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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA
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11

12 In the Matter of) FPPC Nos. 10/751 and 10/981
13)
14) STIPULATION, DECISION and
DAN HAMBURG, DAN HAMBURG FOR) ORDER
SUPERVISOR 2010 AND GEOFFREY)
15 BAUGHER,)
16)
Respondents.)
17

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19 Complainant Fair Political Practices Commission, and Respondents Dan Hamburg, Dan
20 Hamburg for Supervisor 2010 and Geoffrey Baugher agree that this Stipulation will be submitted for
21 consideration by the Fair Political Practices Commission at its next regularly scheduled meeting.

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

25 Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural
26 rights set forth in Sections 83115.5, 11503 and 11523 of the Government Code, and in Sections 18361.1
27 through 18361.9 of Title 2 of the California Code of Regulations. This includes, but is not limited to,
28 the right to personally appear at any administrative hearing held in this matter, to be represented by an
attorney at Respondents' own expense, to confront and cross-examine all witnesses testifying at the

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 Respondents Dan Hamburg, Dan Hamburg for Supervisor
4 2010 and Geoffrey Baugher violated the Political Reform Act by understating and overstating the
5 balance of cash on campaign statements, in violation of Section 84211, subdivision (e), of the
6 Government Code (1 count); failing to disclose information regarding contributions received and
7 expenditures made of \$100 or more on campaign statements, in violation of Section 84211, subdivisions
8 (a), (b), (f), and (k), of the Government Code (1 count); and failing to deposit contributions into a
9 single, designated campaign bank account prior to expenditure, in violation of Section 85201,
10 subdivisions (c) and (e), of the Government Code (1 count). It is further stipulated and agreed that
11 Respondent Dan Hamburg violated the Political Reform Act by making two contributions totaling
12 \$1,500 to Respondent Dan Hamburg for Supervisor 2010 committee by money order on or about
13 November 8, 2010, in violation of Section 84300, subdivision (c), of the Government Code.

14 All counts are described in Exhibit 1, which is attached hereto and incorporated by reference as though
15 fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

16 Respondents agree to the issuance of the Decision and Order, which is attached hereto.
17 Respondents also agree to the Commission imposing upon them an administrative penalty in the amount
18 of Eight Thousand Dollars (\$8,000) and Respondent Hamburg agrees to the Commission imposing upon
19 him an administrative penalty in the amount of One Thousand Five Hundred Dollars (\$1,500).
20 Cashier's checks from Respondents in said amounts, made payable to the "General Fund of the State of
21 California," are submitted with this Stipulation as full payment of the administrative penalty, to be held
22 by the State of California until the Commission issues its decision and order regarding this matter. The
23 parties agree that in the event the Commission refuses to accept this Stipulation, it shall become null and
24 void, and within fifteen (15) business days after the Commission meeting at which the Stipulation is
25 rejected, all payments tendered by Respondents in connection with this Stipulation shall be reimbursed
26 to Respondents. Respondents further stipulate and agree that in the event the Commission rejects the
27 Stipulation, and a full evidentiary hearing before the Commission becomes necessary, neither any
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1 member of the Commission, nor the Executive Director, shall be disqualified because of prior
2 consideration of this Stipulation.

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4 Dated: _____
5 Gary Winuk, Enforcement Chief,
6 on behalf of the
7 Fair Political Practices Commission

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9 Dated: _____
10 Dan Hamburg, Respondent,
11 Individually and on behalf of
12 Dan Hamburg for Supervisor 2010

13
14 Dated: _____
15 Geoffrey Baugher, Respondent,
16 Individually and on behalf of
17 Dan Hamburg for Supervisor 2010

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “In the Matter of Dan Hamburg, Dan Hamburg for
3 Supervisor 2010 and Geoffrey Baugher,” FPPC Nos. 10/751 & 10/981, including all attached exhibits, is
4 hereby accepted as the final decision and order of the Fair Political Practices Commission, effective
5 upon execution below by the Chairman.

