

# The FPPC Streamline Program: How it Works

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# Part Three: Eligibility by Violation- Ethics and Lobbying & Remaining Campaign





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# Part 3 will cover:

- Remaining Campaign Violations
  - Slate Mailer Organization Filing (SMO) Issues
  - Major Donor Notifications
  - Late Campaign Statements and Reports (Major Donor Filers)
  - Recurring Contributions
- Ethics and Lobbying Violations
  - Late Statements of Economic Interests (SEI)
  - Unreported Economic Interest(s) on a SEI
  - Late Lobbying Activity
  - Unreported Lobbying Activity
  - Gift Limit
  - Proper Recusal for a Conflict of Interest
  - Section 84308 – The Levine Act





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# Late Statements of Economic Interests (SEI)

- Every elected official and public employee who makes or influences governmental decisions is required to file.
  - Purpose: Transparency and accountability
  - Different types of filings
- Resolution Considerations:
  - What type of SEI was late filed
  - How many days was it late
  - If an undisclosed source had business before the filer's agency



# Late SEI – Hypo 1

- Harvey Dent, a Gotham City Council member, whose term is up on December 31, is required to file a leaving office SEI. The SEI is due 30 days from the leaving office date, January 30. The SEI was filed late on February 14, after the city councilmember left office, but before Enforcement contact. Dent has no prior Enforcement history.
- Resolution: Warning Letter



# Late SEI – Hypo 2

- Harvey Dent was elected for the first time in 2020 to the Gotham City Council. Dent's term expires in 2024. Dent failed to timely file the 2021 and 2022 Annual SEIs. Both were filed after Enforcement contact. Dent has no prior Enforcement history.
- Resolution: PREP or Tier 1 Penalty of \$400 (\$200 base penalty per statement)



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# SEI Late Reporting

- Must report all economic interests as required
  - Ex: gifts, income, investments, business positions etc.
- Purpose: disclose anything that could lead to a conflict of interest
- Resolution Considerations:
  - Information was reported elsewhere on the statement
  - If an undisclosed source had business before the filer's agency
  - The amount of the gift or income, if applicable



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# SEI Late Reporting – Hypo 1

- Harvey Dent, was recently elected for the first time to Gotham City Council. When filing his Assuming Office SEI, Dent failed to timely report an ownership interest of \$500 worth of stock in Wayne Enterprises on the correct schedule. Dent reported the stock interest as income, instead of reporting it as an investment/stock. On April 5, Dent amended the statement prior to Enforcement contact. Dent has no prior Enforcement history.
- Resolution: Warning Letter



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# SEI Late Reporting – Hypo 2

- Harvey Dent, Gotham City Council member, failed report \$500 worth of stock in Wayne Enterprises by the deadline for the Annual 2024 SEI filing, April 1. Dent amended the statement to include the stock after Enforcement contact.
- Resolution: PREP or Tier 1 penalty of \$100





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# Gift Limit

- Elected state officers, officers of a local government agency, candidates for state office, candidates for judicial office, candidate for elective office in a local government agency, individuals specified in section 87200, and designated employees of local government agencies, may not accept gifts from any single source totaling more than \$630 in a calendar year.
- Return or Reimburse
- Resolution Considerations:
  - Gift giver a named party or subject of governmental decision
  - Gift timely reported on SEI
  - Fair market value of the gift more than \$200 but less than \$1,000



# Gift Limit – Hypo 1

- Thomas Wayne is a councilmember on the Gotham City Council. A vendor that does business with the city provides two opera tickets to Martha Wayne, Thomas' spouse. Each tickets is valued at \$400 each. Thomas and Martha both attend the opera. The vendor has no history of doing business before the city council. When listing the tickets on his Annual SEI Thomas realizes that he had gone over the gift limit and sends the vendor a check for \$800, paying back the total fair market value of the tickets. Thomas then calls the Enforcement Division to self-report the violation.
- Resolution: Warning Letter



