

1 GALENA WEST  
Enforcement Chief  
2 DAVE BAINBRIDGE  
Assistant Enforcement Chief  
3 Fair Political Practices Commission  
428 J Street, Suite 620  
4 Sacramento, CA 95814  
Telephone: (916) 322-5660  
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 CITIZENS FOR QUALITY KERMAN  
13 SCHOOLS, CHARLES H. JONES, AND  
14 JULIE GRAGNANI,

Respondents.

FPPC No. 16/19661

STIPULATION, DECISION, AND ORDER

16 **STIPULATION**

17 Complainant, the Enforcement Division of the Fair Political Practices Commission and  
18 respondents Citizens for Quality Kerman Schools, Charles H. Jones, and Julie Gragnani (Respondents)  
19 hereby agree that this Stipulation will be submitted for consideration by the Fair Political Practices  
20 Commission (Commission) at its next regularly scheduled meeting.

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

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

1 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over  
2 the hearing as a hearing officer, and to have the matter judicially reviewed.

3 It is further stipulated and agreed that Respondents violated the Political Reform Act by failing to  
4 timely file a pre-election statement and three late contribution reports in violation of Government Code  
5 sections 84200.5, subdivision (a), 84200.8, subdivision (a), and 84203, all as described in Exhibit 1.  
6 Exhibit 1 is attached hereto and incorporated by reference as though fully set forth herein. Exhibit 1 is a  
7 true and accurate summary of the facts in this matter.

8 Respondents agree to the issuance of the Decision and Order, which is attached hereto.  
9 Respondents also agree to the Commission imposing an administrative penalty in the total amount of  
10 \$3,000. Respondents submitted with this Stipulation a cashier's check in said amount, made payable to  
11 the "General Fund of the State of California," as full payment of the administrative penalty that shall be  
12 held by the State of California until the Commission issues its Decision and Order regarding this matter.  
13 The parties agree that in the event the Commission refuses to accept this Stipulation, it shall become null  
14 and void, and within fifteen (15) business days after the Commission meeting at which the Stipulation is  
15 rejected, all payments tendered by Respondents in connection with this Stipulation shall be reimbursed to  
16 Respondents. Respondents further stipulate and agree that in the event the Commission rejects the  
17 Stipulation, and a full evidentiary hearing before the Commission becomes necessary, neither any member  
18 of the Commission, nor the Executive Director, shall be disqualified because of prior consideration of this  
19 Stipulation.

20  
21 Dated: \_\_\_\_\_  
22 Galena West, Chief, on behalf of the Enforcement  
23 Division of the Fair Political Practices Commission

24  
25 Dated: \_\_\_\_\_  
26 Charles H. Jones, individually and on behalf of Citizens  
27 for Quality Kerman Schools  
28

1 Dated: \_\_\_\_\_  
2 Julie Gragnani, individually and on behalf of Citizens  
3 for Quality Kerman Schools

4 **DECISION AND ORDER**

5 The foregoing Stipulation of the parties “In the Matter of Citizens for Quality Kerman Schools,  
6 Charles H. Jones, and Julie Gragnani,” FPPC No. 16/19661, including all attached exhibits, is hereby  
7 accepted as the final decision and order of the Fair Political Practices Commission, effective upon  
8 execution below by the Chair.

9  
10 IT IS SO ORDERED.

11  
12 Dated: \_\_\_\_\_  
13 Joann Remke, Chair  
14 Fair Political Practices Commission

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Citizens for Quality Kerman Schools (the “Committee”) is a committee primarily formed to support Measure K, a local school bond measure benefitting Kerman Unified School District in Fresno County. Respondent Charles H. Jones (“Jones”) is the Committee’s treasurer and respondent Julie Gragnani (“Gragnani”) is the Committee’s principal officer.

Under the Political Reform Act (the “Act”),<sup>1</sup> a primarily formed ballot measure committee must timely file campaign statements disclosing the contributions it receives and the expenditures it makes. The Committee violated the Act by failing to timely file one pre-election statement and three late contribution reports. As the treasurer and principal officer, Jones and Gragnani are liable, along with the Committee, for the Committee’s campaign reporting violation.<sup>2</sup>

### **SUMMARY OF THE LAW**

An express purpose of the Act is to ensure that campaign contributions and expenditures are fully and truthfully disclosed so that voters are fully informed and improper practices are discouraged.