6
7 **IT IS SO ORDERED.**

8
9 Dated: _____

Ann Ravel, Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

Respondent Dan Hamburg was elected to the Mendocino County Board of Supervisors in the November 2, 2010 General Election. Respondent Dan Hamburg for Supervisor 2010 committee (“Committee”) was, at all times relevant, Respondent Hamburg’s candidate-controlled committee. At all times relevant, Respondent Geoffrey Baugher was the treasurer of Respondent Committee. Respondent Committee reported receiving contributions and making expenditures of approximately \$62,000.

As a candidate-controlled recipient committee under the Political Reform Act¹ (the “Act”), Respondents have a duty to disclose accurately the cash held by the committee as well as particular information regarding contributions and expenditures. In addition, Respondents have a duty to deposit all contributions into the campaign bank account, make all expenditures from the campaign bank account, and not make contributions of \$100 or more by money order. However, Respondents violated the Act’s requirements for reporting of cash balances and contributions and expenditures of \$100 or more as well as the rules regarding the use of the campaign bank account. In addition, Respondent Hamburg violated the rules regarding making contributions by money order.

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

Respondents Dan Hamburg, Dan Hamburg for Supervisor 2010 committee and Geoffrey Baugher:

COUNT 1: Respondents Dan Hamburg, Dan Hamburg for Supervisor 2010 committee and Geoffrey Baugher understated or overstated the balance of cash on campaign statements filed for the semiannual reporting periods ending December 31, 2009, June 30, 2010, and December 31, 2010 and on pre-election campaign statements for reporting periods ending March 17, 2010, May 22, 2010, September 30, 2010, and October 16, 2010, by up to approximately \$1,458 (understated) and \$10,316 (overstated), in violation of Section 84211, subdivision (e), of the Government Code.

COUNT 2: Respondents Dan Hamburg, Dan Hamburg for Supervisor 2010 committee and Geoffrey Baugher failed to disclose information regarding contributions received and expenditures made of \$100 or more on campaign statements for reporting periods during calendar year 2010 and the semiannual reporting period ending December 31, 2009, in violation of Section 84211, subdivisions (a), (b), (f), and (k).

¹The 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. The law referenced in this Exhibit is the Act as it was in effect in 2008.

COUNT 3: Respondents Dan Hamburg, Dan Hamburg for Supervisor 2010 committee and Geoffrey Baugher failed to deposit contributions into a single, designated campaign bank account prior to expenditure, in violation of Section 85201, subdivisions (c) and (e) of the Government Code.

Respondent Dan Hamburg:

COUNT 4: Respondent Dan Hamburg made two contributions totaling \$1,500 to Respondent Dan Hamburg for Supervisor 2010 committee by money order on or about November 8, 2010, in violation of Section 84300, subdivision (c), of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act, therefore, establishes a campaign reporting system designed to accomplish this purpose of disclosure.

Definition of Controlled Committee

Section 82013, subdivision (a), defines a “committee” to include any person or combination of persons who receive contributions totaling \$1,000 or more in a calendar year. This type of committee is commonly referred to as a “recipient committee.” Under Section 82016, a recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.” A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee. (Section 82016, subd. (a).)

Required Filing of Campaign Statements and Reports

At the core of the Act’s campaign reporting system is the requirement that a recipient committee must file campaign statements and reports, including semi-annual campaign statements, pre-election campaign statements, and late contribution reports. (See Sections 84200, *et seq.*) For example, semi-annual campaign statements must be filed each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31. (Section 84200, subd. (a).)

Duty to Report The Balance of Cash

The campaign statement must contain “[t]he balance of cash and cash equivalents on hand at the beginning and the end of the period covered by the campaign statement.” (Section 84211, subd. (e).) The cash balance at the beginning and ending of the reporting period is reported as the “Beginning Cash Balance” and the “Ending Cash Balance” on the “Summary Page,” which provides an overview of a committee’s finances. For the purposes of computing the Beginning and

the Ending Cash Balance, a committee must accurately report cash receipts (i.e., monetary contributions) and cash payments on the Summary Page.

