



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, May 21, 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 Wasserman, and Wynne were present. Commissioner Casher and Eskovitz were present by teleconference.

WELCOME

1. Public Comment

Chair Remke announced that funding for the FPPC's e-filing system was in the Governor's May budget, and stated that the goal is to have the 25,000 public officials that file their Form 700s directly with the FPPC to file electronically by 2017. Chair Remke then opened the floor for public comment and there was none.

2. Approval of April 2015 Commission Hearing Minutes.

Chair Remke made a motion to approve item 2, Commissioner Wynne seconded the motion. Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne, Chair Remke
The motion passed 5 to 0.

PROPOSED CONSENT CALENDAR ITEMS 3 – 21
ENFORCEMENT MATTERS

Chair Remke removed item 3 from the Consent Calendar for further questions.

Acting Chief of Enforcement Galena West summarized the FPPC actions in San Bernardino County. Chair Remke wanted to confirm that a report is due to the Legislature in 2017. Acting Chief West confirmed that as the due date.

Commissioner Wasserman asked about the violations and number of counts in items 5, 8, 16, and 19. Acting Chief West addressed those concerns.

Commissioner Wynne made a motion to approve items 4-21, Commissioner Wasserman seconded the motion.

Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne, Chair Remke
The motion passed 5 to 0.

Conflict of Interest

3. In the Matter of Miguel Pulido; FPPC No. 14/131. Staff: Senior Commission Counsel Neal Bucknell and Special Investigator Lee Myers. This settlement is the result of a joint investigation with the Orange County District Attorney's office. Miguel Pulido is the Mayor of Santa Ana. In January 2011, he voted to renew a contract with Orange County Auto Parts, but the store owner was a source of income to Mayor Pulido because of a recent real estate transaction. Thus, Mayor Pulido's vote was a conflict of interest in violation of Government Code Section 87100 (1 count). Also, Mayor Pulido failed to disclose certain information on annual Statements of Economic Interests that he was required to file for various official positions that he held from 2009 through 2012. Most of the omitted information pertained to the property that was involved in the real estate transaction. In this way, Mayor Pulido committed multiple violations of Government Code Sections 87206, 87207, and 87300 (5 counts). **Total Proposed Penalty: \$13,000.**

Chair Remke wanted to verify that the amended Statements of Economic Interest (SEI) were filed with the FPPC. Acting Chief of Enforcement Galena West confirmed they were filed. Commissioner Wynne asked the Acting Chief to explain why the violations were not analyzed as gifts in the stipulation. Acting Chief of Enforcement West responded that the transactions were found not to be gifts.

Commissioner Casher made a motion to approve item 3, Commissioner Wynne seconded the motion.

Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne, Chair Remke
The motion passed 5 to 0.

4. In the Matter of Tom Hammond; FPPC No. 14/1357. Staff: Commission Counsel Adam Silver and Special Investigator George Aradi. Tom Hammond, a member of the Lassen County Board of Supervisors, made a governmental decision in which he had a financial interest by voting to approve the sale and exemption of land located within 500 feet of real property in which Hammond held an interest, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$2,500.**

Campaign Reporting

5. In the Matter of Rancho Cucamonga Professional Firefighters Association IAFF Local 2274 PAC and Michael McCliman; FPPC No. 14/602. Staff: Senior Commission Counsel Dave Bainbridge and Program Specialist Luz Bonetti. This matter resulted from an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Rancho Cucamonga Professional Firefighters Association IAFF Local 2274 PAC and its treasurer, Michael McCliman, failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.7, subdivision (a) (1 count), failed to timely disclose contributions on campaign statements, in violation of Government Code Section 84211,

subdivisions (a) and (d) (1 count), and failed to timely disclose expenditures on a campaign statement, in violation of Government Code Section 84211, subdivision (b) and (k) (1 count). **Total Proposed Penalty: \$6,000.**

