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

11 In the Matter of:

12 FRIENDS OF THE SANTA CRUZ
13 PUBLIC LIBRARIES IN SUPPORT OF
MEASURE S AND KATHRYN CANLIS,

14 Respondents.
15

FPPC No. 17/090

STIPULATION, DECISION, AND ORDER

16 **STIPULATION**

17 Complainant, the Enforcement Division of the Fair Political Practices Commission and
18 respondents Friends of the Santa Cruz Public Libraries in Support of Measure S and Kathryn Canlis
19 (Respondents) hereby agree that this Stipulation will be submitted for consideration by the Fair Political
20 Practices 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 two pre-election statements in violation of Government Code sections 84200.5, subdivision
5 (a), and 84200.8, subdivisions (a) and (b), all as described in Exhibit 1. Exhibit 1 is attached hereto and
6 incorporated by reference as though fully set forth herein. Exhibit 1 is a true and accurate summary of the
7 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 \$1,500. 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.

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

24 Dated: _____
25 Kathryn Canlis, individually and on behalf of Friends
26 of the Santa Cruz Public Libraries in Support of
27 Measure S
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1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “In the Matter of Friends of the Santa Cruz Public Libraries
3 in Support of Measure S and Kathryn Canlis,” FPPC No. 17/090, including all attached exhibits, is hereby
4 accepted as the final decision and order of the Fair Political Practices Commission, effective upon
5 execution below by the Chair.

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7 IT IS SO ORDERED.

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9 Dated: _____

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

INTRODUCTION

Respondent Friends of the Santa Cruz Public Libraries in Support of Measure S (the “Committee”) is a committee primarily formed to support Measure S, which appeared on the June 7, 2016 ballot in Santa Cruz County. Respondent Kathryn Canlis (“Canlis”) is the Committee’s treasurer.

Under the Political Reform Act (the “Act”),¹ 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 two pre-election campaign statements.

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.²

In furtherance of this purpose, the Act requires primarily formed ballot measure committees to file pre-election campaign statements during election years.³ Before a general election, a committee must file a pre-election campaign statement no later than 40 days before the election for the statement period ending 45 days before the election.⁴ A second pre-election campaign statement must be filed no later than 12 days before the election for the period ending 17 days before the election.⁵

As the treasurer, Canlis is liable, along with the Committee, for the Committee’s campaign reporting violation.⁶

SUMMARY OF THE FACTS

The Committee first qualified as a committee on or around March 9, 2016, when it received contributions totaling more than \$2,000. The Committee was primarily formed to support Measure S, a Santa Cruz County bond measure benefitting local libraries that appeared on the June 7, 2016 ballot. The Committee’s efforts were successful, as Measure S was approved.

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 81002, subd. (a).

³ Section 84200.5, subd. (a).

⁴ Section 84200.8, subd. (a).

⁵ Section 84200.8, subd. (b).

⁶ Sections 83116.5 and 91004.

The Committee and Canlis failed to timely file pre-election campaign statements for the periods of January 1, 2016 through April 23, 2016 and April 24, 2016 through May 21, 2016. The Committee and Canlis self-reported the violation to the Enforcement Division, and filed a statement covering January 1, 2016 through June 30, 2016 on July 28, 2016.

During the pre-election period of January 1, 2016 through April 23, 2016, the Committee received \$10,265.00 in contributions and made \$25,365.00 in expenditures. During the pre-election period of April 24, 2016 through May 21, 2016, the Committee received and expended \$505.00. All of the Committee's expenditures were contributions to another committee, Our Libraries Our Future – Yes on Measure S, which timely reported the contributions on its semi-annual campaign statements and 24-Hour Contribution Reports.

The Committee was terminated on July 28, 2016, effective June 30, 2016.

Count 1: Failure to Timely File Pre-Election Campaign Statements

The Committee and Canlis failed to timely file pre-election campaign statements for the periods of January 1, 2016 through April 23, 2016 and April 24, 2016 through May 21, 2016, in violation of Sections 84200.5, subdivision (a), and 84200.8, subdivisions (a) and (b).

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of five thousand dollars (\$5,000).

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

Count 1

- *In the Matter of Friends of San Juan USD, Yes on P and Kathy Byars*, FPPC No. 16/19681. (The Commission approved a stipulated decision on November 17, 2016.) The respondents failed to timely file a pre-election campaign statement for a period in which the committee reported \$83,050.00 in contributions and \$13,437.12 in expenditures. The Commission imposed a penalty of \$1,500.

A central purpose of the Act is to ensure receipts and expenditures in election campaigns are fully and truthfully disclosed. The Committee and Canlis failed to timely disclose contributions and expenditures. However, in mitigation, the Committee's expenditures were timely reported by the recipient. Further, the Committee and Canlis self-reported their violation. According to Canlis, the Committee had been advised that it was a major donor committee, so they reported their violation to the Enforcement Division when they realized it was actually a primarily formed ballot measure committee.

The activity reported on the late-filed statements was significantly lower than the *Friends of San Juan USD* case, but the present case includes two pre-election statements.

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 is recommended.