# Gift Limit – Hypo 2

- The Red Lotus is a luxury restaurant in downtown Gotham. After district attorney Harvey Dent completes a big case, he takes his associates out and offers to buy everyone dinner. The total cost of the meal is \$1,000. After the meal the owner of the Red Lotus shakes Harvey's hand, thanks him for the work he's doing for the city and says the meal is on the house. Harvey as an official listed in Government Code Section 87200 timely reports the comped dinner received at the Red Lotus on his Annual SEI. Lastly, the Red Lotus is not the subject of any governmental decisions before the District Attorney's Office.
- Resolution: Tier 2 penalty of \$800



# Proper Recusal for a Conflict of Interest

- If an official identified a conflict of interest regarding a governmental decision, did not take part in the decision, but failed to properly recuse themselves, the official may be eligible for a Streamline penalty.
- Proper recusal requires:
  - Public identification of the specific interest that gave rise to the conflict
  - AND**
  - Leave the room/meeting



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# Proper Recusal – Hypo

- Harvey Dent, Gotham City Council member, realized he had a conflict of interest in an item on the agenda. On the record, Dent stated “I have a conflict of interest on the agenda and will be recusing myself for that item.” Dent left the room before the item was voted on. The rest of the council voted on the item. Dent returned after the vote and the meeting continued. Dent disclosed the specific financial interest on the SEI and has no prior Enforcement history.
- Resolution: Tier 1 penalty of \$400





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# Late Lobbying Reports

- The Political Reform Act requires individuals, businesses and other organizations that make or receive payments to influence state government decisions – such as advocating for or against legislative bills and state agency regulations – to register as lobbyists and submit periodic reports of their lobbying activity.
- Lobbyists – Lobbying Firm – Lobbyist Employer – Lobbying Coalition – \$5,000 Filer – Placement Agent
- Resolution Consideration:
  - Lobbied without registering – Actively lobbied – Campaign contributions – Multiple reports
  - Activity on report less than \$5,000 – No history of not timely filing.
  - More than \$50,000 on report excluded from Tier 1, less than \$100,000 listed on report eligible for Tier 2.



# Late Lobbying Reports – Hypo 1

- Wayne Enterprises hires Lucius Fox as an in-house lobbyist for the 2023-2024 legislative session to lobby the Gotham Legislature to pass S.B. 123. Wayne Enterprises pays Lucius Fox \$3,000 per quarter to lobby. Wayne Enterprises fails to file their last quarterly report for the 2023-2024 legislative session. After Enforcement contact Wayne Enterprise files their missing quarterly report, showing they paid \$3,000 to Lucius Fox in the last quarter of 2024. There is no evidence that Lucius Fox actively lobbied the Gotham Legislature during the last quarter of 2024. Wayne Enterprises has no history of not timely filing lobbying reports.
- Resolution: Warning Letter



# Late Lobbying Reports – Hypo 2

- Wayne Enterprises hires Arkham Lobbying Firm for the 2023-2024 legislative session to lobby the Gotham Legislature to pass S.B. 123. Wayne Enterprises pays Arkham Lobbying Firm \$10,000 per quarter to lobby. Wayne Enterprises fails to file their last quarterly report for the 2023-2024 legislative session. After Enforcement contact Wayne Enterprises files their missing quarterly report, showing they paid \$10,000 to Arkham Lobbying Firm in the last quarter of 2024. Additionally, Arkham Lobbying Firm admits that they actively lobbied S.B. 123 in the last quarter of 2024.
- Resolution: Tier 2 penalty of \$1,000 (base penalty of \$800 + 2% of \$10,000 = \$1,000)



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# Unreported Lobbying Activity

- Lobbying entities file quarterly reports with the Secretary of State to disclose receipts and payments made in connection with lobbying activity.
- Resolution Considerations:
  - Total amount unreported less than \$5,000
  - Total amount unreported is greater than 20% of the activity required to be reported OR was greater than \$50,000
  - Total amount unreported not greater than \$100,000



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# Unreported Lobbying Activity – Hypo

- Alfred Pennyworth & Partners is a lobbying firm registered to lobby in the 2023-2024 legislative session. The firm's clients are Bane Capital, Wayne Enterprises, and Penguin Industries. Each entity pays Alfred Pennyworth & Partners \$6,000 per quarter to lobby against S.B. 123's passing. The firm timely files all quarterly reports but fails to include a payment made by Bane Capital on the fourth quarterly report of 2024.
- Resolution: Tier 2 penalty of \$720 (base penalty \$600 + 2% of \$6,000 = \$720)



