



(Approved February 18, 2021)
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF HEARING, Public Session
January 21, 2021
10:00 a.m.

Present: Chair Miadich, Commissioner Baker, Commissioner Cardenas, Commissioner Hatch, and Commissioner Wilson

Staff Present: Galena West, Executive Director
Loressa Hon, Chief of Administration
Angela Brereton, Chief of Enforcement
Dave Bainbridge, General Counsel
Sukhi Brar, Assistant General Counsel
Kevin Cornwall, Commission Counsel
Jay Wierenga, Communications Director
Lindsey Nakano, Legislative Counsel
Sasha Linker, Commission Assistant

A. Call to Order.

Chair Miadich called the meeting to order at 10:01 a.m.

Chair Miadich introduced former Assemblymember Catharine Baker as the State Controller's appointee to the Commission and welcomed her to the Commission.

B. Public Comment for Items not on Agenda.

Linda Sutter, complainant, stated that she would like to reform her complaint submitted and send it in again.

Stephen Petzold, Santa Clarita, stated that a \$230 million bond measure was recently passed using unfair tactics, illegal contributions, and negligent regard to basic FPPC regulations.

Lacey Keys, Olson Remcho, stated that her client, the Foundation, has been 100% cooperative working with Enforcement by providing documentation.

C. Approval of December 2020 Commission Hearing Minutes.

MOTION: To approve the December 2020 meeting minutes. Moved by Commissioner Cardenas, seconded by Commissioner Wilson. Motion approved 4-0, Commissioner Baker abstained.

D. Approval of Enforcement Consent Calendar.

Commissioner Cardenas requested Item 6 be pulled from consent for a discussion.

MOTION: To approve the Enforcement Consent Calendar Items 3, 4, 5, 7. Moved by Commissioner Wilson, seconded by Commissioner Hatch. Motion approved 5-0.

Regarding Item 6, Commissioner Cardenas stated his concern about the level of transparency in respect to income through passthrough entities. Chair Miadich responded that more information can be discussed about passthrough entities at a future Commission meeting. Commissioner Wilson recommended to go back to this matter after getting more information.

MOTION: To approve Enforcement item 6. Moved by Commissioner Cardenas, seconded by Commissioner Baker. Motion approved 5-0.

E. Update on the Secretary of State’s CAL-ACCESS Replacement Project.

Sukhi Brar, Assistant Chief Counsel, explained the background of the new Cal-ACCESS replacement system and informed the Commission that the Secretary of State’s timeline was pushed to June 30, 2021 for public use due to the election and lobbying registration period being around the same time.

F. Pre-Notice Discussion of Regulatory Amendments in Response to SB 1239 and AB 909.

Commissioner Baker asked if there is anything more the Commission could do to make it easier to avoid unintentional violations. Mr. Cornwall responded that there is extensive education material on the FPPC website, but part of the issue is getting that information to the people who need it. A potential solution could be incorporating the educational information in the forms themselves or in the regulation.

G. Streamline and Warning Letter Programs and New Tier Two Streamline Program.

Galena West explained the changes to the regulations since the Law and Policy Committee meeting. Trent Lange, California Clean Money Campaign, suggested the addition “and not substantially correct” in 18360.1, page 12, line 2 and 18360.3, page 8, line 19.

Chair Miadich suggested Angela Brereton, Chief of Enforcement, report back to the Commission on instances where she has exercised discretion on the streamline program, so the Commission can track the frequency and circumstances of discretion. Ms. Brereton responded that she would be doing this going

forward and report back in the Executive staff report.

Commissioner Wilson suggested to include a clear indication that Commissioners are not involved in making decisions regarding the streamline program. Ms. West responded that they can add this to the website on the Enforcement page.

Commissioner Hatch indicated he wanted to change the Tier 1 and Tier 2 lobbying thresholds.

MOTION: To change Tier 1 lobbying thresholds to \$100,000 and Tier 2 lobbying thresholds to \$200,000. Moved by Commissioner Hatch, seconded by Commissioner Wilson. Motion failed 1-4 with Commissioners Baker, Cardenas, Wilson and Chair Miadich voting no.

MOTION: To approve as amended by Ms. West and Ms. Brereton with changes in 18360.1 and 18360.3 to add “and not substantially correct”. Moved by Commissioner Cardenas, seconded by Commissioner Baker. Motion approved 5-0.

H. Digital Transparency Task Force Update.

Chair Miadich stated that the Digital Transparency Task Force held a meeting in December and discussed the timeline, heard a presentation on Senate Bill 1104 from 2014, and a presentation of the New York digital ad archive. The next meeting would be on January 22, 2021 with a presentation from Facebook on their archive, a continuing discussion on emerging issues of the 2021 election cycle with respect to digital media, and a presentation from Trent Lange, California Clean Money Campaign.

I. Committee Updates.

Chair Miadich stated the Law and Policy committee heard comments on the streamline regulations and stated the Budget and Staffing committee would have a meeting in February.

J. Legislative Update.

Lindsey Nakano, Legislative Counsel, stated in addition to the general update, staff have almost submitted all draft requests.

Chair Miadich suggested to have an update next month to provide a background on the Franchise Tax Board and challenges that they have been facing with respect to auditing lobbyists.

K. 2020 Annual Report.

Lindsey Nakano, Legislative Counsel, stated that annual report reflects that despite the major challenges

throughout the year, the Commission showed professionalism, flexibility, resiliency, and remained successful in continuing its important statutory duties.

Commissioner Cardenas asked what kind of distribution the annual report gets. Jay Wierenga, Communications Director, responded that the annual report would be distributed to anyone who signed up with FPPC mailing lists, interested parties and government groups, and the media.

Commissioner Wilson asked that the printed Annual Report be distributed to the members of the Legislature.

L. Executive Staff Reports.

Angela Brereton, Chief of Enforcement, pointed out that she has added the 2020 numbers to the executive staff report. Galena West, Executive Director, stated that she submitted the FPPC legislative supplemental report included in the agenda.

M. Commissioner Comments and Proposed Future Agenda Items.

Chair Miadich asked that the full Commission receive a briefing from staff in February on the passthrough source of income issues with the first step being understanding what the law currently requires and a perspective from Enforcement or Legal division in order to provide further direction.

N. Adjourn.

MOTION: To adjourn the meeting. Moved by Commissioner Hatch, seconded by Commissioner Cardenas. Motion approved 5-0.

Meeting was concluded at 12:44 p.m.

Respectfully Submitted,
Sasha Linker
Commission Assistant
Approved February 8, 2021

Richard C. Miadich, Chair
Fair Political Practices Commission