



EXECUTIVE STAFF REPORTS

August 17, 2023, Commission Hearing

CONTENTS

EXECUTIVE STAFF REPORTS.....	1
CONTENTS.....	1
I. ENFORCEMENT DIVISION.....	3
A. Overview.....	3
B. Annual Statistics.....	3
C. 2022-2023 Quarterly Caseload Summary.....	5
D. Presentations.....	5
E. Unexecuted Streamline Stipulations.....	5
II. AUDIT DIVISION.....	8
A. Overview.....	8
B. Current Period Updates.....	8
C. Current Period Updates.....	9
III. LEGAL DIVISION.....	10
A. Pending Litigation.....	10
B. Outreach and Training.....	10
C. New and Updated Educational Resources.....	11
D. Political Reform Education Program (PREP):.....	11
E. Advice.....	11
F. Miscellaneous Decisions.....	12
G. Upcoming Regulation Projects.....	12
H. Conflict of Interest Codes.....	13
I. Probable Cause Proceedings.....	14

IV. ADMINISTRATION & TECHNOLOGY DIVISION..... 16

 A. New Employee Report 16

 B. Statement of Economic Interest (Form 700) 16

I. ENFORCEMENT DIVISION

STAFF: CHRISTOPHER B. BURTON, ACTING CHIEF OF ENFORCEMENT

A. Overview

During the period of June 1, 2023, through July 31, 2023 the Enforcement Division received the following complaints and referrals:

	Sworn	Proactive/Informal	Referrals
Number Received	48	48	265

During the same period, more time to respond beyond the 14-day statutory period was needed for approximately 25¹ sworn complaints.

Additionally, the Enforcement Division opened 136 cases from complaints and referrals received, rejected 258 complaints and referrals, and closed a total of 218 cases including:

- 149 warning letters – advertisement violations (8), behested payment violations (2), campaign violations (29), lobbying reporting violation (1), statement of economic interests violations (109);
- 10 no action closure letters: PREP completed – statement of economic interests violations;
- 31 no action closure letters alleging – advertisement violations (3), campaign violations (9), conflict of interest violations (4), gift violations (5), and statement of economic interests violations (10);
- 8 approved stipulations from the June Commission meeting; and
- 20 committees were administratively terminated.

The Division had 1,307 cases in various stages of resolution at the time of the June Monthly Report and currently has approximately 1,224 cases in various stages of resolution, including the 7 cases before the Commission as listed in the August Agenda.

B. Annual Statistics

On the next page, you will find a chart that details the annual statistics for enforcement complaints, referrals and cases. This chart shows a significant increase in complaints and referrals received in 2022 compared to past years. 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.

¹ This figure includes 5 sworn complaints received in May 2023.

	Year	2018	2019	2020	2021	2022
1	Complaints Received	1,352	744	1,390	606	1,379
2	Referrals Received	1,529	1,950	1,518	1,751	1,724
3	Total Complaint and Referrals Received	2,881	2,694	2,908	2,357	3,103
4	Cases opened	1,561	1,820	1,155	1,185	990
5	Cases closed ³	1,243	1,465	1,526	1,058	1,075
6	Cases with penalties ²	235	343	278	269	161
	a Streamline cases	173	263	194	234	142
	b Mainline cases	56	73	77	32	14
	c Default cases	6	7	7	3	5
7	Total fines imposed	\$499,606	\$797,384	\$1,940,107	\$472,248	\$617,548
8	Warning letters issued	554	584	777	475	681
9	Administrative terminations	177	104	62	59	53
10	Cases closed with violations found ³	966	1,031	1,117	803	895
11	Advisory letters issued	20	9	7	16	8
12	No action closure letters	252	423	402	237	217

² Total for lines 6a, 6b, and 6c.

³ Total for lines 6, 8, and 9.

³ Total cases closed includes Commission approved cases from the previous year and Commission approved administrative judgements. It does not include Commission approved cases not yet closed.

