



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

(Unapproved and subject to change)
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

Thursday, May 17, 2012

CALL TO ORDER

Chair Ann Ravel called the meeting to order at 10:00 AM at 428 J Street, Eighth Floor, Sacramento, California. Chair Ravel, Commissioners Sean Eskovitz, Lynn Montgomery and Ronald Rotunda were present, Commissioner Elizabeth Garrett joined by phone.

WELCOME AND CHAIR'S REPORT

Ann Ravel, FPPC Chair

This meeting is the first Commission meeting to be live streamed on the FPPC website.

Chair Ann Ravel thanked Commissioner Garrett for her participation and partnership of USC in the Rethinking Campaign Finance Reform and Disclosure Symposium that took place on April 19, 2012 at the Sheraton Grand Hotel, Sacramento. She also named and thanked members of FPPC team for their efforts and participation.

Chair Ravel mentioned that the antidote to the lack of trust in government is in part greater disclosure. One way to accomplish this is to address independent expenditure disclosure issues. Staff has been directed to set Interested Persons meetings, this summer, to gather input from the community on how the commission can simplify campaign reporting burdens and where disclosure can be improved.

Campaigns will use more electronic media and it's the FPPC's responsibility to ensure that rules on campaign committees keeps pace with electronic communications and identify payments more clearly, so that voters are informed of who pays for political ads on blogs, social media pages, and sent via email. The FPPC would like more public input prior to bringing this issue before the commission.

PUBLIC COMMENT

1. Public Comment.

This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.

Chair Ravel opened the floor for public comment. There were no members of the public wishing to speak on this Agenda item.

PROPOSED CONSENT CALENDAR ITEMS 2 – 10

2. Approval of April 2012 Commission Meeting Minutes.

3. Approval of Form 806, Agency Report of Public Official Appointments.

Campaign Reporting Violation

4. In the Matter of Kai Stinchcombe, and Vote for Kai – Assembly 2010, FPPC No. 10/652. Staff: Total Proposed Penalty: \$4,000.

Campaign Reporting Violation - Streamline

5. In the Matter of Committee to Elect Elvia Aguilar; Elvia Aguilar and Christina Aguilar, Treasurer, FPPC No. 11/1063. Total Proposed Penalty: \$400.

Late Contribution Reporting Violation – Streamline

6. In the Matter of Sacramento Central Labor Council C.O.P.E., Bill Camp, Treasurer, FPPC No. 11/946. Total Proposed Penalty: \$9,427.

Mass Mailing Violation

7. In the Matter of Women’s Voter Guide and Tracey Pomerance-Poirier, FPPC No. 10/1023. Total Proposed Penalty: \$2,000.

Money Laundering

- 8. In the Matter of Glen Gerson and Malibu Conference Center, Inc., FPPC No. 11/803 (Default Decision). Total Proposed Penalty: \$25,000.**

Chair Ravel explained this is the first matter from the Enforcement Division's new team, which concentrates on self-initiated investigations of more serious campaign violations and conflicts of interest. She commended the Enforcement Division for their work on this case, noting that this case is significant because the Division is looking at issues that affect public trust.

Gary Winuk, Chief of Enforcement addressed the commission and explained that, with direction of the Commission, the Division will continue to lend its resources to these efforts.

Statement of Economic Interests – Failure to Report – Streamline

- 9. In the Matter of David Pallinger, FPPC No. 12/164. Total Proposed Penalty: \$200.**

Statement of Economic Interests – Non Filer – Streamline

- 10. In the Matter of John K. Anderson, FPPC No. 12/055. Total Proposed Penalty: \$200.**

Commissioner Rotunda made a motion to approve the proposed consent calendar, items 2 through 10. The motion was seconded by Commissioner Montgomery.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

GENERAL ITEM 11

11. Adoption of Regulation 18313.6: Online Posting: Redacting Personal Information.

General Counsel Zackery P. Morazzini addressed the Commission. At the request of the Commission, staff returned with proposed Regulation 18313.6 establishing general guidelines for the redaction of certain personal information applicable to all officials subject to online posting by the Commission.

This issue received comments and a proposed regulation from the Judicial Council, and comments from the California State Sherriff's Association, California Judges Association, and the California Police Chiefs Association.

General Counsel Morazzini explained that the proposed redaction procedures will apply to over 6,000 filers and recommended option 1, which allows FPPC staff to redact information for online posting purposes. Registered Domestic Partners are already included within the definition of spouse, under Regulation 18229.

Judge David Rubin and Judge Ben Davidian addressed the Commission and expressed concerns with potential criminal activity as a result of the judges posting their statements of economic interest online.

The judges responded to issues raised by the posting.

Chair Ravel explained that manually scanning documents, given the budget situation, is almost impossible to absorb.

