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

10
11 In the Matter of

FPPC Case No. 16/19823

12 CHARLES RAMSEY,

STIPULATION, DECISION AND ORDER

13 Respondent.
14

15 **INTRODUCTION**

16 Charles Ramsey is a former member of the board of directors for the West Contra Costa Unified
17 School District (WCCUSD). He served in this capacity for more than 20 years, ending in 2014.

18 This case arises from a proactive investigation in response to the reported findings of a forensic
19 accounting investigation regarding the WCCUSD bond program and by Ramsey’s voluntary, albeit
20 belated, filing of behested payment reports with the Fair Political Practices Commission in 2016, which
21 preceded the release of the final forensic accounting investigation report. The report—which was
22 authored by VLS Forensic Services Division, a professional service of Vicenti, Lloyd & Stutzman—
23 included findings that “certain vendors of the [WCCUSD] Bond Program” made contributions/payments
24 “to organizations related to campaigns and other organizations with some connection to the District

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1 and/or the District Bond Program. . . .”¹ The funds were raised by multiple people—including Ramsey
2 and another, former WCCUSD board member.

3 This case involves Ramsey’s failure to report his fundraising activity in a timely manner on
4 behested payment reports (also known as Form 803’s)—in violation of the Political Reform Act.² The
5 reportable activity was comprised of 39 charitable donations totaling approximately \$485,000, which
6 Ramsey solicited/behested from 15 donors in and between October 2012 and June 2014.

7 This stipulation is intended to encompass violations by Ramsey only—without prejudice to the
8 Enforcement Division’s case regarding the separate potential filing obligations of the other board
9 member in question.

10 SUMMARY OF THE LAW

11 The Act and its regulations are amended from time to time. All legal references and discussions
12 of law are intended to be citations to statutes and regulations as they existed at the time of the violations
13 in this case (calendar years 2012, 2013, and 2014).

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

15 When enacting the Political Reform Act, the people of California found and declared that
16 previous laws regulating political practices suffered from inadequate enforcement by state and local
17 authorities.³ Thus, it was decreed that the Act “should be liberally construed to accomplish its
18 purposes.”⁴

19 Payments made at the behest of elected officials—including charitable donations—are a means
20 by which donors may seek to gain favor with elected officials. One purpose of the Act is to ensure
21 transparent reporting of such activity. This serves to increase public awareness regarding potential

22 ¹ See page 144 of the VLS report, which is available online here:

23 <https://www.wccusd.net/cms/lib/CA01001466/Centricity/domain/1723/final%20phase%20ii%20forensic%20accounting%20investigation%20report/WCCUSD%20Final%20Report%20Phase%20II%20%2009162016.pdf>

24 ² The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections
25 81000 through 91014. All statutory references are to this code. The regulations of the Fair Political Practices Commission
26 are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references
27 are to this source.

28 ³ Section 81001, subdivision (h).

⁴ Section 81003.

1 attempts to influence in this manner.⁵ Another purpose of the Act is to provide adequate enforcement
2 mechanisms so that the Act will be “vigorously enforced.”⁶

3 **Required Filing of Behested Payment Reports**

4 When an elected officer solicits a charitable donation or donations from one individual or
5 organization to another, the officer is required to disclose the payment(s) on a Form 803 behested
6 payment report within 30 days following the date on which the payment(s) equal or exceed \$5,000 in the
7 aggregate from the same source in the same calendar year. The report is a public record, which must
8 include the name and address of the payor, the amount of the payment, the date of payment, the name
9 and address of the payee, a brief description of the goods or services provided or purchased (if any), and
10 a description of the specific purpose or event for which the payment or payments were made. Once the
11 \$5,000 aggregate threshold from a single source has been reached for a calendar year, all payments for
12 the calendar year made by that source shall be disclosed within 30 days after the date the threshold was
13 reached or the payment was made, whichever occurs later.⁷

