



STATE OF CALIFORNIA  
**FAIR POLITICAL PRACTICES COMMISSION**  
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**To: Chair Remke, Commissioners Casher, Eskovitz, Wasserman, and Wynne**  
**From: Gary Winuk, Chief of Enforcement**  
**Subject: Proactive Pre-Election Efforts for the November General Election**  
**Date: November 5, 2014**

### **Introduction**

The Enforcement Division continued its efforts to seek compliance with the Act before the election in certain key areas for the November General Election. Specifically, the Enforcement Division focused on ballot measure advertisement disclosure, pre-election campaign statements for candidates, pro-active review for large laundered contributions, and pre-election compliance audits. This resulted in significant additional compliance in the targeted areas. Two of the more significant pre-election actions are also detailed in two stipulated settlements on the November Commission Agenda.

### ***Ballot Measure Advertisements***

The Enforcement Division proactively reviewed every advertisement relating to State and local ballot measures throughout the state. In total, 172 State and local ballot measures from nine cities and all statewide ballot measure were examined. The Division was the catalyst for corrections to 19 advertisements relating to these ballot measures. All of these corrections resulted in increased availability of information about who was paying for these ballot measures being provided to voters before the election. Violations identified and corrected included: no disclosure at all; lack of contrasting background; and disclosure not displayed in required font or for required duration. One web advertisement series, in support of Proposition 47, contained no disclosure at all and resulted in the following case on the November agenda: In the Matter of Yes on Prop 47, Californians for Safe Neighborhoods and Schools, FPPC No. 14/1204.

### ***Pre-Election Non-filers***

In order to facilitate compliance with the Act's filing and reporting requirements the Enforcement Division proactively contacted each city with competitive elections, a population of 100,000 and without a local ethics commission, in order to identify pre-election non-filers. In total, the Division contacted 51 cities. The Enforcement Division intervened in sixteen (16) pre-election non-filer cases to achieve 100 percent compliance from every city that was contacted. In

one instance, the Enforcement Division initiated civil litigation to compel compliance with the Act. The candidate, who was running for City Council in the City of Roseville, complied immediately after the suit was filed, and provided disclosure before the election.

### ***Contributions Over the Limit***

The Enforcement Division for the first time used its investigative powers under AB 800 this election cycle. AB 800 was the legislation sponsored by the Commission that gave the FPPC the authority to initiate audits and investigations of candidate controlled committees prior to the election. In this case, the Division received a complaint regarding the campaign of a candidate for State Assembly who had received contributions that exceeded the contribution limit by \$40,900. An investigation was immediately initiated and the excess contribution was returned. This investigation resulted in the following case on the November agenda: In re In the Matter of David Hadley, David Hadley for Assembly 2014, and Kelly Lawler, FPPC No. 14/1201.

### ***Significant Laundered Contributions***

The Enforcement Division proactively reviewed all the State Ballot Measure committees for any large contributions that appeared to be from potentially anonymous sources. The Division staff inquired as to several large contributions and verified that they had been correctly reported. No violations of the Act were discovered.

### ***San Bernardino Contract***

In response to a request from the San Bernardino County Board of Supervisors, the Legislature passed AB 2146 in 2013, giving the FPPC authority to advise and enforce the San Bernardino County local campaign finance ordinance. The subsequent contract between San Bernardino County and the FPPC called for pre-election audits for every competitive campaign committee in order to ensure disclosure to the public and compliance with the Act.

Since the initiation of the contract, the Enforcement Division has proactively audited 18 campaign committees during both pre-election periods. These audits resulted in multiple violations being corrected, including illegal cash contributions being returned and the correction of multiple reporting errors on campaign statements.

### ***Complaint Rejection***

As the Commission is aware, the complaint process can be used by campaigns to file complaints against opposing candidates or ballot measure positions in an effort to bolster their own campaign. The Enforcement Division continues to address this issue by attempting to move swiftly to address complaints that have no merit. In this election, approximately 150 complaints were received, reviewed and rejected for lack of violation or evidence in the 60 days before the November General Election.

### ***Conclusion***

The 2014 November General Election pre-election proactive efforts resulted in increased compliance and disclosure. The Enforcement Division plans to continue these proactive efforts for future elections.