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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA
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12 In the Matter of) FPPC No. 14/334
13)
14 MICHAEL RAMOS, FRIENDS OF MIKE)
RAMOS FOR SAN BERNARDINO COUNTY) STIPULATION, DECISION and
15 DISTRICT ATTORNEY 2014, and MARVIN)
REITER,)
16)
Respondents.)

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18 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
19 Respondents Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney
20 2014, and Marvin Reiter agree that this Stipulation will be submitted for consideration by the Fair
21 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 the Respondent, pursuant to Section 83116 of the Government Code.

25 Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014,
26 and Marvin Reiter understand, and hereby knowingly and voluntarily waive, any and all procedural
27 rights set forth in Sections 83115.5, 11503 and 11523 of the Government Code, and in Sections
28 18361.1 through 18361.9 of Title 2 of the California Code of Regulations. This includes, but is not

1 limited to, the right to personally appear at any administrative hearing held in this matter, to be
2 represented by an attorney at Michael Ramos', Friends of Mike Ramos for San Bernardino County
3 District Attorney 2014's, and Marvin Reiter's own expense, to confront and cross-examine all
4 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
5 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
6 reviewed.

7 It is further stipulated and agreed that Michael Ramos, Friends of Mike Ramos for San
8 Bernardino County District Attorney 2014, and Marvin Reiter violated the Political Reform Act by (1)
9 failing to timely file a second pre-election campaign statement by May 22, 2014, for the reporting
10 period March 18, 2014 through May 17, 2014, in violation of Government Code Sections 84200.5,
11 subdivision (b), and 84200.7, subdivision (a) (1 count), and (2) failing to disclose vendor information
12 for credit card expenditures of \$100 or more, totaling approximately \$14,025, in violation of Section
13 84211, subdivision (k) of the Government Code (1 count). These counts are described in Exhibit 1,
14 which is attached hereto and incorporated by reference as though fully set forth herein. Exhibit 1 is a
15 true and accurate summary of the facts in this matter.

16 Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014,
17 and Marvin Reiter agree to the issuance of the Decision and Order, which is attached hereto. Michael
18 Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter
19 also agree to the Commission imposing upon them an administrative penalty in the amount of Five
20 Thousand Dollars (\$5,000). A cashier's check from Michael Ramos, Friends of Mike Ramos for San
21 Bernardino County District Attorney 2014, and Marvin Reiter in said amount, made payable to the
22 "General Fund of the State of California," is submitted with this Stipulation as full payment of the
23 administrative penalty, to be held by the State of California until the Commission issues its decision
24 and order regarding this matter. The parties agree that in the event the Commission refuses to accept
25 this Stipulation, it shall become null and void, and within fifteen (15) business days after the
26 Commission meeting at which the Stipulation is rejected, all payments tendered by Michael Ramos,
27 Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter in
28 connection with this Stipulation shall be reimbursed to Michael Ramos, Friends of Mike Ramos for San

1 Bernardino County District Attorney 2014, and Marvin Reiter. Michael Ramos, Friends of Mike
2 Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter further stipulate and
3 agree that in the event the Commission rejects the Stipulation, and a full evidentiary hearing before the
4 Commission becomes necessary, neither any member of the Commission, nor the Executive Director,
5 shall be disqualified because of prior consideration of this Stipulation.
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8 Dated: _____
9 Galena West, Acting Chief of Enforcement
10 Fair Political Practices Commission
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12 Dated: _____
13 Respondent Michael Ramos, individually and on behalf
14 of Friends of Mike Ramos for San Bernardino County District
15 Attorney 2014, Respondent
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17 Dated: _____
18 Respondent Marvin Reiter, individually and on behalf
19 of Friends of Mike Ramos for San Bernardino County District
20 Attorney 2014, Respondent
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EXHIBIT 1

INTRODUCTION

Michael Ramos was a successful candidate for re-election to San Bernardino County District Attorney in the June 3, 2014 election, and Friends of Mike Ramos for San Bernardino County District Attorney 2014 (“Committee”) is his candidate controlled committee. Marvin Reiter is the Committee’s treasurer.

This case arose from the Enforcement Division of the Fair Political Practices Commission’s (“Commission”) audit of the Committee, required by the Government Code Section 83123.5 and the County of San Bernardino Campaign Finance Reform Ordinance (the “Ordinance”). The Commission is authorized to be the civil prosecutor of the Ordinance. The audit covered the period January 1, 2013 through June 30, 2014, and the Committee reported \$151,356 in contributions received and \$269,668 in expenditures made for the time period. Respondents violated the Political Reform Act (the “Act”)¹ by failing to timely file a second pre-election campaign statement and failing to itemize expenditures of \$100 or more on campaign statements.

SUMMARY OF THE LAW

An express purpose of the Act 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.² The Act therefore establishes a campaign reporting system designed to accomplish this purpose of disclosure.

Duty to File Pre-election Campaign Statements

For an election held in June or November of an even-numbered year, committees are required to file two pre-election campaign statements according to a specified schedule.³

In addition, the Ordinance requires electronic filing for any candidate and the candidate's controlled committee that raises or spends at least \$10,000.⁴

In this case, the second pre-election campaign statement for the reporting period March 18, 2014 through May 17, 2014, was due by May 22, 2014.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. The regulations of the Fair Political Practices Commission are contained in Sections 18109 through 18997 of Title 2, California Code of Regulations.

² Section 81002, subdivision (a).

³ Sections 84200.5, subdivision (b), and 84200.7, subdivision (b).

