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7

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

11 In the Matter of) FPPC No. 14/1316
12)
13 JAMES LARRY MINOR,) **STIPULATION, DECISION and ORDER**
14)
15 Respondent.)

16 **STIPULATION**

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

20 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised by this
21 matter and to reach a final disposition without the necessity of holding an additional administrative
22 hearing to determine the liability of Minor.

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

1 officer, and to have the matter judicially reviewed.

2 It is further stipulated and agreed that Minor violated the Political Reform Act as described in
3 Exhibit 1: Minor failed to disclose interests in business entities, real property and sources of income on
4 his 2012, 2013 and 2014 annual SEIs, for his positions as a member of the Board of Directors for the
5 Lake Hemet Municipal Water District and for the Valley-Wide Recreation and Park District, violating
6 Government Code Sections 87206 and 87207 (6 counts). Exhibit 1 is attached hereto and incorporated
7 by reference as though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this
8 matter.

9 Minor agrees to the issuance of the Decision and Order, which is attached hereto. Minor also
10 agrees to the Commission imposing an administrative penalty in the total amount of Six Thousand Dollars
11 (\$6,000). A cashier's check from Minor in said amount, made payable to the "General Fund of the State
12 of California," is submitted with this Stipulation as full payment of the administrative penalty, and shall
13 be held by the State of California until the Commission issues its Decision and Order regarding this
14 matter. The parties agree that in the event the Commission refuses to accept this Stipulation, it shall
15 become null and void, and within fifteen (15) business days after the Commission meeting at which the
16 Stipulation is rejected, all payments tendered by Minor in connection with this Stipulation shall be
17 reimbursed to Minor. Minor further stipulates and agrees that in the event the Commission rejects the
18 Stipulation, and a full evidentiary hearing before the Commission becomes necessary, neither any
19 member of the Commission, nor the Executive Director, shall be disqualified because of prior
20 consideration of this Stipulation.

21
22 Dated: _____

_____ Galena West, Chief, on Behalf of the Enforcement Division
Fair Political Practices Commission

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24
25 Dated: _____

_____ James Larry Minor, Respondent

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DECISION AND ORDER

The foregoing Stipulation of the parties “In the Matter of James Larry Minor,” FPPC Case No. 14/1316, 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 Chair.

IT IS SO ORDERED.

Dated: _____

Joann Remke, Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

Respondent James Larry Minor is a member of the Board of Directors for the Lake Hemet Municipal Water District (“Water District”) and for the Valley-Wide Recreation and Park District. (“Park District”), each located in Riverside County, CA.

The Enforcement Division received a sworn complaint alleging that Minor failed to disclose investments, income and interests in real property his annual statements of economic interests (“SEIs”) for both positions.

The Political Reform Act (the “Act”)¹ requires public officials to file annual disclosure statements which provide specific information about their economic interests. Minor failed to disclose numerous economic interests in his 2012, 2013 and 2014 annual SEIs.

SUMMARY OF THE LAW

All statutory references and discussions of law pertain to the Act’s provisions as they existed in 2012, 2013, and 2014.

Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act

When enacting the Political Reform Act, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities.² To that end, the Act must be liberally construed to achieve its purposes.³

There are many purposes of the Act. One purpose 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.⁴ Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”⁵

In furtherance of this purpose, the Act requires public officials who manage public investments to annually file SEIs disclosing his or her reportable investments, interests in real property, and income.⁶ The conflict of interest codes for the Water District and the Park District specify that members of the Boards of Directors are public officials who manage public investments.

¹ The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² § 81001, subd. (h).

³ § 81003.

⁴ § 81002, subd. (c).

⁵ § 81002, subd. (f).

⁶ §§ 87200 and 87203.

The public official's SEIs must include all of the public official's reportable economic interests during each preceding calendar year.⁷ The Act specifies disclosure requirements for investments, business and real property interests, and sources of income and gifts received by public officials.⁸

SUMMARY OF THE FACTS

Minor was first elected to the Water District Board of Directors in November 2006. Minor was appointed to the Park District Board of Directors in 1996. He currently serves on both Boards of Directors. Each District has its own jurisdictional boundaries.

During 2012, 2013 and 2014, Minor had a greater than 10% interest in, was president of and received salary from Agri-Empire, a California Corporation which was a grower and packer of fresh potatoes. Agri-Empire farmed potatoes in four different counties, and owned or leased many parcels of real property to do so.

Also during 2012, 2013 and 2014, Minor had a greater than 10% interest in and was president of Larry Minor Racing, Inc. (LMR), an off road vehicle racing corporation. Minor referred to LMR as his "hobby shop."

