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7  
8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
9 STATE OF CALIFORNIA  
10

11 In the Matter of ) FPPC No. 10/567  
12 )  
13 ANTOINETTE RENWICK, ) STIPULATION, DECISION and  
14 ) ORDER  
15 Respondent. )  
\_\_\_\_\_ )

16 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
17 Respondent Antoinette Renwick, hereby agree that this Stipulation will be submitted for consideration  
18 by the Fair Political Practices Commission at its next regularly scheduled meeting.

19 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised in this  
20 matter and to reach a final disposition without the necessity of holding an administrative hearing to  
21 determine the liability of Respondent, pursuant to Section 83116 of the Government Code.

22 Respondent understands, and hereby knowingly and voluntarily waives, any and all procedural  
23 rights set forth in Sections 83115.5, 11503 and 11523 of the Government Code, and in Sections 18361.1  
24 through 18361.9 of Title 2 of the California Code of Regulations. This includes, but is not limited to,  
25 the right to personally appear at any administrative hearing held in this matter, to be represented by an  
26 attorney at Respondents' own expense, to confront and cross-examine all witnesses testifying at the  
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1 hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge  
2 preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

3 It is further stipulated and agreed that Respondent Antoinette Renwick violated the Political  
4 Reform Act by approving and signing a series of contracts with a contractor from whom she had  
5 received a loan, in violation of Government Code Section 87100 (1 count); and by failing to disclose the  
6 contractor as a source of a loan to her, in her 2008 annual statement of economic interests, in violation  
7 of Government Code Sections 87300 and 87302, subdivision (b) (1 count). All counts are described in  
8 Exhibit 1, which is attached hereto and incorporated by reference as though fully set forth herein.  
9 Exhibit 1 is a true and accurate summary of the facts in this matter.

10 Respondent agrees to the issuance of the Decision and Order, which is attached hereto.  
11 Respondent also agrees to the Commission imposing upon her an administrative penalty in the amount  
12 of Six Thousand Five Hundred Dollars (\$6,500). A cashier's check from Respondent in said amount,  
13 made payable to the "General Fund of the State of California," is submitted with this Stipulation as full  
14 payment of the administrative penalty, to be held by the State of California until the Commission issues  
15 its Decision and Order regarding this matter. The parties agree that in the event the Commission refuses  
16 to accept this Stipulation, it shall become null and void, and within fifteen (15) business days after the  
17 Commission meeting at which the Stipulation is rejected, all payments tendered by Respondent in  
18 connection with this Stipulation shall be reimbursed to Respondent. Respondent further stipulates and  
19 agrees that in the event the Commission rejects the Stipulation, and a full evidentiary hearing before the  
20 Commission becomes necessary, neither any member of the Commission, nor the Executive Director,  
21 shall be disqualified because of prior consideration of this Stipulation.

22  
23 Dated: \_\_\_\_\_

\_\_\_\_\_  
Gary S. Winuk, Chief of Enforcement  
Fair Political Practices Commission

24  
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26 Dated: \_\_\_\_\_

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Antoinette Renwick, Respondent

**DECISION AND ORDER**

The foregoing Stipulation of the parties “In the Matter of In the Matter of Antoinette Renwick, FPPC No. 10/567,” including all attached exhibits, is hereby accepted as the final Decision and Order of the Fair Political Practices Commission, effective upon execution below by the Chairman.

IT IS SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Ann Ravel, Chair  
Fair Political Practices Commission

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## EXHIBIT 1

### INTRODUCTION

Respondent Antoinette Renwick was the Inspection Services Manager for the City of Oakland Community and Economic Development Agency (CEDA), Building Services Division (BSD), from November 2002 through October 2010. As the BSD Inspection Services Manager, Respondent was a public official as defined in Section 82048, of the Political Reform Act (the “Act”),<sup>1</sup> and therefore she was prohibited from making, participating in making, or attempting to use her official position to influence a governmental decision in which she knew, or had reason to know, that she had a financial interest. (Section 87100.) Additionally, Respondent was a “designated employee,” as defined in Section 82019, subdivision (a), and in the Conflict of Interest Code for the City of Oakland. Under the Act and the City of Oakland Conflict of Interest Code, each designated employee is required to file annual statements of economic interests disclosing his or her reportable economic interests held during the preceding 12 months.