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# Slate Mailer Organizations (“SMO”) Filing

- Slate Mailer Defined:
  - a mass mailing that supports/opposes 4 or more candidates or ballot measures
- Slate Mailer Organization:
  - A person who directly/indirectly does the following:
    - Is involved in the production of 1 or more of the mailers and exercises control over what candidates/ballot measure are in the mailer
  - AND**
  - Receives or is promised payments of \$500 or more per calendar year to produce the mailers



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# Slate Mailer Organizations (“SMO”) Filing

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## The “A” Team

*A guide to take to the polls*



Jameela Rahal  
Mayor



Pat O'Doul\*  
City Council



Tiffany Ruiz\*  
City Council

### NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization or committee primarily formed to support or oppose one or more ballot measures), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an \*.



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# Slate Mailer Organizations (“SMO”) Filing

- Resolution Considerations:
  - SMO qualified as a committee
  - Timely filed campaign statements and reports
  - Failed to use specific SMO campaign statements and reports



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# Late Campaign Statements and Reports (Major Donor Filers)

- A major donor committee is an individual or entity that makes one or more contributions to state or local candidates, ballot measure committees, or other committees totaling \$10,000 or more in a calendar year.
- Resolution Considerations:
  - First time major donor filer
  - Received a major donor notice
  - 24-Hour reports filed prior to the election
  - 24-Hour reports required 16 days before the election, filed by either respondent or recipient before the election.



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## Late Campaign Statements and Reports (Major Donor Filers) – Hypo

- Wayne Enterprises is a first-time major donor and makes two contribution of \$10,000 to Harvey Dent for District Attorney 2024. Both contributions were made 16 days before the 2024 General Election, one 10 days before the election and the other 5 days before the election. Wayne Enterprises files one 24-Hour contribution report late but before the election. Wayne Enterprises does not file a 24-Hour contribution report for the other \$10,000 contribution.
- Resolution:
  - Tier 1 penalty of \$200
  - Tier 2 penalty of \$800
  - Total penalty of \$1,000





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# Major Donor Notification

- A candidate or committee that receive one or more contributions totaling \$5,000 or more in a calendar year from an individual or entity must send the contributor written notice that they may have a filing obligation.
- \$5,000 – 2 weeks / \$10,000 received in the 90-day pre-election period – 1 week.
- Warning Letter Considerations:
  - Committee existed less than a year
  - Committee not previously required to send major donor notifications
  - Entities that would have received notifications timely filed reports



# Major Donor Notification – Hypo

- The ballot measure committee, Neighbors For a Safer Gotham – Yes on B received a \$10,000 contribution from Batman & Robin Co. during the pre-election period of the 2024 general election. The committee forgot to send Batman & Robin Co. a major donor notification letter within the one-week requirement but later remembered and sent the notification before the election. The committee has not existed for over a year and has not been required to send major donor notification letters in the past.
- Resolution: Warning Letter





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# Recurring Contributions

- A solicitation by a candidate or committee, directly or through an agent, for a recurring contribution must be in a form that requires affirmative consent from the person making the recurring contribution.
- Warning Letter Considerations:
  - Incomplete affirmative consent, later corrected
  - Incomplete cancelation information, later corrected
  - Majority of contribution receipts sent to contributor
  - Contribution accepted after requested cancelation but returned within 30 days





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# Section 84308, the Levine Act

- Rules and requirements regarding contributions of \$500 or more from a person to a public official when both are involved in a proceeding.
  - Both sides of the transaction are subject to obligations under the Act: person making the contribution and the person receiving the contribution
  - Applies to specific categories of people
    - Officers, parties, participants, and agents
  - Apply to specific proceedings and contexts
    - License, permit, entitlement for use proceedings
  - Specific timelines relating to when the contribution was received and if a decision has been rendered



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# Section 84308, the Levine Act

- Limits **officers'** ability to accept contributions more than \$500 during specific periods
- Limits **parties'** and **participants'** ability to contribute more than \$500 during specific periods
- Requires **officers'** to recuse themselves from proceedings OR return a portion of contribution over \$500 within a specific time frame
- Requires disclosure by **officers'** and **parties'** of contributions