Duty to Disclose Contributions on Campaign Statements

Section 82015 defines a contribution as a payment made for political purposes. Section 84211, subdivision (a), requires committees to disclose the total amount of contributions received during the period covered by the campaign statement. Additionally, Section 84211, subdivision (f), requires a committee to disclose on each of its campaign statements the following information about a person if the cumulative amount of contributions received from that person is \$100 or more during the reporting period covered by the campaign statement: (1) the contributor's full name; (2) the contributor's street address; (3) the contributor's occupation; (4) the name of the contributor's employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor. "Cumulative amount" means the amount of contributions received in the calendar year. (Section 82018, subd. (a).)

A "contribution" includes any payment made for political purposes for which full and adequate consideration is not made to the donor. (Section 82015; Regulation 18215.) A contribution can be monetary or non-monetary. All contributions received by a person acting as an agent of a committee are required to be reported to and disclosed by the committee's treasurer no later than the closing date of the next campaign statement the committee is required to file. (Regulation 18421.1, subd. (c).)

A monetary contribution is "received" on the date the committee, or the agent of the committee, obtains possession or control of the check or other negotiable instrument by which the contribution is made. (Regulation 18421.1, subd. (c).) A non-monetary contribution is "made" by the contributor, and "received" by the committee, on the earlier of the following dates: (1) the date the funds are expended by the contributor for goods or services, if the specific expenditure is made at the behest of the committee; or (2) the date the committee or its agent obtains possession or control of the goods or services, or the date the committee otherwise receives the benefit of the expenditure. (Regulation 18421.1, subd. (f).)

Duty to Disclose Expenditures on Campaign Statements

Section 82025 defines "expenditure" as a payment, forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes. An expenditure can be either a monetary or nonmonetary payment made for political purposes. (Section 82025, subd. (a); Regulation 18225, subd. (a).) Section 84211, subdivision (b), requires committees to disclose the total amount of expenditures made during the period covered by the campaign statement. Additionally, Section 84211, subdivisions (i) and (k), require a committee to disclose on each of its campaign statements the total amount of expenditures made during the reporting period to persons who have received \$100 or more as well as: (1) the recipient's full name; (2) the recipient's street address; (3) the amount of each expenditure; (4) the description of the consideration for which each expenditure was made. "Expenditure" includes any individual payment or accrued expense (i.e., an

unpaid bill). (Sections 82025, 84211, subd. (k)(6).) Further, an expenditure is “made” on the date the payment is made or on the date consideration, if any, is received, whichever is earlier. (Section 82025.) “Cumulative amount” means the amount of expenditures made in the calendar year. (Section 82018, subd. (a).)

Duty to Deposit Campaign Funds into a Single, Designated Campaign Bank Account Prior to Expenditure

To ensure full disclosure of campaign activity and to guard against improper use of campaign funds, the Act requires campaign funds to be segregated from nonpolitical, personal accounts and kept in a single, designated campaign bank account. (Section 85201.) To achieve this end, Section 85201 requires candidates to establish a single campaign bank account into which all contributions made to a candidate must be deposited. Subject to certain exceptions that are not applicable to this matter, Section 85201, subdivision (e), requires that all campaign expenditures be made from the campaign bank account.

Prohibition Against Receiving Cash and Cash Equivalents of \$100 or More

Under Section 84300, subdivision (a), no contribution of one hundred dollars or more may be made or received in cash. Section 84300, subdivision (c), adds to this by stating that “[n]o contribution of one hundred dollars (\$100) or more other than an in-kind contribution shall be made unless in the form of a written instrument containing the name of the donor and the name of the payee and drawn from the account of the donor or the intermediary, as defined in Section 84302.” In addition, a cash expenditure is deemed to be received when it is negotiated or deposited. (Section 84300(a).)

Liability of Committee Treasurers

As provided in Section 84100, every committee shall have a treasurer. Under Section 84100 and Regulation 18427, subdivision (a), it is the duty of a committee’s treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds and the reporting of such funds. Under Sections 83116.5 and 91006, a committee’s treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee.