14 **SUMMARY OF THE FACTS**

15 The Ivy League Connection (ILC) is a privately financed scholarship program, which was
16 founded by former WCCUSD board member Charles Ramsey and another, former board member.
17 Administrators of the program included Ramsey and the other board member—who volunteered their
18 time. The ILC promotes the college going culture in the high schools of WCCUSD in the San Francisco
19 Bay Area.⁸ Many of the school district’s vendors/contractors have been long-standing donors to the
20 ILC—and some board members and other elected officials including Ramsey, have children who
21 participated in the program.⁹ However, Ramsey provided supporting evidence to the effect that although
22 his daughters received scholarships from ILC, he did not take part in—nor did he influence—the
23 applicant selection process in any way.

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26 ⁵ See Section 82015, subdivision (b)(2)(B)(iii).

27 ⁶ Section 81002, subdivision (f).

28 ⁷ See Section 82015, subdivision (b)(2)(B)(iii).

⁸ Source: <http://ivyleagueconnection.org/>

⁹ VLS report, page 141.

The VLS report includes findings from 2009 through 2016. In July 2017, Ramsey entered into a tolling agreement with the Enforcement Division regarding the five-year statute of limitations. This stipulation focuses on activity occurring after mid-July 2012 (which is the oldest activity that may be charged under the tolling agreement) and continuing through Ramsey's separation from WCCUSD in late 2014. During this time, at the behest of Ramsey (and potentially another WCCUSD board member), 15 donors made 39 payments (of \$5,000 or more)—totaling approximately \$485,000—to the ILC, as noted in the following chart:

Donor	Date	Amount
WLC Architects	10/12/2012	\$20,000
John P. Grossman & Associates	12/7/2012	\$5,000
Deems Lewis McKinley-DLM	12/14/2012	\$25,000
NECA	12/14/2012	\$5,000
Baker Vilar Architects	12/21/2012	\$5,000
Piper Jaffrey	1/11/2013	\$10,000
WLC Architects	2/22/2013	\$10,000
Interactive Resources	3/8/2013	\$5,000
Quattrocchi Kwok Architects	3/8/2013	\$10,000
NECA	3/8/2013	\$10,000
WLC Architects	3/15/2013	\$10,000
Orbach, Huff & Suarez LLP	4/3/2013	\$5,000
The Seville Group (SGI)	4/3/2013	\$25,000
Interactive Resources	4/19/2013	\$5,000
Aeko Consulting	5/10/2013	\$5,000
The Seville Group (SGI)	5/10/2013	\$25,000
Davilier-Sloan	6/6/2013	\$5,000
The Seville Group (SGI)	6/21/2013	\$25,000
Orbach, Huff & Suarez LLP	7/25/2013	\$5,000
Deems Lewis McKinley-DLM	11/20/2013	\$25,000
Hibser Yamauchi Architects	11/20/2013	\$5,000
John P. Grossman & Associates	11/20/2013	\$5,000
NECA	11/20/2013	\$10,000
WLC Architects	12/9/2013	\$15,000
NECA	12/9/2013	\$5,000
Interactive Resources	12/13/2013	\$15,000
Piper Jaffrey	12/13/2013	\$10,000
Interactive Resources	12/20/2013	\$5,000
Baker Vilar Architects	1/10/2014	\$10,000
WLC Architects	2/14/2014	\$15,000
HMC Architects	3/7/2014	\$5,000
Quattrocchi Kwok Architects	3/7/2014	\$10,000
WLC Architects	3/7/2014	\$25,000
Powell & Partners Architects	3/31/2014	\$5,000

Orbach, Huff & Suarez LLP	4/28/2014	\$5,000
WLC Architects	4/28/2014	\$25,000
WLC Architects	5/2/2014	\$25,000
The Seville Group (SGI)	5/16/2014	\$25,000
The Seville Group (SGI)	6/20/2014	\$25,000
Total:		\$485,000

Each donation was likely the result of a solicitation by Ramsey (and potentially another WCCUSD board member) in either the year the donation was made, or from prior years. Nearly all of the funds raised were from school district vendors/contractors.