In this matter, Respondent Renwick violated the conflict of interest provisions of the Act when she approved and signed a series of contracts with a contractor, her former brother-in-law, from whom she had received a loan in the amount of \$50,000. Additionally, Respondent violated the financial disclosure requirements of the Act by failing to disclose the loan from the contractor in her 2008 annual statement of economic interests.

For the purposes of this Stipulation, Respondent’s violations of the Act are stated as follows:

**COUNT 1:** In 2008, Respondent Antoinette Renwick, in her capacity as the Inspection Services Manager for the City of Oakland Community and Economic Development Agency, Building Services Division, made a series of governmental decisions in which she knew herself to have a financial interest, in violation of Government Code Section 87100.

**COUNT 2:** Respondent Antoinette Renwick, as a designated employee of the City of Oakland Community and Economic Development Agency, Building Services Division, on or about March 6, 2009, failed to disclose Arthur Young as a source of a loan in her 2008 annual statement of economic interests, in violation of Government Code Sections 87300 and 87302, subdivision (b).

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

## SUMMARY OF THE LAW

The primary purpose for the conflicts of interests provisions of the Act is to ensure that “public officials, whether elected or appointed, perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them.” (Section 81001, subd. (b).)

Additionally, an express purpose of the Act, as set forth in Section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided. In furtherance of this purpose, Section 87300 requires every local agency to adopt and promulgate a conflict of interest code.

### Conflicts of Interests

To prevent conflicts of interest in governmental decision making, Section 87100 prohibits state and local public officials from making, participating in making, or attempting to use their official positions to influence a governmental decision in which they know, or have reason to know, that they have a financial interest. Under Section 87103, a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on a recognized economic interest of the official. For purposes of Sections 87100 and 87103, there are eight (8) analytical steps to consider when determining whether an individual has a conflict of interest in a governmental decision. Steps 7 and 8 of the standard step by step analysis are exceptions to the Act, and the respondent has the responsibility to provide facts and evidence that support the use of these exceptions (Regulations 18707, 18708. No evidence has been provided in this regard, and thus, these exceptions are not discussed in the analysis below. The remaining six (6) relevant steps of the analysis follow.

First, the individual must be a public official as defined by the Act. Section 82048 defines “public official” to include employees of a local government agency.

Second, the official must make, participate in making, or attempt to use his or her official position to influence a governmental decision. A public official “makes a governmental decision” when the official, acting within the authority of his or her office or position: (1) Votes on a matter; (2) Appoints a person; (3) Obligates or commits his or her agency to any course of action; (4) Enters into any contractual agreement on behalf of his or her agency; or (5) Determines not to act, unless such determination is made because of his or her financial interest. (Regulation 18702.1, subdivision (a).)

Pursuant to Regulation 18702.2, a public official “participates in making a governmental decision” when, acting within the authority of his or her position, the official: (a) negotiates, without significant substantive review, with a governmental entity or private person regarding a governmental decision (referenced in Reg.18701(a)(2)(A)); or (b) advises or makes recommendations to the decisionmaker by either directly or without significant intervening substantive review either conducting research or making any investigation which requires the

exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision (referenced in Regulation 18701(a)(2)(A)), or by preparing or presenting any report, analysis, or opinion, orally, or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision (referenced in Regulation 18701(a)(2)(A)).

A public official “attempts to use his or her official position to influence a governmental decision” when the official, for the purpose of influencing a decision, attempts to influence a decision of his or her agency or a decision which is before another agency, by acting or purporting to act, on behalf of, or as the representative of his or her agency to any member, officer, employee or consultant of an agency. (Regulation 18702.3.)