SUMMARY OF THE FACTS

Respondent Dan Hamburg was elected to the Mendocino County Board of Supervisors in the November 2, 2010 General Election. Respondent Dan Hamburg for Supervisor 2010 committee (“Committee”) was, at all times relevant, Respondent Hamburg’s candidate-controlled committee and Respondent Geoffrey Baugher was the treasurer of Respondent Committee. Respondents had a duty to disclose accurately the cash held by the committee and the information regarding contributions and expenditures, deposit all contributions received into the campaign bank account before expenditure, and not make contributions of \$100 or more by money order. However, Respondents violated the Act’s requirements regarding these duties.

COUNT 1
Failure to Disclose Balance of Cash

Respondents had a duty to disclose the balance of cash on hand at the beginning and end of the period covered by the campaign statement. (Section 84211, subd. (e).) However, Respondents failed to accurately disclose the balance of cash. Respondents understated or overstated the balance of cash on semiannual campaign statements filed for the reporting periods ending December 31, 2009, June 30, 2010, and December 31, 2010 and on pre-election campaign statements for reporting periods ending March 17, 2010, May 22, 2010, September 30, 2010, and October 16, 2010, by up to approximately \$1,458 (understated) and \$10,316 (overstated). The chart below shows each reporting period, the amount reported as the ending cash balance, the approximate amounts that should have been reported according to the bank records, and the difference between the two.

Reporting Period	Reported: Ending Cash Balance	Actual (Approx.): Ending Cash Balance	Difference
07/01/09 – 12/31/09	\$110	\$275	(\$165)
01/01/10 – 03/17/10	\$2,864	\$1,275	\$1,589
03/18/10 – 05/22/10	\$10,261	\$2,075	\$8,186
05/23/10 – 06/30/10	\$10,891 ²	\$575	\$10,316
07/01/10 – 9/30/10	\$19,162	\$9,375	\$9,787
10/01/10 – 10/16/10	\$11,465	\$7,875	\$3,590
10/17/10 – 12/31/10	(\$1,458)	\$0	(\$1,458)

By failing to accurately disclose the balance of cash on hand, Respondents violated Section 84211, subdivision (e) of the Government Code.

COUNT 2
Failure to Disclose Required Information Regarding Contributions Received and Expenditures Made

Respondents also had a duty to itemize and disclose specific information regarding contributions received of \$100 or more. However, according to Respondents' campaign statements and the bank records, Respondents failed to disclose monetary contributions totally approximately

² After the June 8, 2010 Primary Election, Respondents filed an amendment revising all totals on the summary page, including revising this total to an amount much closer to the actual cash on hand (\$2,864).

\$5,000 and nonmonetary contributions of \$100 or more received by Respondent Committee³ on campaign statements filed for the semiannual reporting periods ending December 31, 2009, June 30, 2010, and December 31, 2010 and on pre-election campaign statements for reporting periods ending March 17, 2010, May 22, 2010, September 30, 2010, and October 16, 2010. In addition, for the contributions that were reported, Respondents failed to disclose complete contributor information including the street address, occupation and/or employer for contributions received totaling approximately \$12,226.

Respondents also had a duty to itemize and disclose information regarding expenditures made of \$100 or more. However, according to Respondents' campaign statements and the bank records, Respondents failed to disclose expenditures made on campaign statements filed for the semiannual reporting periods ending December 31, 2009, and June 30, 2010 and on pre-election campaign statements for reporting periods ending March 17, 2010, and May 22, 2010. Respondents reported expenditures being made to the candidate, Respondent Hamburg, when in fact, vendors were being paid for goods or services. These expenditures totaling over \$18,000 were incorrectly reported as being made to Respondent Hamburg and no vendor information was disclosed for any of these expenses.

By failing to disclose the information regarding contributions of \$100 or more and failing to disclose the information regarding expenditures of \$100 or more, Respondents violated Section 84211, subdivisions (a), (b), (f) and (k) of the Government Code.

