 18361.5, 18361.9, 18404.2): Various changes to Enforcement proceedings and practices including updating and clarifying the process for Enforcement complaints, probable cause proceedings, administrative hearings, adoption of proposed decisions by an administrative law judge, and administrative termination. (Prenotice Discussion.)

## F. Conflict of Interest Codes

### Adoptions and Amendments

#### *State Agency Conflict of Interest Codes*

- CA Cannabis Control Appeals Board
- Department of State Hospitals
- Department of Technology

#### *Multi-County Agency Conflict of Interest Codes*

- Golden Valley Charter Schools
- John Adams Academy
- Marysville Joint Unified School District

### Exemptions

- None to report.

### Extensions

- None to report.

## G. Probable Cause Hearings

*Please note, a finding of probable cause does not constitute a finding that a violation has occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proven in a subsequent proceeding.*

*The following matters were decided based solely on the papers. The respondents did not request a probable cause hearing.*

1. ***In the Matter of James Argyropoulos dba West Coast Investors, FPPC No. 17/01461.*** On February 26, 2020, probable cause was found to believe Respondent committed the following violations of the Act:

Count 1: James Argyropoulos, doing business as West Coast Investors, failed to timely file a semi-annual campaign statement for the reporting period of July 1, 2016 through December 31, 2016, due on January 31, 2017, in violation of Government Code Section 84200.

Count 2: James Argyropoulos, doing business as West Coast Investors, failed to timely file a 24-hour contribution report for a \$10,000 monetary contribution made on or before

October 17, 2016, due on or before October 18, 2016, in violation of Government Code Section 84203.

2. ***In the Matter of Gabrielle Dolphin, FPPC No. 18/1423.*** On February 26, 2020, probable cause was found to believe Respondent committed the following violations of the Act:

Count 1: Respondent failed to timely file a 24-hour independent expenditure report for a late independent expenditure in the amount of \$1,284 made on October 18, 2018, in violation of Section 84204.

Count 2: Respondent failed to timely file a 24-hour independent expenditure report for a late independent expenditure in the amount of \$1,284 made on November 1, 2018, in violation of Section 84204.

Count 3: Respondent failed to print the language “Paid for by” and disclose the name of the Committee on a print advertisement, in violation of Section 84502.

Count 4: Respondent failed to print the language “Paid for by” and disclose the name of the Committee on a print advertisement, in violation of Section 84502.

## III. ADMINISTRATION & TECHNOLOGY DIVISION

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STAFF: LORESSA HON, CHIEF OF ADMINISTRATION

### **New Employee Report**

#### **Legal Division (Education Unit)**

Silvia Riveros, Staff Services Analyst

Adam Ramirez, Political Reform Consultant