Third, the official must have an economic interest that may be financially affected by the governmental decision. A public official has an economic interest in any source of income, as defined in Section 82030, including loans and outstanding loans, aggregating five hundred dollars (\$500) or more received by the official within 12 months prior to the time when a decision is made. (Section 87103, subdivision (c) and Regulation 18703.3, subdivision (a).) Income includes an outstanding loan. (Section 82030, subdivision (a).)

Fourth, it must be determined if the economic interest of the official is directly or indirectly involved in the decision. Regulation 18704.1 provides that a person who is a source of income to a public official is directly involved in a decision before an official’s agency when that person, either directly or by an agent: (1) Initiates the proceeding in which the decision will be made or; (2) Is a named party in, or is the subject of, the proceeding concerning the decision before the official or the official’s agency. A person is the subject of the proceeding if a decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the subject person.

Fifth, it must be determined what materiality standard will apply to the economic interest of the public official. Under Regulation 18705.3, subdivision (a), if a source of income is directly involved in a governmental decision, *any* reasonably foreseeable financial effect on the source of income to a public official is deemed material.

Sixth, it must have been reasonably foreseeable, at the time the governmental decision was made, that the decision would have a material financial effect on the economic interest of the official. Under Regulation 18706, subdivision (a), a material financial effect on an economic interest is reasonably foreseeable if it is substantially likely, not just a mere possibility, that one or more of the materiality standards applicable to that economic interest will be met as a result of the governmental decision. (*In re Thorner* (1975) 1 FPPC Ops. 198.)<sup>2</sup>

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<sup>2</sup> The *Thorner* opinion was codified in Regulation 18706 to provide that a material financial effect on an economic interest is reasonably foreseeable, within the meaning of Section 87103, if it is substantially likely that one or more of the materiality standards will be met as a result of the governmental decision.

When determining whether a governmental decision will have a reasonably foreseeable material financial effect on a respondent's economic interest there are several factors that may be considered. These factors include the scope of the governmental decision in question, and the extent to which the occurrence of the material financial effect is contingent upon intervening events, not including future governmental decisions by the official's agency, or any other agency appointed by or subject to the budgetary control of the official's agency. (Regulation 18706, subd. (b).)

### **Statements of Economic Interests**

Section 82019, subdivision (a), defines "designated employee" to include any member of any agency whose position is "designated in a Conflict of Interest Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest." Additionally, Section 87302, subdivision (a), provides that an agency's conflict of interest code must specifically designate the positions within the agency that are required to file statements of economic interests, disclosing reportable investments, business positions, interests in real property, and sources of income. Thus, designated employees must file annual statements of economic interests under the Act.

Section 87302, subdivision (b) provides that an agency's conflict of interest code must require each designated employee of the agency to file annual statements of economic interests at a time specified in the agency's conflict of interest code,<sup>3</sup> disclosing investments, income, business positions, and interests in real property, held or received at anytime during the previous calendar year.

Section 87300 declares that the requirements of an agency's conflict of interest code shall have the force of law, and any violation of those requirements shall be deemed a violation of the Act.

The Conflict of Interest Code for the City of Oakland, designates the Inspection Services Manager for the Community and Economic Development Agency (CEDA), Building Services Division (BSD) as a person who must file statements of economic interest. Additionally, the City of Oakland's Conflict of Interest Code requires the Inspection Services Manager to disclose in those statements:

All investments and business positions in business entities, sources of income and interests in real property.

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<sup>3</sup> The agency's Conflict of Interest Code may incorporate Regulation 18730 by reference. If so, then the filing deadline is April 1. (Regulation 18730(b)(5)(C)). If not incorporated, the Conflict of Interest Code must specify a filing date. The City of Oakland's Conflict of Interest Code incorporates Regulation 18730, and thus, the filing deadline for annual statements of economic interests for the City of Oakland is April 1.