COUNT 3
**Failure to Deposit Funds Into the
Campaign Bank Account Before Expenditure**

Respondents had a duty to properly handle campaign contributions received by depositing them into Respondent Committee's campaign account and making expenditures from that account. However, campaign expenses totaling approximately \$16,276⁴ were charged to Respondent Hamburg's personal credit card or paid through his personal bank account. The expenditures were then reported by Respondent Committee as expenditures made directly to Respondent Hamburg with outstanding loans owed to him. The contributions from Respondent Hamburg (i.e. expenses he paid personally) paid for approximately 23% of all expenditures of Respondent Committee. These contributions were required to be deposited in Respondent Committee bank account prior to expenditure by Respondent Committee.

By failing to deposit funds into the single, designated campaign bank account prior to expenditure, Respondents violated Section 85201, subdivisions (c) and (e).

³ Nonmonetary contributions received by Respondent Committee for the May 22, 2010 fundraiser were never reported by Respondents. A campaign flyer was sent out thanking the multiple vendors for the "donations," including six wineries, a coffee house, and two farms.

⁴ Over \$20,000 was expended without being deposited into the campaign bank account. Per records obtained, \$16,276 of this amount was paid through Respondent Hamburg's credit card or personal bank account.

COUNT 4 – Respondent Hamburg
Contributions Made of \$100 or More by Money Orders

The Act prohibits candidates and committees from making contributions of \$100 or more in the form of cash or money orders. Respondent Hamburg made two campaign contributions to Respondent Committee totaling \$1,500 by United States Postal Service Money Orders. Each of these contributions was more than \$100 and therefore prohibited from being made in cash, or by any other method that was not drawn from the account of the donor that did not provide the name of the donor and the name of the payee.

By making two contributions of \$100 or more by money orders, Respondents violated Section 84300, subdivision (c).

CONCLUSION

This matter consists of four counts of violating the Act, which carry a maximum administrative penalty of five thousand dollars (\$5,000) per count.

In determining the appropriate penalty for a particular violation of the Act, the Commission 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 Commission considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the Respondent demonstrated good faith in consulting with Commission staff; and whether there was a pattern of violations.

Balance of Cash: When inaccurate cash balances have been addressed, the stipulated administrative penalty has been in the low-to-middle range of the available penalties. Recent cases include:

- *In the Matter of Carole Migden, Re-Elect Senator Carole Migden, Roger Sanders, and Eric Potashner, FPPC No. 07/441*, approved March 20, 2008. Seven counts of inaccurate cash balances were charged out of a total of 89 separate violations with a fine of \$2,000 per count, charged per reporting period.
- *In the Matter of Davis Democratic Club and Elizabeth R. Weir, FPPC No. 08/390*, approved at the March 15, 2012. The penalty was \$2,500 for one count of incorrectly reported cash balances which combined multiple years.

In this matter, the failure to accurately disclose cash balances was repetitious and grossly inaccurate for a year and a half. Respondents repeatedly deprived the public of information regarding the accurate cash on hand, resulting in the disclosure to the public being exaggerated by over \$10,000 prior to an election. A penalty of \$2,500 for this violation is recommended.

Required Information Regarding Contributions Received and Expenditures Made: The public harm inherent in campaign reporting violations is that the public is deprived of important information such as the contributors to the committee, the information for expenses made by the campaign, the identities of the recipients of such expenditures and the reasons for such expenditures. Recent similar cases where the respondents failed to disclose contributions received or expenditures made of \$100 or more on their campaign statements include:

- *In the Matter of Michael Ramos, Committee to Re Elect Mike Ramos San Bernardino County District Attorney – 2010*, FPPC No, 10/269, approved January 28, 2011. Respondents failed to list as expenditures nine credit card purchases of \$100 or more made during a single reporting period. The total amount of the expenditures was \$8,619, which constituted 7.9% of all expenditures made during the reporting period. The penalty amount was \$2,500 for one count.
- *In the Matter of Davis Democratic Club and Elizabeth R. Weir, FPPC No. 08/390*, approved at the March 15, 2012. Respondents received a penalty of \$3,000 for one count which combined multiple years, included both unreported expenditures made and unreported contributions received, and reflected over \$65,000 in unreported expenditures.