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# Section 84308, the Levine Act

- Resolution Considerations:
  - If the contribution was disclosed and when
  - Amount of contribution over the limit
  - Whether the contribution amount over \$500 was refunded and when
  - Specific considerations by respondent type (party, participant, or officer) relating to whether a good faith effort to comply



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# Section 84308, the Levine Act – Hypo 1

- On July 1, 2025, Bruce Wayne submitted a zoning application to the Gotham City Council pertaining to his privately owned property. On July 2, Wayne—unaware of the Levine Act and its requirements—contributed \$600 to City Council Member Harvey Dent, \$100 beyond the \$500 limit. Wayne accurately disclosed the \$600 contribution using the appropriate City Council form on July 3.
- **Respondent Party Wayne:** gave a contribution that exceeded the limit



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# Section 84308, the Levine Act – Hypo 1 Ct'd

- On August 1, 2025, the zoning application is considered at a Gotham City Council meeting. Dent does not disclose the contribution at the beginning of the meeting, as is required. As the proceeding continues, but before a decision is rendered, Dent remembers his obligation, discloses he mistakenly accepted an excess contribution, and pledges to return the excess portion within 30 days of making a decision in the proceeding. At the next City Council meeting, Dent confirms on the record he returned the excess amount.
- **Respondent Officer Dent:** cured the acceptance of contribution by returning but failed to disclose at the beginning of the meeting.



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# Section 84308, the Levine Act – Hypo 1 Ct'd

- **Facts Summarized:**
  - Proceeding Pending/ Entitlement for Use: zoning application
  - Contribution: \$600
- **Respondent Officer:** Harvey Dent, city councilmember
  - Failed to disclose the contribution on the record at the beginning of the August 1 meeting
- **Respondent Party:** Bruce Wayne
  - Made excess contribution while proceeding was pending
- **Resolution All Respondents: Warning Letter**



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# Section 84308, the Levine Act – Hypo 2

- At the City Council meeting held on August 1, 2025, Dent not only forgets to disclose the contribution at beginning of the meeting but forgets to disclose at all. No decision is rendered in the proceeding, because the proceeding is continued to September 12, 2025, for a decision. At the September 12 meeting, prior to a decision being made, Dent discloses the contribution and that he has returned the excess portion of the contribution.



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# Section 84308, the Levine Act – Hypo 2 Ct'd

- **Facts Summarized:**
  - Proceeding Pending/Entitlement for use: zoning application
  - Contribution: \$600
  - Zoning application continued to September 12, 2025 for a decision
  - Dent discloses on September 12, more than 30 days from August 1, but before a decision is made in the proceeding and states he returned the excess contribution
- **Respondent Officer:** Harvey Dent, city councilmember
  - Failed to disclose the contribution at the August 1, 2025 meeting
  - **Resolution:** Tier 1 Penalty of \$400-800
- **Respondent Party:** Bruce Wayne, same resolution: Warning Letter



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# Section 84308, the Levine Act – Hypo 3 Ct'd

- On July 1, Wayne—unaware of the Levine Act and its requirements—makes a \$1,400 contribution to Dent. On July 2, he files his application. At the City Council meeting held on August 1, 2025, Dent not only forgets to disclose the contribution at beginning of the agenda item but forgets to disclose at all. No decision is rendered in the proceeding, which is continued to September 12, 2025, for a decision. At the September 12 meeting, Dent participates in the decision without disclosing the initial excess contribution or the fact that he returned the excess portion. At the October 10 City Council meeting, Dent discloses he timely returned the \$900 excess contribution.



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# Section 84308, the Levine Act – Hypo 3 Ct'd

- **Facts Summarized:**
  - Proceeding Pending/Entitlement for use: zoning application
  - Contribution: \$1,400
  - Zoning application is continued to September 12. where Dent participates in the decision.
  - Dent does not disclose the contribution, or that it was returned, until after a decision was rendered.
- **Respondent Officer:** Harvey Dent, city councilmember
  - Failed to disclose the contribution until after a decision was made
  - **Resolution:** Excluded from Streamline, Mainline Resolution
- **Respondent Party:** Bruce Wayne
  - **Resolution:** Tier 2 Penalty of \$1,000



# Questions?