6. In the Matter of Patricia Washington and Pat Washington for Assembly 2012; FPPC No. 14/111. Staff: Senior Commission Counsel Bridgette Castillo and Program Specialist Soni Mangat. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Patricia Washington, and her candidate controlled committee, Pat Washington for Assembly 2012, failed to timely disclose required financial activity on the pre-election campaign statement for the reporting period January 1, 2012, through March 17, 2012, in violation of Government Code Section 84211, subdivisions (a)-(j) (1 count), and failed to maintain required campaign records for the pre-election campaign statement for the reporting period January 1, 2012, through March 17, 2012, in violation of Government Code Section 84104 (1 count). **Total Proposed Penalty: \$4,500.**

7. In the Matter of Committee for a Vibrant Downtown – No on Measure M – Major Funding by Greenheart Land Company and Russell Miller; FPPC No. 14/1248. Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Lee Myers. Committee for a Vibrant Downtown – No on Measure M – Major Funding by Greenheart Land Company and its treasurer, Russell Miller, failed to timely disclose on the committee's campaign statement a non-monetary contribution valued at \$31,030, in violation of Government Code Section 84211, subdivisions (a), (c), and (f) (1 count). **Total Proposed Penalty: \$ 2,500.**

8. In the Matter of Teamsters Joint Council No. 7 PAC; FPPC No. 14/1121. Staff: Commission Counsel Zachary W. Norton and Program Specialist Grant Beauchamp. This matter arose out of an audit performed by the Political Reform Audit Program of the Franchise Tax Board. Teamsters Joint Council No. 7 PAC is a general purpose committee sponsored by the Teamsters Joint Council No. 7. Teamsters Joint Council No. 7 PAC failed to file a ballot measure contribution report within 10 business days of making an independent expenditure on August 02, 2012 and a contribution on August 29, 2012, each totaling five thousand dollars (\$5,000) or more, to support or oppose the qualification or passage of a single state ballot measure, in violation of Government Code Section 84204.5 (1 count). **Total Proposed Penalty: \$2,000.**

San Bernardino County

9. In the Matter of Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter; FPPC No. 14/334. Staff: Commission Counsel Zachary W. Norton and Program Specialist Grant Beauchamp. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Mike Ramos was a successful candidate for re-election to San Bernardino County District Attorney in the June 3, 2014 election. Friends of Mike Ramos for San Bernardino County District Attorney 2014 was his candidate controlled committee. Marvin Reiter was the Committee Treasurer. Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Reiter failed to timely file a second pre-election campaign statement by May 22, 2014, for the reporting period March 18, 2014

through May 17, 2014, in violation of Government Code Sections 84200.5, subdivision (b), and 84200.7, subdivision (a) (1 count), and failed to disclose vendor information for credit card expenditures of \$100 or more, totaling approximately \$14,025, in violation of Government Code Section 84211, subdivision (k) (1 count). **Total Proposed Penalty: \$5,000.**

10. In the Matter of Clifton L. Harris and Clifton L. Harris for San Bernardino County Sheriff 2014; FPPC No. 14/147. Staff: Commission Counsel Zachary W. Norton and Program Specialist Luz Bonetti. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Clifton L. Harris was an unsuccessful candidate for San Bernardino County Sheriff in the June 3, 2014 election. Clifton L. Harris for San Bernardino County Sheriff 2014 was his candidate controlled committee. Harris and Clifton L. Harris for San Bernardino County Sheriff 2014, made expenditures totaling \$5,549 from a source other than the single, designated campaign bank account, in violation of Government Code Section 85201, subdivisions (c), (d), and (e) (1 count). **Total Proposed Penalty: \$3,000.**

11. In the Matter of Paul Schrader, Elect Paul Schrader Sheriff/Coroner/Public Administrator 2014, and Judith Schrader; FPPC No. 14/046. Staff: Commission Counsel Zachary W. Norton and Program Specialist Luz Bonetti. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Paul Schrader was an unsuccessful candidate for San Bernardino Sheriff/Coroner/Public Administrator in the June 3, 2014 election. Elect Paul Schrader Sheriff/Coroner/Public Administrator 2014 was his candidate controlled committee. Judith Schrader was the Committee Treasurer. Schrader, Elect Paul Schrader Sheriff/Coroner/Public Administrator 2014, and Schrader, received a cash contribution of \$900, on March 03, 2013, in violation of Government Code Section 84300, subdivisions (a) and (c) (1 count). **Total Proposed Penalty: \$1,500.**