In this matter, although both contributions received and expenditures made went unreported and are included in this count, the amounts and time periods are not as egregious as in the *Davis Democratic Club* case. In this case: expenditures of over \$18,000 were not reported accurately, over \$5,000 in monetary contributions were not reported as received, over \$12,000 of contributions received failed to include complete contributor information, and nonmonetary contributions were received by Respondents but never reported. Therefore, a penalty is proposed of \$2,500.

One Bank Account: The typical stipulated administrative penalty for failing to deposit and expend all campaign funds from a single, designated campaign bank account has been in the mid-to-high end of the penalty range, depending on the circumstances.

- *In the Matter of Stuart Waldman, Friends of Stuart Waldman, and Kinde Durkee*, FPPC No. 10/643, approved September 22, 2011. Respondents failed to deposit Respondent Waldman's own personal funds into the campaign bank account before expenditure. The expenditures comprised approximately 13% of reported expenditures for the committee. A \$3,000 penalty was assessed.
- *In the Matter of George Barich*, FPPC No. 09/774, approved January 28, 2011. Respondent's failed to establish a campaign bank account, which was aggravated by his failure to properly prepare campaign statements to accurately report his campaign activity, failure to properly report loans from himself on these statements, and failure to properly file a Form 410 for his 2008 election committee. A \$3,000 penalty was assessed.

Respondents' conduct of improperly paying expenditures through contributions from Respondent Hamburg instead of first depositing them into the single, designated campaign bank

account is aggravated because the percentage of expenditures that did not go through the campaign bank account was significant (23%), making it difficult for the public to determine the size and resources of the campaign. Therefore, a stipulated administrative penalty in the amount of \$3,000 is appropriate for this violation.

Contributions Made of \$100 or More by Money Orders: With regarding the making of contributions of \$100 or more in cash, or by any other method that was not drawn from the account of the donor that did not provide the name of the donor and the name of the payee, the administrative penalties have typically reflected the circumstances of each case. Making a cash contribution of \$100 or more deprives the public of valuable information regarding the source of the contribution and eliminates the checks and balances used in order to verify who the actual contributors are to a campaign. Similar cases include:

- *In the Matter of Charles R. Brehmer, Brehmer for Judge and Jon W. Parnell*, FPPC No. 10/591, approved September 22, 2011. Respondents accepted three contributions of \$100 or more in the form of cash. Respondents timely reported all three of the contributions on the appropriate campaign statement and maintained records reflecting the sources of the contributions. In addition, the amount of the cash contributions received was only approximately 1.7% of the total contributions received. A penalty of \$1,500 was assessed.
- *In the Matter of Hubert Walsh, Hub Walsh for Supervisor and Marcia B. Hall*, FPPC No. 10/711, approved January 28, 2011. This case involved one count of receipt of seven cash contributions of \$100 or more. The total amount received was \$825, which was only 2.4% of the total contributions received by Respondents. Respondents did not have a history of violating the Act and no evidence was found to indicate this was an intentional violation. A \$1,500 penalty was approved by the Commission.

In this case, Respondent Hamburg made two campaign contributions to Respondent Committee totaling \$1,500 by United States Postal Service Money Orders to his own controlled committee. Respondent Hamburg does not have a history of violating the Act. Since this behavior appears to be unintentional and accounted for only a small percentage of the total amount of contributions received by Respondent Committee (2.4%), imposition of an administrative penalty of one thousand five hundred dollars (\$1,500) is recommended.

PROPOSED PENALTY

After considering the factors listed in Regulation 18361.5, as well as other relevant factors, the recommended administrative penalty for this matter is \$8,000 for Respondent Hamburg, Respondent Baugher and Respondent Committee and \$1,500 for Respondent Hamburg, individually.

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