## SUMMARY OF THE FACTS

Respondent Antoinette Renwick was the Inspection Services Manager for the City of Oakland Community and Economic Development Agency (CEDA), Building Services Division (BSD), from November 2002 through October 2010. The position is a division head position with responsibility for overall administration of the code compliance and building inspection program of the City of Oakland, which included inspections regarding complaints of blight in the City of Oakland. Respondent was neither elected nor appointed. She was promoted to her position through an examination process. Respondent was a subordinate to the department chief who was the ultimate decision maker in the competitive bidding process. This position is designated in the City of Oakland's Conflict of Interest Code with full disclosure.

### **Blight Abatement, Generally**

When a BSD inspector determined that blight abatement was necessary at a site within the City of Oakland, the inspector prepared scope of work documents for bidders for blight abatement contracts. The bid packet was normally approved by the inspector's supervisor. After approval, the bid packet was open for bidding by contractors who had been pre-approved by the City of Oakland to perform that work. Bid packets were posted on Friday, contractors reviewed the scope of work over the weekend, and bids were accepted on Monday. Generally, based on City of Oakland policies and procedures, the lowest reasonable bidder was awarded the contract.

### **Public Bid Hearings**

Contractors dropped off their sealed bids at the reception area for the BSD. The bids were submitted in sealed envelopes which were placed in plain view on a tabletop behind the reception counter. There was no public access to the area behind the counter. Bid selection was determined by a committee of BSD employees: 1) a member of the BSD administrative staff, and 2) a BSD inspector (who was not the inspector for any of the projects up for bidding).

Just before the scheduled hearing time, the BSD administrative staff member picked the bid envelopes up from the reception area and took them to a conference room for the bid hearing. At the scheduled start time, the inspector announced that the bid hearing was beginning, and unsealed the first envelope. The envelope contained a contractor's bids for each project that BSD had advertised that week.

For each bid, the hearing inspector would first briefly and silently skim the bid, checking to make sure that the bid matched the job specifications in the primary inspector's bid packet. The hearing inspector would then read aloud the name of the contractor, the address of the project site, and the bid amount. The hearing inspector then handed the bid to the BSD Administrative staff member, who would repeat the bid amount aloud for a second time, and write the amount in pen on a spreadsheet. They repeated this process for each bid in the envelope. Once they had recorded all of the bids in a particular contractor's envelope, they unsealed the next contractor's envelope and repeated the process. If a contractor had not placed a bid for a particular project, the inspector and the administrative staff member would announce "no bid," which was also recorded on the spreadsheet. After the final bid amount was recorded,

the inspector and the administrative staff member announced that there were no more bids to read.

The hearing inspector then checked the math in each of the lowest bids, in order to make sure that the total bid amount equaled the cumulative total of the proposed charges for each service to be performed. The hearing inspector would select the lowest reasonable bid for each job, and then send the winning bids to a supervisor for approval. Upon approval, the supervisor would then send the winning bids to the administrative staff to prepare the necessary paperwork.

### **BSD Inspection Services Manager – Blight Abatement Responsibilities**

After the administrative staff prepared the contract paperwork, the bid packet (prepared by the primary inspector for the project), the spreadsheet with the summary of bids for the project (created at the bid hearing), the winning bid submitted by the contractor, and the contract prepared by the administrative staff all went to the BSD Inspection Services Manager for final review and approval. The BSD Inspection Services Manager signed a Notice to Proceed, and the contractor was then authorized to begin work on the project. Once the job was complete, the inspector approved the job and any change orders,<sup>4</sup> and signed off and submitted the contract to the supervisor for review. Once the supervisor reviewed the documents, they were submitted to the BSD Inspection Services Manager for review. The BSD Inspection Services Manager initialed the Notice to Proceed and forwarded it to the BSD Accounting Division which prepared the documents for review and payment. The documents were then forwarded to the building official for final review and sign off. The BSD Inspection Services Manager signed the payment authorization and sent the documents to the administrative staff to begin processing for payment. Generally, blight abatement contracts ranged from \$1,000 - \$50,000.