C. 2022-2023 Quarterly Caseload Summary

	September 2022	December 2022	March 2023	June 2023	Difference in Existing Caseload Overall
2016	5	3	3	0	-5
2017	7	5	5	2	-5
2018	119	89	68	56	-63
2019	223	195	166	125	-98
2020	322	301	269	234	-88
2021	425	382	346	298	-127
2022	338	440	365	329	-9

D. Presentations

None to report.

E. 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 the Chief's discretion per Regulation 18360.2.

Since the last Monthly Report, the Enforcement Chief has not used discretion to increase the penalties for Tier Two advertising violations resulting in public confusion, under Regulation 18360.3(d)(7)(B)(i)(b), or to increase the penalties for Tier Two violations involving the same candidate, committee, or principal officer who has paid a Tier One penalty to the Commission or received a Warning Letter from the Commission for the same type of violation occurring within the last five years, based on the resulting public harm.

The Enforcement Chief used discretion under Regulation 18360.3 to include violations in the following streamline cases presented with this report: In the Matter of Yes on L - Oceansiders for Jobs, Health, and Safety, a coalition of Farmers, Firefighters, Business Leaders & Affordable Housing Advocates, sponsored by The NRF Project Owner, and Nancy Haley; FPPC No. 20/873 [The Chief of Enforcement may include or exclude any filer from receiving a Tier Two streamline penalty based upon mitigating or aggravating circumstances and the totality of the circumstances, including situations where an exclusion may apply.]

Advertisements

[In the Matter of Yes on L - Oceansiders for Jobs, Health, and Safety, a coalition of Farmers, Firefighters, Business Leaders & Affordable Housing Advocates, sponsored by The NRF Project Owner, and Nancy Haley; FPPC No. 20/873.](#) Staff: Alex Rose, Commission Counsel. The respondents are represented by Ash Pirayou. Yes on L - Oceansiders for Jobs, Health, and Safety, a coalition of Farmers, Firefighters, Business Leaders & Affordable Housing Advocates, sponsored by The NRF Project Owner is a local primarily formed committee. Nancy Haley is the committee's principal officer and treasurer. The Committee and Haley failed to include the proper advertising disclosures on text messages distributed prior to the November 3, 2020 General Election, in violation of Government Code Sections 84503 and 84504.7 (2 counts). **Total Penalty: \$894 (Tier Two).**

Campaign Late Filer

[In the Matter of Cathi Eredia for EMCSB Board 2015, Cathi Eredia for City Clerk 2018, and Cathi Eredia; FPPC No. 18/972.](#) Staff: Marissa Corona, Commission Counsel. Cathi Eredia was a successful candidate for the City of El Monte City Clerk in the November 6, 2018 General Election. Cathi Eredia for City Clerk 2018 was Eredia's candidate-controlled committee. Cathi Eredia served as the Committee's treasurer. The Committee and Eredia failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts), failed to timely file two 24-hour contribution reports, in violation of Government Code Section 84203 (2 counts), and failed to timely report \$8,214 in contributions on a semi-annual campaign statement, in violation of Government Code Section 84211 (1 count). **Total Penalty: \$1,650 (Tiers One & Two).**

[In the Matter of Committee to Elect Mario A. Martinez, Jr. San Bernardino County Superior Court Judge 2022, Mario Martinez, Jr., and Anthony Flores; FPPC No. 23/499.](#) Staff: Christopher B. Burton, Acting Chief of Enforcement and Tara Stock, Intake Manager. Mario A. Martinez, Jr. was an unsuccessful candidate for San Bernardino County Superior Court Judge in the June 7, 2022 Primary Election. Committee to Elect Mario A. Martinez, Jr. San Bernardino County Superior Court Judge 2022 is Martinez's candidate-controlled committee. Anthony Flores served as the Committee's treasurer. The Committee, Martinez, and Flores failed to timely file six 24-hour contribution reports, in violation of Government Code Section 84203 (6 counts). **Total Penalty: \$1,557 (Tier One).**