Chair Ravel and General Counsel Morazzini proposed to amend the language, in proposed option 1, line 13-14 to read: official spouse or former spouse including a registered domestic partner or former registered domestic partner.

Commissioner Rotunda made a motion to move on staff option 1 with the new proposed language. The motion was seconded by Commissioner Garrett.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

DISCUSSION ITEM 12

12. Conflict-of-Interest Codes and Disclosure.

Senior Commission Counsel William J. Lenkeit addressed the commission and explained that staff is planning to review and update the Conflict of Interest Code Process, including the Regulations 18730, 18750, 18750.1, 18750.2, 18751, 18752, 18753, 18754, and 18755. Staff will lay out a plan to start fact-finding, including holding one or more Interested Persons Meetings, with the goal to simplify and clarify the code preparation process so that codes are updated in a timely manner.

Staff intends address the Commission with suggested regulatory amendments, towards the end of the year.

The Commission commended the staff and the Chair for being proactive in addressing these issues.

STAFF REPORTS ITEMS 13 – 19

- 13. Executive Director's Report.** Staff: Executive Director, John Wallace
As Submitted
- 14. Litigation Report.** Staff: General Counsel, Zackery P. Morazzini
As Submitted
- 15. Legal Division Report.** Staff: General Counsel, Zackery P. Morazzini
As Submitted
- 16. Enforcement Division Report.** Staff: Chief of Enforcement, Gary Winuk
As Submitted
- 17. Technical Assistance Division Report.** Staff: Chief of T.A.D., Lynda Cassady
As Submitted
- 18. Administrative Division Report.** Staff: Chief of Administration, Tina Bass
As Submitted

19. Legislative Report. Staff: Legislative Coordinator, Tara Stock

Tara Stock, Legislative Coordinator addressed the Commission and recommended that the Commission adopt the bill positions already set forth.

SB 1426 (Blakeslee) Gifts from Lobbying Entities

Existing Law

A lobbyist or a lobbying firm may not make gifts aggregating more than \$10 in a calendar month to an elected state officer, a candidate for elective state office, or a legislative official of any agency required to be listed on the registration statement of the lobbying firm or the lobbyist employer. No elected state officer, candidate for elective state office, or legislative official may accept gifts from any single source, including a lobbyist employer, in any calendar year aggregating more than \$420.

Proposed Law

This bill would prohibit all lobbying entities (lobbyists, lobbying firms, and lobbyist employers) from giving to an elected state officer or a member of the officer's immediate family, and prohibit an elected state officer from accepting, the following gifts: 1) A theme park or amusement park ticket; 2) A professional sporting event ticket; 3) A collegiate or other amateur sporting event ticket with a face value exceeding \$25; 4) A theater, concert, or other entertainment ticket with a face value exceeding \$25; 5) A racetrack ticket; 6) A spa treatment, or other beauty or cosmetic service; 7) A golf, skiing, hunting, or fishing trip, or other recreational outing or vacation; and, 8) A gift card. The prohibitions would not apply to a fundraising event for a bona fide charitable organization.

Status: Senate Appropriations Committee. Hearing is scheduled for May 7, 2012.

Estimated Fiscal Impact: \$210,000

(ENF: 2 positions for anticipated increase in complaints/investigations; LEG: 120 – 180 hours for regulations; TAD: .25 position to create fact sheet(s) and revise manuals)

Staff Recommended Position: Oppose This bill imposes unmet fiscal needs.

Commissioner Montgomery made a motion to approve staff recommended position. The motion was seconded by Commissioner Garrett.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

AB 2609 (Hueso) Fish and Game Commission Members – Full Disclosure and Disqualification

Existing Law

The Act requires that certain public officials (specified in Section 87200) who have a financial interest in a governmental decision publicly identify the financial interest giving rise to the conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote and other disposition of the matter is concluded. In addition, public officials specified in Section 87200 are required to disclose all financial interests.

Proposed Law

This bill would add members of the Fish and Game Commission to the officials specified in Section 87200, which would subject the members to full disclosure and the conflict of interest disqualification procedures. The bill also amends several sections of the Fish and Game Code to: 1) encourage the Governor and the Senate Committee on Rules to consider specified criteria or qualifications when selecting commissioners; 2) change the way the president and vice president are elected; and, 3) require the commission to adopt a code of conduct.

Status: Assembly Appropriations Committee. Hearing is scheduled for May 9, 2012.

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: Support PRA provision only; no position on other provisions

Staff supports transparency and believes the duties of the members of the Fish and Game Commission are so broad that they should be subject to full disclosure and the disqualification procedures of the Act.