⁴ San Bernardino County Ordinance No. 44226, Section 12.4311.

Required Reporting of Expenditures

The Act defines “expenditure” as a payment, forgiveness of a loan, 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.⁵ An expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier.⁶

Under the Act’s campaign reporting system, candidate-controlled committees are required to file specified campaign statements and reports disclosing contributions received and expenditures made. For each person to whom an expenditure of \$100 or more has been made during the period covered by the campaign statement, the following information must be disclosed on the campaign statement: (1) the recipient’s full name; (2) the recipient’s street address; (3) the amount of each expenditure; and (4) the description of the consideration for which each expenditure was made.⁷

Liability of Committee Treasurers

Every committee must have a treasurer.⁸ 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.⁹ A committee’s treasurer may be held jointly and severally liable with the committee for any reporting violations.¹⁰

SUMMARY OF THE FACTS

The Enforcement Division’s audit found that Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter, by in large, complied with the Act and the Ordinance’s campaign reporting requirements. However, the audit revealed that Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Reiter failed to file the pre-election campaign statement, covering the reporting period ending May 17, 2014 by the May 22, 2014 due date. It was not filed in paper format until May 29, 2014, 5 days before the election. This statement was not filed electronically until May 29, 2014. The statement disclosed Contributions totaling \$34,524 and expenditures totaling \$99,766.54 for the reporting period.

In addition, charges made on the Committee’s campaign credit card of \$100 or more were not itemized on the campaign statements. A total of \$14,025 in expenditures of \$100 or more were required to be itemized for goods and services such as meals, travel, and lodging.

⁵ Section 82025.

⁶ Section 82025.

⁷ Section 84211, subdivision (k).

⁸ Section 84100.

⁹ Section 84100 and Regulation 18427, subd. (a).

¹⁰ Sections 83116.5 and 91006.

VIOLATIONS

Count 1: Failure to Timely File a Second Pre-Election Campaign Statement

In connection with an election held on June 3, 2014, Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Reiter has a duty to file the second pre-election campaign statement covering March 18, 2014 through May 17, 2014, by the May 22, 2014, due date. This statement was not filed until May 29, 2014. In addition, San Bernardino County Ordinance No. 44226, Section 12.4311 required this statement to be filed in electronic format. This statement was not filed electronically until May 29, 2014.

By failing to timely file a second pre-election statement; Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter violated Sections 84200.5, subdivision (b), and 84200.7, subdivision (a) of the Government Code and San Bernardino County Ordinance No. 44226, Section 12.4311.

Count 2: Failure to Itemize Expenditures

Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Reiter filed campaign statements which failed to include a total of \$14,025 in expenditures of \$100 or more which were required to be itemized for goods and services such as meals, travel, and lodging. The vendors who provided these goods and services were paid with the Committee's credit card. The Committee then reported the payment made to the credit card company, rather than to the vendors that received the initial payment, on campaign statements.

By failing to itemize expenditures totaling \$14,025, Respondents Michael Ramos, Friends of Mike Ramos for San Bernardino County District Attorney 2014, and Marvin Reiter violated Section 84211, subdivision (k) of the Government Code.

CONCLUSION

This matter consists of two counts of violating the Act, which carries a maximum administrative penalty of \$5,000 per count, for a total 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. 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): 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; whether there was a pattern of violations; and whether upon learning of the violation the Respondent voluntarily filed amendments to provide full disclosure.

The Commission also considers penalties in prior cases involving similar violations. A recent similar case involving failure to file pre-election campaign statements is:

- *In the Matter of Alvina Sheeley and Alvina Sheeley for Election F-SUSD Governing Board 2011*, FPPC No. 11/1124. Pre-election statements, which disclosed receipts and expenditures totaling approximately \$30,000, were not filed until after the election. On August 16, 2012, the Commission approved a penalty of \$2,500 for the violation.

The typical stipulated administrative penalty for failing to report campaign expenditures has been in the middle level of the penalty range, depending on the circumstances. A recent similar case involving campaign expenditures is:

- *In the Matter of Arturo Chacon and Art Chacon for Water Board 2010*, FPPC No. 08/652, had a similar fact pattern involving the non-disclosure of expenditures of a comparable amount. Arturo Chacon, a successful candidate for the Central Basin Municipal Water District Board of Directors, and his candidate controlled committee, failed to report expenditures made during two different reporting periods, in amounts totaling \$25,333.69 and \$13,215.95. On February 10, 2011, the Commission approved a penalty of \$2,500 for each violation.

The failure to itemize the expenditures deprived the public of information outlining where campaign money was being spent prior to the election that was held on June 3, 2014. Ramos and Reiter were fined by the Commission in 2011 for the same violation as in the present case: failing to itemize credit card expenditures of \$100 or more, totaling approximately \$8,619, on a semi-annual campaign statement.

In mitigation, the treasurer stated that the late filing of the pre-election statement was the result of computer issues, and that he was having difficulty with the software accepting the date parameters, and did not get the issues resolved until after the deadline. He added that the Committee filed seven separate late contribution reports that reflected significant contributions received during that period.

In addition, the treasurer stated that the required documents regarding the itemized expenses had been provided by Ramos and were in his possession. Reiter added that the oversight in reporting occurred, in part, as a result of the misplacement of some documentation that occurred during the closure of his old office in San Bernardino and the relocation to his current office in Redlands.

PROPOSED PENALTY

After review of the facts of this case, including consideration of the factors of Regulation 18361.5, the imposition of a penalty of \$2,500 each for Counts One, and Two, for a total of \$5,000 is recommended.