[In the Matter of Ana Diaz for Roseland School Board 2022, Ana Diaz, and Lisset Rico Caballero; FPPC No. 23/174.](#) Staff: Christopher B. Burton, Acting Chief of Enforcement and Tara Stock, Intake Manager. Ana Diaz was a successful candidate for Roseland School Board in the November 8, 2022 General Election. Ana Diaz for Roseland School Board 2022 is Diaz's candidate-controlled committee. Lisset Rico Caballero served as the Committee's treasurer. The Committee, Diaz, and Rico Caballero failed to timely file a 24-hour contribution report, in violation of Government Code Section 84203 and 84203.3 (1 count). **Total Penalty: \$460 (Tier Two).**

Statement of Economic Interests Late Filer

In the Matter of Sid LaGrande; FPPC No. 23/294. Staff: Christopher B. Burton, Acting Chief of Enforcement and Ginny Brown, Political Reform Consultant. Sid LaGrande, Alternate Commissioner of the Rice Commission, failed to timely file an Assuming Office Statement of Economic Interests, in violation of Government Code Section 87202 (1 count). **Total Penalty: \$200 (Tier One).**

II. AUDIT DIVISION

STAFF: SHRDHA SHAH, CHIEF OF AUDITS

Audits are conducted per Government Code sections 90000 - 90008 of the Political Reform Act (the Act). The Act requires full disclosure of receipts and expenditures of candidates and committees and disclosure of the finances of lobbyists. The purpose of the audits is to determine the level of compliance of the auditees with the Act. The opinions expressed in the audit report reflect the level of compliance with the Act. The FPPC is not responsible for the contents of the candidate's documents. Audit reports are then submitted to the Enforcement Division for further review.

A. Overview

The audit reports prepared by the FPPC summarize findings with respect to the filer's conformity with the disclosure and recordkeeping requirements of the Political Reform Act. Copies of audit reports are always sent to the auditees and those included in the audit report (such as the prior treasurer, current treasurer and/or their representatives). These reports are public documents.

B. Current Period Updates

During the period of June 1, 2023, through July 31, 2023, the Audits and Assistance Division adopted 2 audit reports, one with findings and one with no findings. Currently the team has 33 audits in progress at various stages, including fieldwork, post-fieldwork, and quality review.

Details of the audit report adopted during the period are as follows:

1. Svonkin for Board of Equalization (ID#1382161)

- No findings noted.

2. Galgiani for State Board of Equalization 2018 (1393331)

- Findings noted are as follows:
 1. Contributions totaling \$28,702 were received after the 2018 Primary Election when the Committee had no net debt.
 2. Contributions received from 8 contributors exceeded the contribution limit by a total of \$11,548 for the Primary Election. Reported contributions received from one contributor on the filed campaign statements exceeded the contribution limit by \$1,250 for the Primary Election.

3. Contributions received from 7 contributors for the General Election totaling \$6,000 were not refunded.
4. On January 11, 2017, \$100,000 was transferred with attribution from the Galgiani for Senate 2016 ID# 1353849 committee (Senate 2016 Committee) to the Galgiani for Board of Equalization 2018 committee, approximately \$41,000 of the funds were not attributed to 26 contributors required to be itemized. Instead, contributions totaling approximately \$41,000 were attributed to 55 other contributors.
5. On December 31, 2017, \$320,000 was transferred with attribution from the Senate 2016 Committee to the Galgiani for Board of Equalization 2018 committee, funds totaling \$267,515 were not attributed to 69 contributors required to be itemized. Instead, contributions totaling \$307,475 were attributed 259 other contributors. As noted prior, funds were attributed to contributions totaling approximately \$41,000 when the prior \$100,000 transfer was received with attribution on January 11, 2017, instead of this \$320,000 subsequent transfer received on December 31, 2017.
6. Contributions transferred with attribution from the for Senate 2016 Committee did not include the date the contributions were originally received by the Galgiani for Senate 2016 committee on the Galgiani for State Board of Equalization 2018 committee campaign statements.
7. Expenditures were made after the Primary Election to individuals/consultants totaling \$23,000 that were discretionary expenses when the Committee had no net debt after the election. The payments were made with funds received after the date of the election that were in excess of the net debt of the Committee after the election.