### **Respondent's Loan from Arthur Young**

On or about October 25, 2005, Respondent and her spouse entered into a contract for a \$50,000 loan from Arthur L. Young. Respondent and her spouse received the loan in the form of five \$10,000 cashier's checks. A portion of the loan proceeds were used to pay taxes owed by Respondent and her husband. Approximately one month later, on or about November 28, 2005, Respondent returned two of the cashier's checks uncashed to Arthur Young, and began making payments on the remaining \$30,000 of the loan. On or about February 2011, Respondent and her spouse had an outstanding loan balance of approximately \$28,000. The current balance of the loan is \$25,809.13. Arthur Young was once married to Respondent's sister, and Respondent has maintained a relationship with her ex-brother-in-law for more than 30 years.

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<sup>4</sup> When a contractor determined that more money was needed to complete a blight abatement job after the BSD Inspection Services Manager signed a Notice to Proceed, the bid hearing inspector, and/or the primary inspector went to the site and verified the need, and if it checked out, wrote up a change order, which was approved by a supervisor.

## Arthur Young Debris Removal

Arthur Young is the sole owner of Arthur Young Debris Removal, one of the pre-approved contractors who performs blight abatement services for the City of Oakland, and who has performed contract work for the City of Oakland for about 20 years. BSD was only one of the city departments which contracted with Arthur Young Debris Removal. During fiscal year 2008, contract payments to Arthur Young Debris Removal from the City of Oakland CEDA, which include contracts with the BSD, totaled **\$1,038,628**.

## Blight Abatement Agreements for Arthur Young Debris Removal

In 2008, Respondent Renwick (on behalf of the City of Oakland CEDA BSD) and Arthur Young Debris Removal entered into a series of Blight Abatement Performance Agreements. Before Respondent Renwick received any blight abatement documents, the BSD inspector and his/her supervisor reviewed each bid packet, each spreadsheet with the summary of bids for the projects, and the winning bids submitted by Arthur Young Debris Removal. The contracts were prepared by the administrative staff. After the inspector and his/her supervisor reviewed all of these documents, then Respondent Renwick reviewed these documents and signed each agreement, authorizing the work to begin in accordance with each agreement. After the work was completed, Respondent Renwick reviewed the inspector's verification, any change orders, and the contractor's documents (photographs, etc). Then Respondent Renwick initialed the contracts for payment processing, pursuant to each agreement. Thus, Respondent Renwick reviewed and approved the blight abatement documents and authorized payment. For purposes of this settlement, these agreements were as follows:

<b>Contract No.</b>	<b>Address</b>	<b>Date Young Signed Agreement</b>	<b>Date Notice to Proceed Issued</b>	<b>Date Payment Approved</b>	<b>Amount Paid</b>
08279	555 98 <sup>th</sup> Avenue	02/11/2008	02/11/2008	03/03/2008	\$18,900.00
08280	1144 90 <sup>th</sup> Avenue	02/11/2008	02/11/2008	03/06/2008	\$15,800.00
08287	45 <sup>th</sup> Avenue	02/15/2008	02/15/2008	03/13/2008	\$37,350.00
08293	544 42 <sup>nd</sup> Street	02/22/2008	02/22/2008	04/14/2008	\$16,885.00
09108	377 2 <sup>nd</sup> Street	08/28/2008	08/28/2008	09/26/2008	\$18,610.00

<b>Contract No.</b>	<b>Address</b>	<b>Date Young Signed Agreement</b>	<b>Date Notice to Proceed Issued</b>	<b>Date Payment Approved</b>	<b>Amount Paid</b>
09235	1706 85 <sup>th</sup> Street	10/22/2008	10/24/2008	11/04/2008	\$11,000.00
<b>TOTAL</b>					<b>\$118,545.00</b>

### **2008 Annual Statement of Economic Interests**

On March 6, 2009, Respondent filed her annual statement of economic interests for calendar year 2008, which failed to disclose Arthur Young as the source of a \$50,000 loan. Respondent amended her 2008 statement of economic interests on April 23, 2010, to reflect Arthur Young as a source of a \$50,000 loan.