Regarding these solicitations, the VLS report notes (on p. 145):

It was conveyed to VLS consistently by the vendors and others interviewed that they were contacted primarily by then Board member Charles Ramsey. . . . Some vendors stated that [another WCCUSD board member] also has made requests of them for contributions. [This other board member] confirmed she did send out emails soliciting contributions to a list of individuals Mr. Ramsey had initiated. To her knowledge, the list came from people who had contributed to bond measures and people who had been interested in the ILC program. . . .

It was conveyed to VLS consistently that the method used to solicit vendors for contributions was by either a letter mailed to them directly, an email, a personal phone call or a combination of these. Vendors stated that, generally, when Mr. Ramsey was involved in the fundraising, he would typically make a phone call soliciting a donation either before or after a letter or email had been sent to them. VLS did review an email correspondence to a vendor from Mr. Ramsey soliciting a contribution to the ILC and the request was in the names of [another WCCUSD board member] and Charles T. Ramsey, Ivy League Connection. . . . This email correspondence states the contribution can be mailed to Ivy League Connection Attn: Charles T. Ramsey. More than one vendor stated that Mr. Ramsey would sometimes pick up the checks himself. . . .

Some vendors recall attending a dinner on behalf of the ILC. In attendance were some of the architect vendors and some Board members.

Ramsey stated to the Enforcement Division that fundraising/solicitation letters were sent out annually. Ramsey stated that he would provide names to another WCCUSD board member over the phone; this other board member wrote the initial solicitation letters, and sometimes, Ramsey followed up with his own letters. Checks were directed to Ramsey, who stated that no one was pressured to contribute.

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1 When Ramsey received donation checks for the ILC, he would give them to the EdFund, which
2 was the ILC's fiscal sponsor. The EdFund maintained ledgers for all donations. Ramsey used the
3 EdFund's ledgers to prepare his belated behested payment reports, including every donation reflected on
4 the EdFund's ledger in his reports even though Ramsey did not specifically recall having personally
5 solicited each donation.

6 **Counts 1 – 9**

7 *Failure to Timely File Behested Payment Reports*

8 Within 30 days after the making of each donation that is noted in the chart above, Ramsey was
9 required to file a behested payment report—disclosing each donation—but he failed to do so. The 39
10 donations in question were made on and between October 12, 2012 and June 20, 2014. Ramsey did not
11 file the required behested payment reports until June 27, 2016. Even then, Ramsey's disclosure was
12 flawed because the payors and payees were reversed/mixed up in his filings. (The VLS report was
13 finalized about 81 days after Ramsey's filings. The reportable activity in this case totals approximately
14 \$485,000. Approximately 90% of this amount was noted in the VLS report. The rest did not come from
15 school district vendors. For this reason, it was not noted in the VLS report, but it was included in
16 Ramsey's filings on June 27, 2016.)

17 In failing to file the required reports within 30 days, Ramsey violated Section 82015, subdivision
18 (b)(2)(B)(iii). For settlement purposes, nine counts are being charged (as discussed in more detail below).

19 **PROPOSED PENALTY**

20 This matter consists of nine counts. The maximum penalty that may be imposed is \$5,000 per
21 count.¹⁰

22 In determining the appropriate penalty for a particular violation of the Act, the Commission
23 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the
24 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
25 any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or
26 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective

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28 ¹⁰ See Section 83116, subdivision (c).

1 amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior
2 record of violations.¹¹ Additionally, the Commission considers penalties in prior cases with comparable
3 violations.