12. In the Matter of Randolph Beasley and Beasley for Supervisor 2014; FPPC No. 14/319. Staff: Commission Counsel Zachary W. Norton and Program Specialist Soni Mangat. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Randolph Beasley was an unsuccessful candidate for San Bernardino Supervisor, District 2 in the June 3, 2014 election. Beasley for Supervisor 2014 was his candidate controlled committee. Beasley and Beasley for Supervisor 2014 received cash loans totaling \$8,200, on March 07, 2014, in violation of Government Code Section 84300, subdivisions (a) and (c) (1 count). **Total Proposed Penalty: \$1,500.**

13. In the Matter of Grover Merritt, Grover Merritt For District Attorney 2014, Robert Rego; FPPC No. 14/297. Staff: Commission Counsel Zachary W. Norton and Program Specialists Bob Perna and Luz Bonetti. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Grover Merritt was an unsuccessful candidate for San Bernardino County District Attorney in the June 3, 2014 election. Grover Merritt For District Attorney 2014 was his

candidate controlled committee. Robert Rego was the Committee Treasurer. Merritt, Grover Merritt For District Attorney 2014, and Rego, received a monetary contribution of \$4,000, on March 16, 2014, in the form of a cashier's check, which was not drawn from the bank account of the contributor, in violation of Government Code Section 84300, subdivision (c) (1 count). **Total Proposed Penalty: \$1,500.**

14. In the Matter of Larry Walker, Larry Walker Auditor Committee 2014, and David Gould; FPPC No. 13/912. Staff: Commission Counsel Zachary W. Norton and Program Specialist Luz Bonetti. This matter arose out of an audit performed by the Enforcement Division of the Fair Political Practices Commission, as a part of the contract with the County of San Bernardino to audit each candidate campaign committee for elected county offices. Larry Walker was a successful candidate for San Bernardino County Auditor-Controller/Treasurer/Tax Collector in the June 3, 2014 election. Larry Walker Auditor Committee 2014 was his candidate controlled committee. David Gould was the Committee Treasurer. Walker, Larry Walker Auditor Committee 2014, and Gould failed to timely file a Late Contribution Report electronically or in paper format to disclose a \$1,000 contribution received on May 2, 2014, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$150.**

Personal Use of Campaign Funds

15. In the Matter of Constance Conley; FPPC No. 12/290. Staff: Commission Counsel Adam Silver and Special Investigator Ann Flaherty. Constance Conley, treasurer for Elk Grove Community Connection PAC, used campaign funds in the amount of \$3,900 for purposes that did not directly relate to a political, legislative, or governmental purpose, in violation of Government Code Sections 89512.5 (1 count). **Total Proposed Penalty: \$3,000.**

Mass Mailer

16. In the Matter of Norman Hsu; FPPC No. 13/1108. Staff: Commission Counsel Milad Dalju and Special Investigator Beatrice Moore. Norman Hsu sent four mass mailings without disclosing his name and address on the outside of each piece of mail, in violation of Government Code Section 84305, subdivision (b) (2 counts). **Total Proposed Penalty: \$5,500.**

Major Donor Reporting

17. In the Matter of Kenneth Eldred; FPPC No. 15/070. Staff: Political Reform Consultant Jeanette Turvill. Kenneth Eldred, 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: \$400.**

18. In the Matter of Rebecca Hagelin; FPPC No. 15/068. Staff: Political Reform Consultant Jeanette Turvill. Rebecca Hagelin, 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: \$400.