Commissioner Montgomery made a motion to approve staff recommended position. The motion was seconded by Commissioner Rotunda.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

AB 2239 (Norby) Repeals Campaign Contribution Limits and Requires 24-Hour Reporting for All \$100 Contributions and Expenditures

Existing Law

The Act imposes limits on contributions that may be made to, or accepted by, candidates for elective state office. The Act also limits contributions to officers of specified agencies from a party to a proceeding before an agency involving a license or permit. In addition, the Act requires candidates and committees to file specified campaign statements, including semiannual, pre-election, and late contribution reports.

Proposed Law

If this bill is passed by the Legislature and approved by the Governor, it shall be submitted to the voters for approval at a statewide election. The bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective state office. It would also repeal the requirements for most existing campaign filing requirements and would instead require a candidate or committee that makes or receives a contribution of \$100 or more report the contribution to specified filing officers within 24 hours. An expenditure of \$100 or more made by a candidate or committee is also required to be reported within 24 hours and if the expenditure is a contribution or an independent expenditure, the report shall also include the cumulative amount of contributions or independent expenditures made relative to a candidate or ballot measure.

Status: Assembly Elections and Redistricting Committee.

Estimated Fiscal Impact: \$1,000,000

(ENF: 6 positions for anticipated increase in complaints/investigations; LEG: 2 positions for multiple regulations; TAD: 5 positions to revise all campaign forms and manuals, assist with regulations, and conduct seminars)

Staff Recommended Position: Oppose

Staff does not believe that the contribution limits, which were enacted upon approval of the voters, should be repealed. The bill also imposes significant unmet fiscal needs.

Commissioner Montgomery made a motion to approve staff recommended position. The motion was seconded by Commissioner Garrett.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

SB 1001 (Yee) Lobbyist Registration Fees

Existing Law

The Secretary of State may charge each lobbying firm and lobbyist employer a fee of up to \$25 per year for each lobbyist required to be listed on its registration statement. There is currently no charge for a committee to file a Statement of Organization. Fines collected for the late filing of reports and statements go the State General Fund.

Proposed Law

This bill would increase the maximum annual registration fee to \$50 per year and require the Commission to adjust the fee on December 1 of each even-numbered year to reflect any increase in the Consumer Price Index. *The bill was recently amended to include a \$50 per year fee for recipient committees and to establish the Political Disclosure Access, and Transparency Account in the State Treasury for fees collected from lobbyist registration fees, recipient committee registration fees, and fines collected for late filing of reports and statements. Moneys deposited in the account would be expended for the maintenance, repair, and improvement of the online disclosure program implemented by the Secretary of State.*

Status: Senate Appropriations Committee. Hearing is scheduled for May 7, 2012.

Estimated Fiscal Impact: Minor/absorbable

Commission Position: Support if fees are used for SOS electronic filing system (adopted at April 5, 2012 hearing)

Staff Recommended Position on amended version: Support

The bill has been amended to expressly state that the fees will be used for the electronic filing system.

Commissioner Garrett made a motion to approve staff recommended position. The motion was seconded by Commissioner Rotunda.

Ayes: Commissioners Eskovitz, Garrett, Rotunda, and Chair Ravel.

No's: Commissioner Montgomery

The motion passed 4 to 1.

SB 1553 (Lowenthal) City of Long Beach – Pilot Program for Electronic Filing of Campaign Statements

Existing Law

The Act requires elected officers, candidates for elective office, and campaign committees to file campaign statements. City officers, candidates for elective office, and campaign committees file the required campaign statements with the clerk of the city.

Proposed Law

This bill would create a pilot program for the 2013 and 2014 reporting periods that authorizes the City of Long Beach to permit city elected officers (and candidates), their controlled committees, committees formed primarily to support or oppose a city candidate or ballot measure, and city general purpose committees to file electronically. The City of Long Beach would be required to prepare a report, including specified information, to submit to the Commission by July 1, 2015. The Commission would be required to submit the report and any comments about the report to the Legislative Analyst's Office by August 15, 2015, and the Legislative Analyst's Office would be required to provide a report to the Legislature evaluating the pilot program by February 1, 2016. *The bill was recently amended to include specified requirements for the filing officer and the electronic filing system (including that the system is compatible with the Secretary of State's system).*

Status: Senate Appropriations Committee. Hearing is scheduled for May 7, 2012.

Estimated Fiscal Impact: Minor/absorbable

Commission Position: Support if amended (adopted at April 5, 2012 hearing)

Staff Recommended Position on amended version: Support

The proposal has been amended to address staff's concerns.

Commissioner Rotunda made a motion to approve staff recommended position. The motion was seconded by Commissioner Garrett.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

Chair Ravel announced that the next commission meeting will take place on July 12, 2012.

Commissioner Rotunda made a motion to adjourn. The motion was seconded by Commissioner Garrett.

Ayes: Commissioners Eskovitz, Garrett, Montgomery, Rotunda, and Chair Ravel.

The motion passed 5 to 0.

Chair Ravel adjourned the meeting.