4 Payments made at the behest of elected officials—including charitable donations—are a means
5 by which donors may seek to gain favor with elected officials. Although the Enforcement Division found
6 no evidence of improper influence, timely reporting of such activity serves to increase public awareness
7 regarding potential attempts to influence in this manner. There is inherent public harm in non-disclosure
8 because the public is deprived of important information that the Act mandates must be disclosed. The
9 Commission has found timely disclosure to be essential. In this case, the Enforcement Division found no
10 evidence of intentional concealment. Ramsey maintains that his violations occurred because he was not
11 familiar with the Act’s reporting requirements for behested payments. Going back to the year 2000, no
12 prior Form 803 filings by Ramsey could be found.

13 Recently, the Commission considered another stipulation involving this same type of violation. *In*
14 *the Matter of Tony Rackauckas*; FPPC Case No. 16/612 (approved Sep. 21, 2017), the Commission
15 imposed a penalty in the amount of \$1,500 per count against the Orange County District Attorney for
16 failure to timely file behested payment reports disclosing 14 payments. Fourteen counts were charged,
17 one for each payment. The total penalty was \$21,000. Reportable activity consisted of charitable
18 donations to a non-profit organization, Orange County Gang Reduction and Intervention Partnership.
19 These donations, which were solicited by Rackauckas (as president/active fundraiser for the non-profit),
20 totaled approximately \$190,000. The required Form 803’s were filed about six to nine months late.
21 Rackauckas had a history of filing prior Form 803’s on time.

22 The current case is similar to *Rackauckas*. Both cases involve sophisticated parties, who should
23 have been familiar with the Act. Like Rackauckas, Ramsey is a practicing attorney, although his area of
24 practice does not include the Act. Also, Ramsey served on the school board for more than 20 years.
25 However, Rackauckas had a history of filing *prior* Form 803’s on time, which shows that he understood
26 his reporting requirements. The same is not true with respect to Ramsey.

27 ¹¹ Regulation 18361.5, subdivision (d).
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1 Additionally, both cases involve respondents with no history of prior, similar violations of the
2 Act. Another similarity is that both respondents cooperated with the Enforcement Division.

3 However, the current case involves more reportable payments (39 vs. 14) and more reportable
4 activity (\$485,000 vs. \$190,000). Also, whereas the required forms were filed six to nine *months* late in
5 *Rackauckas*, they were filed *years* late in the current case. Additionally, whereas *Rackauckas* involved
6 filing violations that occurred over a three-month period of time, the current case involves a pattern of
7 filing violations that occurred over multiple calendar years. This is a much longer period of time—during
8 which there was more opportunity for Ramsey to reflect upon his non-reporting—and to correct the
9 situation. In addition, Ramsey’s children participated in the ILC scholarship program, although as stated
10 above, Ramsey did not participate in their acceptance to the ILC scholarship program in any way.

11 In mitigation, Ramsey voluntarily filed the behested payment reports, albeit late, and submitted to
12 a tolling agreement regarding the statute of limitations, and he is now in the position of not being able to
13 use funds from an active committee to pay his fine (unlike *Rackauckas*). He voluntarily submitted to an
14 interview and has provided follow-up information to aid this investigation. Also, Ramsey provided
15 helpful information (which the Enforcement Division considers to be reliable/accurate) regarding the
16 involvement of another WCCUSD board member. Another consideration is that there was some
17 disclosure for the public regarding most of the donors to the ILC. At public meetings of the WCCUSD
18 board of directors in May of 2013 and 2014, donors to the ILC were acknowledged and thanked (albeit
19 without identifying dollar amounts and the officials who conducted the fundraising). In addition,
20 Ramsey’s voluntary 2016 filing of Form 803’s indicates that once he realized he had an obligation to
21 report, he did so on his own accord. Finally, his method for reporting behested payments was arguably
22 overinclusive, since he relied on the EdFund’s ledgers and reported every donation received by the ILC,
23 not merely those donations that he recalled soliciting personally.