### **VIOLATIONS**

In this matter, Respondent violated the conflict of interests provisions of the Act when she approved and signed a series of Blight Abatement Performance Agreements, and approved payment for each of the agreements for a contractor from whom she had received a loan in the amount of \$50,000, and when she failed to disclose the loan in her 2008 annual statement of economic interests.

Accordingly, Respondent Renwick committed two (2) violations of the Act, as follows:

#### **Count 1**

(Making Governmental Decisions in Which the Public Official Had a Financial Interest)

In February through November 2008, Respondent Renwick, on behalf of the City of Oakland CEDA BSD, executed six (6) Blight Abatement Performance Agreements involving debris removal work to be performed by Arthur Young Debris Removal, and Respondent Renwick authorized payment to be made on each agreement upon completion of the work.

As BSD Inspection Services Manager, Respondent Renwick was a public official. Her approval and signature for each Blight Abatement Performance Agreement amounted to making governmental decisions because she entered into contractual agreements on behalf of her agency. During the 12 months prior to each Blight Abatement Performance Agreement, Arthur Young was a source of income to Respondent because Respondent Renwick had remaining an outstanding balance of approximately \$28,000 on the \$50,000 loan Arthur Young made to her in October 2005. Arthur Young was directly involved in these governmental decisions because the agreements pertained to work to be performed by and funds to be paid to Arthur Young Debris Removal, which was solely owned by Arthur Young. Because Arthur Young's company was to be paid according to the terms of the Blight Abatement Agreements, which totaled \$118,545, the financial effect of the governmental decisions involved in this matter upon Arthur Young was

material. Additionally, at the time of the Blight Abatement Performance Agreements, it was reasonably foreseeable that they would have a material financial effect on Arthur Young, especially considering that the agreements would result in funds being paid directly to Arthur Young's business.

In summary, by making the above referenced governmental decisions in which she had a financial interest, Respondent violated Government Code Section 87100.

### **Count 2**

(Failure to Disclose Source of Loan in Statements of Economic Interests)

Because Respondent was the Inspection Services Manager for the City of Oakland Community and Economic Development Agency (CEDA), Building Services Division (BSD), she was required to file an annual statement of economic interests for each year that she remained in the position, disclosing her reportable economic interests held during the preceding calendar year. Thus, Respondent was required to file an annual statement of economic interests for calendar year 2008, for which the filing deadline was April 1, 2009.

Respondent filed her 2008 annual statement of economic interests on March 6, 2009. On this statement, Respondent stated that she had no reportable interests on any schedule, and she signed the statement under penalty of perjury. However, despite her assertions to the contrary, Respondent had received a loan in the amount of \$50,000 from Arthur Young in October 2005, and in 2008, she had not yet paid the loan in full. Thus, she was required to disclose Arthur Young as a source of a loan to her on her statement of economic interests, and she failed to do so.

On April 23, 2010, Respondent filed an amendment to her 2008 annual statements of economic interests, disclosing Arthur Young as a source of a loan.

By failing to disclose Arthur Young as a source of a loan to her in her 2008 annual statement of economic interests, Respondent violated Government Code Section 87206.

### **CONCLUSION**

This matter consists of two (2) counts of violating the Act, carrying a maximum administrative penalty of \$5,000 per count, for a total maximum administrative penalty of \$10,000.

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6):

1. The seriousness of the violations;
2. The presence or lack of intent to deceive the voting public;
3. Whether the violation was deliberate, negligent, or inadvertent;
4. Whether the Respondent demonstrated good faith in consulting with Commission staff;
5. Whether there was a pattern of violations; and
6. Whether, upon learning of the violation, the violator voluntarily provided amendments to provide full disclosure.

