

1 GALENA WEST
Enforcement Chief
2 MICHAEL W. HAMILTON
Commission Counsel
3 Fair Political Practices Commission
428 J Street, Suite 620
4 Sacramento, CA 95814
Telephone: (916) 322-5772
5 Facsimile: (916) 322-1932

6 Attorneys for Complainant

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

10
11 In the Matter of:

12 JOHN WUO,

13 Respondent.

FPPC No. 15/1540

14 STIPULATION, DECISION, AND ORDER

15
16 **STIPULATION**

17 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
18 Respondent John Wuo (“Wuo”) hereby agree that this Stipulation will be submitted for consideration by
19 the Fair Political Practices Commission (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 hearing
22 to determine the liability of Wuo.

23 Wuo understands, and hereby knowingly and voluntarily waives, any and all procedural rights set
24 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 Wuo’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 Wuo violated the Political Reform Act by failing to timely
3 disclose an economic interest and a business position on his 2014 Statement of Economic Interest (“SEI”)
4 and his Leaving Office SEI, in violation of Government Code sections 87203, 87204 ,87207, and 87209
5 (two counts), all as described in Exhibit 1. Exhibit 1 is attached hereto and incorporated by reference as
6 though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

7 Wuo agrees to the issuance of the Decision and Order, which is attached hereto. Wuo also agrees
8 to the Commission imposing an administrative penalty in the total amount of \$2,000. Wuo submitted with
9 this Stipulation a cashier’s check in said amount, made payable to the “General Fund of the State of
10 California,” as full payment of the administrative penalty that shall be held by the State of California until
11 the Commission issues its Decision and Order regarding this matter. The parties agree that in the event
12 the Commission refuses to accept this Stipulation, it shall become null and void, and within fifteen (15)
13 business days after the Commission meeting at which the Stipulation is rejected, all payments tendered by
14 Wuo in connection with this Stipulation shall be reimbursed to Wuo. Wuo further stipulates and agrees
15 that in the event the Commission rejects the Stipulation, and a full evidentiary hearing before the
16 Commission becomes necessary, neither any member of the Commission, nor the Executive Director,
17 shall be disqualified because of prior consideration of this Stipulation.

18
19 Dated: _____
20 Galena West, Chief, on behalf of the Enforcement
21 Division, Fair Political Practices Commission

22 Dated: _____
23 John Wuo

24 ///

25 ///

26 ///

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “In the Matter of John Wuo,” FPPC No. 15/1540,
3 including all attached exhibits, is hereby accepted as the final decision and order of the Fair Political
4 Practices Commission, effective upon execution below by the Chair.

5
6 IT IS SO ORDERED.

7
8 Dated: _____

_____ Joann Remke, Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

Respondent John Wuo (“Wuo”) is a former member of the Arcadia City Council (“City Council”). As a member of the City Council, Wuo was required to report income he has earned from a single source during the preceding year that aggregates to \$500 or more, as well as report any business position he held during the previous year on his Statements of Economic Interest (SEI).

Wuo failed to report a source of income and a business position on his 2014 Annual SEI and his Leaving Office SEI.

SUMMARY OF THE LAW

All statutory references and discussions of law pertain to the Act’s provisions as they existed in 2014 and 2015.

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

When enacting the Political Reform Act (the “Act”)¹, 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

Annual Statements of Economic Interest

The members of city councils are required to file an Annual SEI by April 1, disclosing any income of \$500 or more that they have received in the preceding year from a single source.⁴ Additionally, members of city councils are required to disclose any business position in which the filer is an officer.⁵

Leaving Office Statement of Economic Interest

The members of city councils are required to file a Leaving Office SEI disclosing any income of \$500 or more that they have received from a single source in the preceding year within 30 days of leaving office.⁶ Additionally, members of city councils are required to disclose any business position in which the filer is an officer.⁷

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 §§ 87203, 87207, subd. (a)(1).

⁵ § 87209.

⁶ §§ 87204 and 87207, subd. (a)(1).

⁷ § 87209.

SUMMARY OF THE FACTS

Wuo served as a member of the City Council from 2002 until 2015. As a member of the City Council, Wuo was required to disclose any income of \$500 or more that he received from a single source during the preceding year as well as any business positions he held.

Wuo failed to disclose on his 2014 Annual SEI and his Leaving Office SEI that he was receiving over \$10,000 of income from US Fine Arts Investments (“USFIA”) for real estate consulting. Additionally, Wuo failed to report that he was an officer of 24 HD Surveillance.

On May 23, 2016, Wuo amended his 2014 Annual SEI and his Leaving Office SEI to disclose that he was receiving income from USFIA and that he was an officer with 24 HD Surveillance.

VIOLATIONS

Count 1: Failure to Disclose an Economic Interest and Business Position on 2014 Annual SEI

Wuo failed to disclose on his 2014 Annual SEI that he received income from USFIA and had a business position as an officer with 24 HD Surveillance, in violation of Government Code sections 87203, 87207, and 87209.

Count 2: Failure to Disclose an Economic Interest and Business Position on Leaving Office SEI

Wuo failed to disclose on his Leaving Office SEI in 2015 that he received income from USFIA and had a business position as an officer with 24 HD Surveillance, in violation of Government Code sections 87204, 87207, and 87209.

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of \$5,000 per count, totaling \$10,000.

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.

At the beginning of this investigation, the Enforcement Division contacted Wuo regarding these allegations. He initially concealed the fact he had a financial connection to USFIA and denied the allegations. Eventually, as the investigation proceeded Wuo then cooperated and provided amendments to his statements at the request of the Enforcement Division to disclose both interests.

The following is a recent penalty approved by the Commission for failure to disclose an economic interest on an SEI where there was an aggravating factor:

- ❖ *In the Matter of Brian Deforge*; FPPC No. 11/336 (approved Aug. 16, 2012). Brian Deforge was a member of the Beaumont City Council. The Commission imposed a fine of \$1,000 against *Deforge* for failing to disclose that the Beaumont-Cherry Valley Water District and Dixieline Builder Fund Control were sources of income on his 2007 SEI. This violation was aggravated by the fact that one of those sources had business before the council.

PROPOSED PENALTY

After considering the factors listed in Regulation 18361.5, prior similar cases, and other relevant factors, the imposition of a penalty of \$1,000 per count (2 counts), for a total of \$2,000 is recommended.