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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

9 STATE OF CALIFORNIA
10

11 In the Matter of:

FPPC No. 15/1763

12 TERRI VALLADOLID AND FRIENDS
OF TERRI VALLADOLID FOR
13 SOUTHWESTERN COLLEGE SCHOOL
BOARD 2010,
14

STIPULATION, DECISION, AND ORDER

15 Respondents.
16

17 **STIPULATION**

18 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
19 respondents Terri Valladolid ("Valladolid") and Friends of Terri Valladolid for Southwestern College
20 School Board 2010 ("Committee") hereby agree that this Stipulation will be submitted for consideration
21 by the Fair Political Practices Commission ("Commission") at its next regularly-scheduled meeting.

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

25 Valladolid and the Committee understand, and hereby knowingly and voluntarily waive, any and
26 all procedural rights set forth in Government Code sections 83115.5, 11503 and 11523, and in California
27 Code of Regulations, title 2, sections 18361.1 through 18361.9. This includes, but is not limited to, the
28 right to personally appear at any administrative hearing held in this matter, to be represented by an
attorney at Valladolid's 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 Valladolid and the Committee violated the Political
4 Reform Act by failing to timely file three semi-annual campaign statements due by February 2, 2015,
5 July 31, 2015, and February 1, 2016, in violation of Government Code section 84200 subdivision (a), as
6 described in Exhibit 1. It is further stipulated and agreed that Valladolid and the Committee violated the
7 Political Reform Act by failing to timely pay annual committee fees with the Secretary of State for 2015
8 and 2016, in violation of Government Code Section 84101.5 subdivisions (c) and (d), as described in
9 Exhibit 1. Exhibit 1 is attached hereto and incorporated by reference as though fully set forth herein.
10 Exhibit 1 is a true and accurate summary of the facts in this matter.

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

24 Dated: _____
Galena West, Chief, on behalf of the Enforcement Division of the
25 Fair Political Practices Commission

26 Dated: _____
27 Terri Valladolid, individually and on behalf of Friends of Terri
28 Valladolid for Southwestern College School Board 2010

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties "In the Matter of Terri Valladolid and Friends of Terri
3 Valladolid for Southwestern College School Board 2010," FPPC No. 15/1763, including all attached
4 exhibits, is hereby accepted as the final decision and order of the Fair Political Practices Commission,
5 effective upon execution below by the Chair.

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7 IT IS SO ORDERED.

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9 Dated: _____

10 Joann Remke, Chair
11 Fair Political Practices Commission
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EXHIBIT 1

INTRODUCTION

Respondent Terri Valladolid (“Valladolid”) was a member of the Southwestern Community College District Governing Board. Friends of Terri Valladolid for Southwestern College School Board 2010 (the “Committee”) is her candidate-controlled committee. After being re-elected to her seat on November 2, 2010, she left office in November 2014. Valladolid was, at all times relevant to this case, the treasurer for the Committee.

Under the Political Reform Act (the “Act”)¹ a candidate-controlled committee must timely file campaign statements disclosing the contributions it receives and the expenditures it makes. Additionally, the Act requires each committee to pay an annual fee to the Secretary of State. The Committee violated the Act by failing to timely file three semi-annual campaign statements, and by failing to pay its annual fees in 2015 and 2016.

SUMMARY OF THE LAW

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

The Act requires candidate-controlled committees to file semi-annual campaign statements each year by July 31 for the period ending June 30, and by January 31 for the period ending December 31.² All filing obligations continue until the committee is terminated by filing a statement of termination with the Secretary of State and a copy with the local filing officer receiving the committee’s original campaign statements.³ A committee’s candidate and treasurer are liable with the committee for the committee’s campaign reporting violations.⁴

The Act also requires a candidate-controlled committee to pay the Office of the Secretary of State a \$50 annual committee fee until the termination of the committee.⁵ If the annual fee is not timely paid, a late penalty of \$150 is assessed by the Secretary of State, in addition to the \$50 annual fee.⁶ The Commission enforces the violation and the penalty when committees fail to timely pay their annual fees to the Secretary of State.⁷

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SUMMARY OF THE FACTS

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

² Section 84200, subdivision (a) and Regulation 18116

³ Section 84214 and Regulation 18404, subdivisions (b) through (e)

⁴ Sections 83116.5 and 91006

⁵ Section 84101.5, subdivision (a)

⁶ Section 84101.5, subdivision (d)(1)

⁷ Section 84101.5, subdivision (d)(2)

The Committee first qualified as a candidate-controlled committee in August 1998, and was redesignated in 2010 for Valladolid's re-election to the Southwestern Community College District Governing Board. Valladolid won re-election but left the board in November 2014.

Valladolid and the Committee were referred to the Enforcement Division after they failed to file their semi-annual campaign statement due by July 31, 2015. A review of the Committee's filings showed that it had also failed to file its semi-annual campaign statement due by February 2, 2015, as well as a third semi-annual campaign statement due by February 1, 2016. The Committee filed all statements after being contacted by the Enforcement Division.

From July 1, 2014 through December 31, 2015, the committee reported no contributions and made a total of \$1,752 in expenditures. It had a balance of \$2,962.57 as of December 31, 2015.

The following table details the semi-annual campaign statements that were not timely filed by the Committee:

Statement Period	Due Date	Date Filed	Days Late	Activity
7/1/14- 12/31/14	2/2/15	6/27/16	511	\$1,352 in expenditures
1/1/15-6/30/15	7/31/15	6/27/16	332	No activity
7/1/15- 12/31/15	2/1/16	6/27/16	147	\$400 in expenditures

Valladolid and the Committee were also required to pay their 2015 and 2016 \$50 annual fees to the Secretary of State, but failed to do so. The Secretary of State referred Valladolid and the Committee to the Enforcement Division. In addition, Valladolid and the Committee owe a penalty of \$150 to the Secretary of State for 2015, which they paid to the Secretary of State as part of this settlement.