Respondent engaged in a pattern of violations in which she made governmental decisions involving a source of a loan to her. In 2008, a time during which she was making payments on a \$50,000 loan from Arthur Young, she approved and signed six (6) Blight Abatement Performance Agreements on behalf of the City of Oakland, in which the named contractor for each of those agreements was Arthur Young, the source of a loan to her. Arthur Young Debris Removal received \$118,545 as a result of completing the work pursuant to these six (6) Blight Abatement Performance Agreements.

In conjunction with these Blight Abatement Performance Agreements, Respondent failed to disclose in her 2008 annual statement of economic interests that Arthur Young was a source of a loan to her. Respondent was a long-time Form 700 filer, and she knew, or should have known of her obligation to disclose Arthur Young as a source of a loan in her 2008 annual statement of economic interests.

In mitigation, however, the evidence obtained during this investigation did not indicate that the competitive bidding process was compromised by the loan from Arthur Young to Respondent Renwick. Additionally, Respondent Renwick denies that she knowingly engaged in a pattern of violations by failing to include the Arthur Young loan in her 2008 annual statement of economic interests. Respondent Renwick contends that she did not have any ethics training from the City of Oakland until 2010. Thus, Respondent Renwick contends that even though she had been filing SEI's for several years, she was unaware that the \$50,000 loan secured by a deed of trust would be construed as a conflict of interest, precluding her from doing her job when Arthur Young Debris Removal was a participant in the competitive bidding process. Respondent Renwick was and is in the process of repaying her loan from Arthur Young. Additionally, Respondent Renwick stopped signing Blight Abatement Agreements in approximately May 2009, and retired in October 2010, thus, she is no longer a public official making governmental decisions. Lastly, Respondent Renwick has no prior violations of the Act, and she voluntarily amended her SEI's prior to this investigation. Thus, Respondent's actions, taken as a whole, show a pattern of violations which were, at worst, negligent.

For Count 1, the conduct of making and participating in making a governmental decision in which an official has a financial interest is a serious violation of the Act as it may create the appearance that a governmental decision was made on the basis of an official's financial interest. For Count 2, failure to disclose the source of a loan in statements of economic interests is also a serious violation of the Act as disclosure omissions may create an appearance of impropriety. Recent prior enforcement actions approved by the Commission involving violations of the same Government Code sections as in this Stipulation are as follows:

**Conflicts of Interests:**

- **In the Matter of Theodore Park, FPPC No. 11/058.** – Respondent, as Acting Deputy Director of the Real Estate Services Division of the California Department of General Services, made a governmental decision in which he had a financial interest, by certifying a series of contracts for a construction company, which was a major client of his wife’s school advisory firm. Penalty per relevant count: \$3,500 (1 count). Approved by Commission July 2012.
- **In the Matter of Claudia Chandler, FPPC No. 10/806.** – Respondent, as Chief Deputy Director of the California Energy Commission, made a governmental decision in which she had a financial interest, by awarding two contracts from the CEC to Cambria Solutions, a company in which she had a personal financial interest through her community property interest in her husband's business. Penalty per relevant count: \$3,000 (2 counts). Approved by Commission December 2011.

**Statements of Economic Interests – Non-Disclosure:**

- **In the Matter of Tatsuya Suda, FPPC No. 10/1007** – Respondent, Professor of Computer Science and a principal investigator with the University of California, Irvine, failed to disclose on the Statement of Economic Interests he filed in conjunction with an application for a research project, his interests in a non-governmental funding source that provided grants for his projects. Penalty per relevant count: \$3,500 (4 counts). Approved by Commission February 2011.

**PROPOSED PENALTY**

The facts of this case, including aggravating and mitigating factors, justify imposition of the agreed upon penalty of Six Thousand Five Hundred Dollars (\$6,500): Three Thousand Five Hundred Dollars (\$3,500) for Count 1; and Three Thousand Dollars (\$3,000) for Count 2.

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