Statement of Economic Interests – Non-Reporting

19. In the Matter of Victor Uno; FPPC No. 14/031. Staff: Commission Counsel Zachary W. Norton and Special Investigator George Aradi. Victor Uno, a Commissioner with the Oakland Port Authority, failed to disclose IBEW 595 and the Alameda Labor Council as sources of income on his 2010 through 2014 annual statements of economic interests, in violation of Government Code Sections 87300 and 87302, subdivision (b) (2 counts). **Total**

Statement of Economic Interests – Non-Filer

20. In the Matter of Tine Sloan; FPPC File No. 15/032. Staff: Political Reform Consultant Jeanette Turvill. Tine Sloan, as a member of the Commission on Teacher Credentialing, failed to timely file his 2014 Annual Statement of Economic Interests, covering the period January 1, 2013, through December 31, 2013, due April 1, 2014, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$500.**

21. In the Matter of Edwin Davenport; FPPC No. 15/0007. Legal Analyst Tracey Frazier and Law Clerk Preeti Grewal. Edwin Davenport, as a Member of the Siskiyou County Assessment Appeals Board, failed to timely file his 2013 Annual Statement of Economic Interests, covering the period January 1, 2013, through December 31, 2013, due on April 1, 2014, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

GENERAL ITEMS 22 – 23

22. Enforcement Streamlined Programs. Staff: Galena West, Acting Enforcement Division Chief. Staff will present the Commission with Enforcement's recommendations for the existing streamlined programs and propose additional types of violations for new streamlined programs. This comprehensive overview of all streamlined programs includes proposed guidelines, penalty amounts, and a stipulation template for each program.

Acting Chief of Enforcement Galena West briefed the Commission.

Chair Remke made a motion to approve item 22, Commissioner Wynne seconded the motion.

Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne, Chair Remke

The motion passed 5 to 0.

23. Conflict of Interest Project: Making, Participating In, and Influencing Governmental Decisions and Final Reorganization. Staff: General Counsel Hyla Wagner and Senior Commission Counsel Brian Lau. Concluding the ongoing Conflict of Interest Project to simplify the existing regulations, staff is proposing (1) revisions consolidating and clarifying Regulations 18704 through 18704.4 defining when an official is making, participating in making, or attempting to use his or her position to influence a decision; (2) merging existing

disqualification and recusal requirements in Regulations 18704.1 and 18705; and (3) renumbering Regulation 18704.6 defining consultants and public officials who manage public investments.

Senior Commission Counsel Brian Lau briefed the Commission. Commissioner Wasserman asked about suggestions in a comment letter submitted by the City Attorney of San Mateo. General Counsel Hyla Wagner noted she was compiling a list of items to track that need to be revisited. City Attorney of San Mateo Shawn Mason provided a comment.

Chair Remke made a motion to approve item 23, Commissioner Wynne seconded the motion.

Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne, Chair Remke
The motion passed 5 to 0.

CLOSED SESSION ITEM 24

Pending Litigation. The Board will meet in closed session to discuss a pending litigation matter with its legal counsel pursuant to Government Code Section 11126(e)(2)(B)(i) and 11126(e)(2)(C)(i).

Chair Remke made a statement *in the Matter of Steven Detrick*, FPPC No. 14/130, concluding that the Commission was closing the matter without further action.

EXECUTIVE STAFF REPORTS and ACTION ITEM 25

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

Senior Commission Counsel and Legislative Coordinator, Sukhi Brar briefed the Commission on AB 594, and requested the Commission formally support AB 594(Gordon). Commissioners Wynne and Chair Remke made comments, and Commissioner Casher expressed concern to proposed amendments. Phillip Ung with California Forward provided public comment, urging support of the bill if amended.

Commissioner Wynne made a motion to support AB 594, and to support AB 594 if it were amended to its previous version, Chair Remke seconded the motion.

Ayes: Commissioners Eskovitz, Wasserman, Wynne, Chair Remke
Nay: Commissioners Casher

The motion passed 4 to 1.

Commissioner Wynne asked to discuss AB 1200 in the June Commission Hearing. Chair Remke noted staff has met with the legislation's author, staff and proponents, and expressed concerns that any alleged problems with existing law that the bill is attempting to fix have not been articulated, as well as concerns with adding complexity to an already complicated area of the law, state contracting. Staff will continue to monitor the bill.

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

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 Wynne seconded the motion.

Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne, Chair Remke
The motion passed 5 to 0

The meeting adjourned at 11:39 am.

Respectfully Submitted,
Dated:

John Kim
Commission Assistant
Approved June 18, 2015

Joann Remke, Chair
Fair Political Practices Commission