C. Current Period Updates

The Audits and Assistance Division will provide a division update for the 07/01/2022 - 06/30/2023 fiscal year.

III. LEGAL DIVISION

STAFF: DAVE BAINBRIDGE, GENERAL COUNSEL

A. Pending Litigation

Family Business Association of California, et. al. v. FPPC, et. al., (Superior Court County of Sacramento, Case No. 34-2023-00335169-CU-MC-GDS). Plaintiffs filed a civil complaint on February 22nd in Sacramento County Superior Court seeking a court order: (1) declaring Government Code section 84308 as amended by SB 1439 (effective January 1, 2023) unconstitutional on grounds that it unlawfully amends the Political Reform Act and violates state and Federal right of free speech; and (2) enjoining the FPPC from enforcing Section 84308 on the same basis. The FPPC filed an answer on March 22nd. Both sides filed motions for judgment on the pleadings. On May 24th the court issued a tentative ruling denying plaintiffs' motion for judgment on the pleadings and granting the FPPC's motion for judgment on the pleadings. Plaintiffs did not request a hearing so the tentative ruling was adopted as the court's final decision in a judgment issued June 15th. Plaintiffs have 60 days from the date of the judgment to file an appeal.

B. Outreach and Training

Webinars & Workshops

June

- June 7, the FPPC hosted a Candidate/Treasurer webinar. Political Reform Consultants, Alexandra Castillo and Katie Trumbly, presented. 5 people attended.
- June 20, the FPPC hosted a Campaign Filing Officer webinar. Political Reform Consultants, Adam Ramirez and Alexandra Castillo, presented. 9 people attended.
- June 28, the FPPC presented a Candidate/Treasurer workshop requested by Whittier for Term Limits & Local Reform. Political Reform Consultant, Stephen Hernandez, presented. 19 people attended.

July

- July 11, the FPPC hosted a Campaign Filing Officer webinar. Education and External Affairs Unit Manager, Chloe Hackert, and Political Reform Consultant, Katie Trumbly, presented. 10 people attended.
- July 30, the FPPC hosted a Candidate/Treasurer Getting Started webinar. Political Reform Consultants, Alexandra Castillo and Stephen Hernandez, presented. 19 people attended.

Scheduled Webinars

- August 23, the FPPC is hosting a Candidate/Treasurer webinar.

- August 30, the FPPC is hosting a Behested Payments webinar.

Video Tutorials:

- June: Commission video tutorials were accessed a total of 390 times. Form 700 videos were accessed 250 times, the Candidate/Treasurer video was accessed 74 times, and the filing officer videos were accessed 66 times.
- July: Commission video tutorials were accessed a total of 385 times. Form 700 videos were accessed 203 times, the Candidate/Treasurer video was accessed 115 times, and the filing officer videos were accessed 67 times.

C. New and Updated Educational Resources

- [Updated Advertisement Disclosure Charts](#)
- [Pay-to-Play Limits and Prohibitions \(Section 84308\) Webpage](#)
- [Updated Quick Guide to Section 1090 Fact Sheet](#)
- [Updated Overview of Section 1090 and FPPC Advice Fact Sheet](#)
- [Updated Gift of Travel for a Public Purpose Paid for by a 501\(c\)\(3\) or Government Entity Fact Sheet](#)

D. Political Reform Education Program (PREP):

- In June, PREP received 11 referrals for the Statement of Economic Interests course. During this time, 4 learners completed PREP and 17 learners are enrolled but have not yet completed the course. One learner was withdrawn from PREP because we determined they did not violate the Act.
- In July, PREP received 10 referrals for the Statement of Economic Interests course. During this time, 5 learners completed PREP, 2 learners failed to complete PREP, and 20 learners are enrolled but have not yet completed the course.

E. Advice

The [June Advice Letter Report](#) is available on the FPPC website at <https://fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2023-advice-letter-reports.html>.