Minor filed the following original and amended SEIs for the Water District and the Park District:

LHMWD Schedule A-2	2012			2013			2014		
	Form 700 filed 3/12/13	Amendment filed 5/5/15	Amendment filed 8/8/15	Form 700 filed 3/11/14	Amendment filed 5/5/15	Amendment filed 8/8/15	Form 700 filed 2/24/15	Amendment filed 5/5/15	Amendment filed 8/8/15
# of Investments in Real Property held by Agri-Empire	none	58	58	none	58	58	58	58	58
# of single sources of income of \$10,000 or more to Agri-Empire	none	none	115	none	none	99	none	none	26
Gross income received from LMR	\$0 - \$499	\$0 - \$499	\$10,001 - \$100,000	\$0 - \$499	\$0 - \$499	over \$100,000	\$0-\$499	\$0 - \$499	\$10,001 - \$100,000
# of single sources of income of \$10,000 or more to LMR	none	none	1	none	none	3	none	none	1
VWRPD Schedule A-2	Form 700 filed 3/11/13	Amendment filed 5/5/15	Amendment filed 8/8/15	Form 700 filed 3/17/14	Amendment filed 5/5/15	Amendment filed 8/8/15	Form 700 filed 3/16/15	Amendment filed 5/5/15	Amendment filed 8/8/15
# of Investments in Real Property held by Agri-Empire	none	239	320	none	239	320	239	239	320
# of single sources of income of \$10,000 or more to Agri-Empire	none	none	115	none	none	99	none	none	26
Gross income received from LMR	\$0 - \$499	\$0 - \$499	\$10,001 - \$100,000	\$0 - \$499	\$0 - \$499	over \$100,000	\$0 - \$499	\$0 - \$499	\$10,001 - \$100,000
# of single sources of income of \$10,000 or more to LMR	none	none	1	none	none	3	none	none	1

As shown above, Minor failed to disclose numerous economic interests in his original and amended SEIs.

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⁷ Reg. 18723, subd. (a).

⁸ §§ 87206 and 87207.

VIOLATIONS

Count 1: Failure to Disclose Interests on Statement of Economic Interests

Minor failed to disclose interests in business entities, real property and sources of income on his 2012 annual SEI, due on April 2, 2013, for his position as a member of the Board of Directors for the Water District, violating Government Code Sections 87206 and 87207.

Count 2: Failure to Disclose Interests on Statement of Economic Interests

Minor failed to disclose interests in business entities, real property and sources of income on his 2013 annual SEI, due on April 1, 2014, for his position as a member of the Board of Directors for the Water District, violating Government Code Sections 87206 and 87207.

Count 3: Failure to Disclose Interests on Statement of Economic Interests

Minor failed to disclose interests in business entities, real property and sources of income on his 2014 annual SEI, due on April 1, 2015, for his position as a member of the Board of Directors for the Water District, violating Government Code Sections 87206 and 87207.

Count 4: Failure to Disclose Interests on Statement of Economic Interests

Minor failed to disclose interests in business entities, real property and sources of income on his 2012 annual SEI, due on April 2, 2013, for his position as a member of the Board of Directors for the Park District, violating Government Code Sections 87206 and 87207.

Count 5: Failure to Disclose Interests on Statement of Economic Interests

Minor failed to disclose interests in business entities, real property and sources of income on his 2013 annual SEI, due on April 1, 2014, for his position as a member of the Board of Directors for the Park District, violating Government Code Sections 87206 and 87207.

Count 6: Failure to Disclose Interests on Statement of Economic Interests

Minor failed to disclose interests in business entities, real property and sources of income on his 2014 annual SEI, due on April 1, 2015, for his position as a member of the Board of Directors for the Park District, violating Government Code Sections 87206 and 87207.

CONCLUSION

This matter consists of six counts of violating the Act, which carries a maximum administrative penalty of \$5,000 per count, totaling \$30,000.

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) 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.

The Commission also considers penalties in prior cases involving similar violations. Recent similar cases involving the failure to disclose economic interests on SEIs include:

- *In the Matter of Carlos Villapudua*; FPPC No. 14/395. Respondent, a San Joaquin County Supervisor, failed to disclose eleven economic interests on his 2012 and 2013 Annual Statements of Economic Interests, in violation of Government Code Sections 87203 and 87207, subdivision (a) (1 count). On August 21, 2014 the Commission approved a \$1,000 penalty for this count.

Disclosure of economic interests is important to provide transparency and prevent conflicts of interest. Failure to report all required information on an SEI deprives the public of important information about a public official’s economic interests and it has the potential to conceal conflicts of interest.

Minor, an experienced public official, should have been aware of his duties under the Act to disclose all of his reportable economic interests on each of his SEIs. In this case, Minor failed to disclose numerous reportable economic interests on his original and amended SEIs for the Water District and for the Park District. And Minor has a prior enforcement case, though the violations were unrelated to reportable economic interests on his SEIs: on April 11, 2011, *In the Matter of James Larry Minor*, FPPC Case No. 11/008, the Commission imposed a penalty of \$60,000 for 11 violations of Section 84301 and one violation of Section 85301.

In mitigation, Minor cooperated fully with the investigation, and he has no prior enforcement matters related to serving as a member of the Water District and the Park District. Minor hired counsel to assist him in properly disclosing his economic interests and filed amended SEIs. Many of the unreported interests were leasehold interests in real property for his farming business, Agri-Empire, and no conflicts of interests were found resulting from Minor’s unreported economic interests.

PROPOSED PENALTY

After considering the factors listed in Regulation 18361.5, prior similar cases, and other relevant factors, the following penalty is recommended:

Counts	Description	Penalty per count
1 – 6	Failure to Disclose Interests on Statements of Economic Interests	\$1,000
	Total Agreed Upon Penalty	\$6,000

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