In furtherance of this purpose, the Act requires primarily formed ballot measure committees to file pre-election statements during election years.<sup>3</sup> Before a general election, a committee must file a pre-election statement no later than 40 days before the election for the statement period ending 45 days before the election.<sup>4</sup> During the pre-election period, a Committee must also file a late contribution report within 24 hours of receiving a contribution of \$1,000 or more.<sup>5</sup>

### **SUMMARY OF THE FACTS**

The Committee first qualified as a committee on July 8, 2016. The Committee, Jones, and Gragnani reported six contributions of \$1,000 or more on late contribution reports filed during the period of July 1, 2016 through September 24, 2016. However, the Committee, Jones, and Gragnani failed to file late contribution reports for a \$1,000.00 contribution received on September 7, 2016; a \$1,000.00 contribution and a \$7,500.00 contribution received on September 19, 2016; and a non-monetary contribution valued at \$12,262.42 received on September 13, 2016.

---

<sup>1</sup> 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.

<sup>2</sup> Sections 83116.5 and 91004.

<sup>3</sup> Section 84200.5, subd. (a).

<sup>4</sup> Section 84200.8, subd. (a).

<sup>5</sup> Sections 82036 and 84203.

The Committee, Jones, and Gragnani also failed to file a pre-election statement for the period of July 1, 2016 to September 24, 2016 by the September 29, 2016 deadline. The Committee, Jones, and Gragnani filed the pre-election statement eight days late on October 7, 2016. The statement reported \$62,362.42 in contributions and \$17,164.60 in expenditures during the period of July 1, 2016 through September 24, 2016. The statement showed the Committee's ending cash balance as \$32,935.40.

## **VIOLATION**

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

The Committee, Jones, and Gragnani failed to timely file a pre-election statement for the period of July 1, 2016 to September 24, 2016, in violation of Sections 84200.5, subdivision (a) and 84200.8, subdivision (a).

### Count 2: Failure to Timely File Late Contribution Reports

The Committee, Jones, and Gragnani failed to timely file three late contribution reports, in violation of Section 84203.

## **CONCLUSION**

This matter consists of two counts of violating the Act, which carry a maximum administrative penalty of \$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 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 Commission also considers penalties in prior cases involving similar violations. Recent similar cases include the following:

### Count 1

- *In the Matter of Patricia Lopez, Patty Lopez for Assembly 2014, and Carolina Perez*, FPPC Nos. 15/313 and 15/314. (Commission approved a stipulated decision on March 17, 2016.) The respondents failed to timely file two pre-election statements and one semi-annual statement. During the periods in question, the committee received \$13,242.01 and expended \$10,965.95. The statements were ultimately filed after the relevant election. The Commission imposed a penalty of \$2,500.

- *In the Matter of Apartment Association of Los Angeles PAC and Trevor Grimm*, FPPC No. 14/1359. (Commission approved a stipulated decision on October 15, 2015.) The respondents failed to timely file two pre-election statements for periods in which it made contributions totaling \$52,316. The Commission imposed a penalty of \$2,000 per violation, for a total penalty of \$4,000.

#### Count 2

- *In the Matter of Ruben Valencia, Valencia 4 City Council 2014, and Kathleen Christiansen*, FPPC No. 14/1234. (Commission approved a stipulated decision on September 17, 2015.) The respondents failed to timely file eight late contribution reports disclosing nine contributions totaling \$17,000. Six of the contributions were timely reported on pre-election statements. The Commission imposed a penalty of \$1,500.
- *In the Matter of Gregory Kelly Meagher*, FPPC No. 14/032. (Commission approved a stipulated decision on May 19, 2016.) The respondent failed to timely file two late contribution reports disclosing two contributions totaling \$16,000. The Commission imposed a penalty of \$1,500 per violation, for a total penalty of \$3,000.

A central purpose of the Act is to ensure receipts and expenditures in election campaigns are fully and truthfully disclosed.<sup>6</sup> The Committee, Jones, and Gragnani failed to timely disclose contributions and expenditures. However, in mitigation, the pre-election statement was filed eight days late, which was more than one month prior to the election.

#### **PROPOSED PENALTY**

After considering the factors of Regulation 18361.5, the penalties imposed in prior cases, and other relevant information, a penalty of \$1,500 for Count 1 and a penalty of \$1,500 for Count 2 is recommended, for a total penalty of \$3,000.

---

<sup>6</sup> Section 81002, subd. (a).