VIOLETATIONS

Count 1: Failure to Timely File Semi-Annual Campaign Statement

Valladolid and the Committee failed to timely file a semi-annual campaign statement due by February 2, 2015, for the reporting period ending December 31, 2014, in violation of Section 84200, subdivision (a).

Count 2: Failure to Timely File Semi-Annual Campaign Statement

Valladolid and the Committee failed to timely file a semi-annual campaign statement due by July 31, 2015, for the reporting period ending June 30, 2015, in violation of Section 84200, subdivision (a).

Count 3: Failure to Timely File Semi-Annual Campaign Statement

Valladolid and the Committee failed to timely file a semi-annual campaign statement due by February 1, 2016, for the reporting period ending December 31, 2015, in violation of Section 84200, subdivision (a).

Count 4: Failure to Timely Pay the 2015 and 2016 Annual Fee and Penalties

Valladolid and the Committee were required to timely pay the Committee's annual fee by January 15 of 2015 and 2016. The Committee failed to pay the 2015 and 2016 annual fee of \$50, and failed to pay the \$150 late penalty for 2015, in violation of Section 84101.5, subdivisions (c) and (d).

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, totaling \$20,000.

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)-(6): the seriousness of the violations; the presence or lack of intent to conceal, deceive or mislead; whether the violation was deliberate, negligent, or inadvertent; whether the Respondents demonstrated good faith in consulting with Commission staff; whether there was a pattern of violations; and whether the violator, upon learning of the violations, voluntarily filed amendments.

The Enforcement Division considers failure to file required semi-annual statements to be a serious violation of the Act because it undermines one of its central purposes – transparency. Without timely disclosure of semi-annual campaign statements, the public is deprived of important information about the campaign's contributors, expenditures, and financial activities.

Aggravating Factors:

In aggravation, the Committee and Valladolid have a pattern of violating the Act by failing to timely file semi-annual campaign statements. The Commission has previously assessed a \$3,000 penalty for the Committee and Valladolid's failure to timely file three semi-annual campaign statements due in 2013 and the first half of 2014, assessing a \$3,000 penalty for the three statements on August 21, 2014 (FPPC Case No. 13/191).

Prior to that case, on August 16, 2012, the Commission approved a streamlined two-count settlement totaling \$800 with the Committee and Valladolid for their failure to timely file two semi-annual campaign statements due in 2011. (FPPC Case No. 11/341).

Lastly, the Commission approved a \$1,200 penalty on August 12, 2010 after Valladolid and the Committee failed to file six semi-annual campaign statements in 2007, 2008, and 2009. (FPPC Case No. 10/48.)

The Commission also considers penalties in prior cases involving similar violations. Recent similar cases include the following:

Counts 1-3

- *In the Matter of Jim Kelly and Jim Kelly for Grossmont Union High School Board 2014*, FPPC No. 15/274. (Commission approved a stipulated decision on July 21, 2016.) The respondent committee, a candidate-sponsored committee whose candidate served as treasurer, failed to timely file a semi-annual campaign statement during a reporting period when the committee received no contributions and made expenditures of \$2,795. The committee filed the semi-annual campaign statement three months after the filing deadline. Due to a previous enforcement history, the Commission imposed a penalty of \$1,000.
- *In the Matter of Pedro Rios and Pedro Rios for Assembly, 2012*, FPPC No. 14/19. (Commission approved a stipulated decision on November 20, 2014.) The respondent committee, a candidate-sponsored committee, and Rios failed to timely file a semi-annual campaign statement for a reporting period when Rios was not running for office. The committee filed the statement nine months late, showing contributions of \$4,248 and expenditures of \$50,082. The Commission imposed a penalty of \$1,000 for that violation.

Count 4

- *In the Matter of Geraldine "Gerri" Guzman, Friends to Elect Gerri Guzman for School Board, and Charlotte Trujillo*, FPPC No. 13/1334. (Commission approved a stipulated decision on April 21, 2016.) The respondents failed to pay the committee's annual fee to the Secretary of State for 2013 and 2014. The Commission imposed a penalty of \$1,000 for the violation.

Regarding Counts 1-3, the amount of money not timely disclosed was less than in the *Kelly* or *Rios* cases. Further, one of the late statements in this case involved no contributions and a single expenditure of \$400 to a civic organization. However, the Committee and Valladolid's past failures to timely file campaign statements prevent combining these three similar violations into a single count, or assessing a lower penalty for each untimely filed semi-annual campaign statement. Valladolid and the Committee's pattern of noncompliance reflect a continuing disregard for the required disclosure under the Act. These factors justify assessing a \$2,500 penalty for each of Counts 1-3.

Regarding Count 4, the Committee and Valladolid failed to file their annual fees to the Secretary of State for two years, which is the same as the *Guzman* case. However, in this case, non-payment was part of a larger pattern of non-compliance, thus justifying a higher fine of \$1,500 for this count.

In mitigation, Valladolid has resigned and is no longer in office.

PROPOSED PENALTY

After considering the factors of Regulation 18361.5, the penalties imposed in prior cases, and other relevant information, it is respectfully requested that the Commission impose a penalty of \$2,500 each for Counts 1-3 and \$1,500 for Count 4, for a total penalty of \$9,000.