24 In the current case, based on the number of behested payments/late filings, a penalty comparable
25 to *Rackauckas* would be \$58,500 (39 counts at \$1,500 per count). Historically, in cases with large
26 numbers of violations, the Enforcement Division has used thresholds, on a case by case basis, to separate
27 the most egregious violations—in terms of reportable activity—from less egregious ones. Although this
28 process of charging only the most egregious violations was not always transparent in previous

1 stipulations, it is consistent with the current practice of combining violations to ensure that the penalty
2 fits the wrongdoing in any stipulation and is the appropriate process to apply here.

3 The current case involves 39 behested payments, which ranged in amounts from \$5,000 to
4 \$25,000. Twenty-five of these were in amounts of \$10,000 or less. For settlement purposes, it is
5 respectfully submitted that these smaller payments should not be charged; rather, they should be treated
6 as aggravating in support of a higher penalty with respect to the larger payments.

7 However, with respect to the larger payments, of which there are 14, three of these payments
8 were made in consecutive months by the Seville Group in 2013, and it appears that they comprised a
9 single donation—made in response to one solicitation only. Instead of charging one count per payment, a
10 single count is recommended for the whole donation. Similar treatment is recommended for four
11 consecutive payments from WLC Architects in 2014 and two consecutive payments from the Seville
12 Group that same year. This would result in eight counts, but some of the smaller payments noted above
13 also appear to have comprised one or more larger donations—and an additional count is recommended to
14 encompass them.

15 Under these circumstances, an agreed upon penalty in the amount of \$2,000 per count for nine
16 counts is recommended—for a total penalty in the amount of \$18,000.

17 CONCLUSION

18 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
19 Respondent Charles Ramsey hereby agree as follows:

- 20 1. Respondent violated the Act as described in the foregoing pages, which are a true and
21 accurate summary of the facts in this matter.
- 22 2. This stipulation will be submitted for consideration by the Fair Political Practices
23 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.
- 24 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose
25 of reaching a final disposition without the necessity of holding an administrative hearing to determine the
26 liability of Respondent pursuant to Section 83116.
- 27 4. Respondent has consulted with his attorneys, James Harrison and Kristen Rogers—with
28 the law firm of Remcho, Johansen & Purcell, LLP. Respondent understands and hereby knowingly and

1 voluntarily waives, any and all procedural rights set forth in Sections 83115.5, 11503, 11523, and
2 Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to appear personally at
3 any administrative hearing held in this matter, to be represented by an attorney at Respondent's own
4 expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to
5 testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing
6 officer, and to have the matter judicially reviewed.

7 5. Respondent agrees to the issuance of the decision and order set forth below. Also,
8 Respondent agrees to the Commission imposing against him an administrative penalty in the amount of
9 \$18,000. One or more payments totaling this amount—to be paid to the General Fund of the State of
10 California—is/are submitted with this stipulation as full payment of the administrative penalty described
11 above, and they will be held by the State of California until the Commission issues its decision and order
12 regarding this matter.

13 6. If the Commission refuses to approve this stipulation—then this stipulation shall become
14 null and void, and within fifteen business days after the Commission meeting at which the stipulation is
15 rejected, all payments tendered by Respondent in connection with this stipulation shall be reimbursed to
16 Respondent. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
17 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
18 Director, shall be disqualified because of prior consideration of this Stipulation.

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1 7. The parties to this agreement may execute their respective signature pages separately. A
2 copy of any party’s executed signature page—including a hardcopy of a signature page transmitted via
3 fax or as a PDF email attachment—is as effective and binding as the original.
4

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6 Dated: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

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10 Dated: _____

Charles Ramsey, Respondent

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12 The foregoing stipulation of the parties “In the Matter of Charles Ramsey,” FPPC Case No.
13 16/19823, is hereby accepted as the final decision and order of the Fair Political Practices Commission,
14 effective upon execution below by the Chair.
15

16 IT IS SO ORDERED.
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18 Dated: _____

Alice T. Germond, Chair
Fair Political Practices Commission