



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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(Unapproved and subject to change)

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION

MINUTES OF HEARING, Public Session

Thursday, April 16, 2015

CALL TO ORDER

Chair Remke called the meeting to order at 10:00 am on April 16, 2015 at the Fair Political Practices Commission, 428 J Street, Sacramento, CA 95814. Chair Remke and Commissioners Casher, and Wynne were present. Commissioner Wasserman was present by teleconference. Commissioner Eskovitz was absent.

WELCOME

1. Public Comment

Chair Remke congratulated Hyla P. Wagner for becoming the FPPC's new General Counsel, and thanked John Wallace for acting as General Counsel during the transition. Chair Remke then opened the floor for public comment and there was none.

2. Approval of March 2015 Commission Hearing Minutes.

Chair Remke made a motion to approve item 2, Commissioner Casher seconded the motion. Ayes: Commissioners Casher, Wasserman, Wynne, Chair Remke
The motion passed 4 to 0.

PROPOSED CONSENT CALENDAR ITEMS 3 – 7 **ENFORCEMENT MATTERS**

Chair Remke made a motion to approve the Consent Calendar, Commissioner Wynne seconded the motion.

Ayes: Commissioners Casher, Wasserman, Wynne, Chair Remke
The motion passed 4 to 0.

Chair Remke asked Acting Chief of Enforcement Galena West to update the Commission and public regarding the streamline cases process. Acting Chief West noted that Enforcement is compiling a comprehensive memo with the streamline procedures. Commissioner Wynne asked why item 07 on the agenda moved forward. Acting Chief West responded. Commissioner Casher asked when the Commission will be presented with the memo. Acting Chief West answered May or June.

Campaign Reporting

3. In the Matter of Salud O. Carbajal, Salud Carbajal for Supervisor 2012, and David Peri, Treasurer; FPPC No. 14/851. Staff: Senior Commission Counsel Bridgette Castillo and Program Specialist Grant Beauchamp. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Salud O. Carbajal, and his candidate controlled committee, Salud Carbajal for Supervisor 2012 (“Committee”), failed to file three late contribution reports, in violation of Government Code Section 84203, subdivisions (a) and (b) (3 counts). In addition, Carbajal, the Committee, and its treasurer, David Peri, accepted a contribution in the form of a cashier’s check in the amount of \$15,000 not drawn on the account of the donor, in violation of Government Code Section 84300, subdivision (c) (1 count). **Total Proposed Penalty: \$7,500.**

4. In the Matter of San Mateo County Democratic Central Committee and Xavier Martinez; FPPC No. 15/79. Staff: Senior Commission Counsel Neal Bucknell and Program Specialist Grant Beauchamp. This matter arose from an audit performed by the Political Reform Audit Program of the Franchise Tax Board. In 2012, the San Mateo County Democratic Central Committee and its former treasurer, Xavier Martinez, failed to file pre-election campaign statements for the reporting periods of January 1 through March 17 and March 18 through May 19 by the due dates of March 22 and May 24, respectively, in violation of Government Code Sections 84200.5, subdivision (h) and 84200.7, subdivision (a) (1 count). **Total Proposed Penalty: \$2,500.**

5. In the Matter of Steven A. Pappas, Steve Pappas for 3rd District Supervisor 2012, and Trent J. Benedetti; FPPC No. 14/598. Staff: Commission Counsel Zachary W. Norton and Program Specialist Luz Bonetti. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Steve Pappas, his candidate-controlled committee, Steve Pappas for 3rd District Supervisor 2012, and its treasurer, Trent J. Benedetti, failed to maintain detailed accounts, records, bills, and receipts that were necessary to prepare campaign statements for the reporting periods January 1, 2009 through June 30, 2012, in violation of Government Code Section 84104 (1 count). **Total Proposed Penalty: \$1,500.**