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

- **Education:** The Education unit responded to 250 requests for technical assistance via telephone.

- **Requests for Advice:** Political Reform Consultants and Legal Division attorneys collectively responded to 481 email requests for advice, 129 of which were not responded to within 24 hours and 50 of those were not responded to within 48 hours.
- **Advice Letters:** The Legal Division received 10 advice letter requests under the Political Reform Act and completed 14.
- **Section 1090 Letters:** The Legal Division received 5 advice letter request concerning Section 1090 and completed 4.

The [July Advice Letter Report](https://fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2023-advice-letter-reports.html) is available on the FPPC website at <https://fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2023-advice-letter-reports.html>.

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

- **Education:** The Education unit responded to 429 requests for technical assistance via telephone.
- **Requests for Advice:** Political Reform Consultants and Legal Division attorneys collectively responded to 537 email requests for advice, 129 of which were not responded to within 24 hours and 70 of those were not responded to within 48 hours.
- **Advice Letters:** The Legal Division received 8 advice letter requests under the Political Reform Act and completed 10.
- **Section 1090 Letters:** The Legal Division received 6 advice letter request concerning Section 1090 and completed 6. This year to date, we have received 43 advice requests regarding Section 1090.

F. Miscellaneous Decisions

None

G. Upcoming Regulation Projects

September

- Lobbying of CA Citizens Redistricting Commission – Clarify in regulation that attempting to influence members of the California Citizens Redistricting Commission can qualify as “lobbying” under the Act (Pre-notice)

October

- Contributions to candidates not appearing in a general election – Adopt a regulation detailing what a candidate-controlled committee may do with contributions for a general election when the candidate withdraws from the primary election or wins in the primary such that no general election is held. (Adoption)
- Collection of Enforcement Penalties – Adopt a regulation detailing the Enforcement penalty collection process and permitting the reduction and/or discharge of penalties in certain circumstances. (Adoption)

November

- Lobbying of CA Citizens Redistricting Commission – Clarify in regulation that attempting to influence members of the California Citizens Redistricting Commission can qualify as “lobbying” under the Act. (Adoption)

For more information on these regulation projects planned for 2023, go to

<https://www.fppc.ca.gov/the-law/fppc-regulations.html>.

H. Conflict of Interest Codes

Adoptions and Amendments

State Agencies

- Governor's Office of Business and Economic Development (GoBIZ)
- CA Coastal Commission
- CA Cultural and Historical Endowment
- Legislative Analyst's Office
- San Francisco Bay Conservation and Development Commission
- State Water Resources Control Board

Multi-County Agencies

- Henry Miller Reclamation District #2131
- Sage Oak Charter Schools
- Santa Ana Watershed Project Authority
- School Project for Utility Rate Reduction
- Southern CA Association of Governments
- Winters Cemetery District
- Area 4 Agency on Aging
- Inland Counties Emergency Medical Agency
- Panoche Financing Authority
- Paso Robles Joint Unified School District
- Peninsula Corridor Joint Powers Board
- Sacramento Area Flood Control Agency

- Sacramento Valley Basinwide Air Pollution Control Council
- Southern Humboldt Community Healthcare District
- Superior CA Economic Development District

Exemptions

- None

Extensions

- California-Mexico Border Relations Council
- Regional Solid Waste Working Group
- Carpet Stewardship Program Advisory Committee
- Governor's Military Council
- Mattress Stewardship Advisory Committee

I. Probable Cause Proceedings

Probable cause proceedings are conducted per Government Code section 83115.5. A finding of probable cause does not constitute a finding a violation occurred. Respondents are presumed innocent of any violation of the Act until a violation is proven in a subsequent proceeding.

In the Matter of Pham For Assembly 2018, Long Pham, Mary Pham, Case No. 2018-00569.

On June 22, 2023, based on papers submitted, probable cause was found to believe Respondents committed the following violations of the Act:

Count 1: The Committee, Long Pham and Mary Pham failed to timely file the Committee's pre-election campaign statement for the reporting period of January 1, 2018 to April 21, 2018, in violation of Section 84200.5, subdivision (a); and 84200.8, subdivision (a).