6. In the Matter of Preserve Liberty and Mark Matta, Treasurer; FPPC No. 14/1238. Staff: Political Reform Consultant Teri Rindahl. Preserve Liberty and Mark Matta, as treasurer, failed to timely file the semi-annual statement, Form 461, covering the period January 1, 2014 through June 30, 2014, due July 31, 2014, with the Office of the Secretary of State, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

Major Donor Reporting

7. In the Matter of Sean Fieler; FPPC No. 15/067. Staff: Political Reform Consultant Jeanette Turvill. Sean Fieler failed to timely file one Major Donor Committee Campaign Statement (Form 461) for the period January 1, 2013 through December 31, 2013, due on January 31, 2014, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$2,400.**

Complainant Fred Karger stated he believed the proposed fine was too low. Acting Chief of Enforcement Galena West explained Enforcement's fine process. Chair Remke clarified that the amount of the contribution determines the fine. Commissioner Wynne asked about investigations into additional respondents stemming from this complaint; Acting Chief West clarified.

GENERAL ITEM 8

8. Amend the Public Generally Regulations. Amend Regulation 18703 to incorporate the "public generally" exception; Repeal Current Public Generally Regulations 18707 - 18707.10 and Regulations 18703.2, 18703.4, and 18703.5.

Staff: General Counsel Hyla Wagner and Senior Commission Counsel Brian Lau. In a continuing effort to clarify and simplify regulations pertaining to the implementation of the conflict of interest provisions of the Act, staff is proposing consolidation of the public generally exception regulations into a single regulation which will be Regulation 18703. The public generally exception will be a new third step in the shorter conflict of interest analysis (presented to the Commission in February, 2015). This will also entail the repeal of the existing set of public generally regulations (18707 - 18707.10) and remaining superfluous regulations at 18703.2, 18703.4, and 18703.5.

Senior Commission Counsel Brian Lau briefed the Commission. Commissioner Wynne requested clarification regarding the affirmative defense. Senior Commission Counsel Lau responded. General Counsel Wagner added background information. Commissioner Wasserman and Chair Remke proposed amendments to clarify the regulation.

San Mateo City Attorney Shawn Mason provided public comment. Commissioner Wasserman asked a question about public facilities; Senior Commission Counsel Lau added clarification. Commissioner Wasserman asked an additional question; Senior Commission Counsel Lau responded.

Commissioner Casher made a motion to approve item 14, Commissioner Wynne seconded the motion.

Ayes: Commissioners Casher, Wasserman, Wynne, Chair Remke

The motion passed 4 to 0

EXECUTIVE STAFF REPORTS

Executive Director Erin Peth briefed the Commission on the FPPC's progress obtaining e-filing for Form 700s. Commissioner Wynne asked about support for the system; Executive Director Peth responded. Commissioner Casher thanked staff.

Legislative Report. Staff: Senior Commission Counsel and Legislative Coordinator, Sukhi Brar.

Senior Commission Counsel and Legislative Coordinator, Sukhi Brar briefed the Commission, Commissioner Wynne asked about amendments to AB594; Legislative Coordinator Brar responded.

Litigation Report. Staff: General Counsel, Hyla P. Wagner

Senior Commission Counsel Heather Rowan updated the Commission regarding the Board of Pilot Commissioners. Commissioner Casher requested updates on the hearings, Senior Commission Counsel Rowan promised to keep the Commission updated.

Legal Division Report. Staff: General Counsel, Hyla P. Wagner

Enforcement Division Report. Staff: Acting Chief of Enforcement, Galena West

Technical Assistance Division Report. Staff: Chief of Technical Assistance Division, Lynda Cassady

Chair Remke made a motion to adjourn the meeting. Commissioner Casher seconded the motion.

Ayes: Commissioners Casher, Wasserman, Wynne, Chair Remke

The motion passed 4 to 0

The meeting adjourned at 10:43 am.

Respectfully Submitted,

Dated:

John Kim
Commission Assistant
Approved May 21, 2015

Joann Remke, Chair
Fair Political Practices Commission