Count 2: The Committee, Long Pham and Mary Pham failed to timely file the Committee's pre-election campaign statement for the reporting period of April 22, 2018 to May 19, 2018, in violation of Section 84200.5, subdivision (a); and 84200.8, subdivision (b).

Count 3: The Committee, Long Pham and Mary Pham failed to timely file the Committee's semi-annual campaign statement for the reporting period of May 20, 2018 to June 30, 2018, in violation of Section 84200, subdivision (a).

Count 4: The Committee, Long Pham and Mary Pham failed to timely file a 24-hour contribution report for a contribution in the amount of \$2,000 received on June 4, 2018, in violation of Section 84203.

Count 5: The Committee, Long Pham, and Mary Pham failed to deposit approximately \$7,591 in contributions into the campaign bank account, in violation of Section 85201, subdivision (c) and (d).

- Count 6: The Committee, Long Pham and Mary Pham failed to pay approximately \$14,384 in expenditures from the designated campaign bank account, in violation of Section 85201, subdivisions (d) and (e).
- Count 7: For the reporting period of January 1, 2018 to April 21, 2018, the Committee, Long Pham and Mary Pham failed to maintain supporting records for contributions received and expenditures made, in violation of Section 84104.
- Count 8: For the reporting period of April 22, 2018 to May 19, 2018. the Committee, Long Pham and Mary Pham failed to maintain supporting records for contributions received and expenditures made, in violation of Section 84104.
- Count 9: For the reporting period of May 20, 2018 to June 30, 2018. the Committee, Long Pham and Mary Pham failed to maintain supporting records for contributions received and expenditures made, in violation of Government Code Section 84104.

In the Matter of Christine Salazar For School Board 2020, And Christine Salazar, Case No. 2020-00959. On July 7, 2023, based on papers submitted, probable cause was found to believe Respondents committed the following violations of the Act:

- Count 1: The Committee and Salazar failed to timely file a 24-hour contribution report to disclose a loan totaling \$1,100, received on August 20, 2020 by the August 21, 2020 due date, in violation of Government Code Section 84203.
- Count 2: Salazar failed to timely file a pre-election campaign statement for the reporting period of January 1, 2020 through September 19, 2020 by the September 24, 2020 due date, in violation of Government Code Section 84200.5.
- Count 3: The Committee and Salazar failed to timely file a pre-election campaign statement for the reporting period of September 20, 2020 through October 17, 2020 by the October 22, 2020 due date, in violation of Government Code Section 84200.5.
- Count 4: The Committee and Salazar failed to timely file a semiannual campaign statement for the reporting period of October 18, 2020 through December 31, 2020 by the February 1, 2021 due date, in violation of Government Code Section 84200.
- Count 5: The Committee and Salazar failed to timely file a semiannual campaign statement for the reporting period of January 1, 2021 through June 30, 2021 by the August 2, 2021 due date, in violation of Government Code Section 84200.
- Count 6: The Committee and Salazar failed to timely file a semiannual campaign statement for the reporting period of July 1, 2021 through December 31, 2021 by January 31, 2022 due date, in violation of Government Code Section 84200.
- Count 7: The Committee and Salazar failed to timely file a semiannual campaign statement for the reporting period of January 1, 2022 through June 30, 2022 by August 1, 2022 due date, in violation of Government Code Section 84200.
- Count 8: The Committee and Salazar failed to timely file a statement of organization amendment within 10 days of qualifying as a committee on October 15, 2020 by the October 25, 2020 deadline, in violation of Government Code Section 84103.

IV. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF OF ADMINISTRATION

A. New Employee Report

Enforcement Division

James M. Lindsay, Chief of Enforcement

B. Statement of Economic Interest (Form 700)

As of August 1, 2023, 550 persons out of 17,110 who were required under their state or local agency conflict of interest code to file a 2022/2023 Annual Form 700 have not timely done so.
