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

10
11 In the Matter of:

12 DEL TERRA REAL ESTATE
SERVICES, INC.,

13 Respondent.

FPPC Case No. 2018-00619

14 STIPULATION, DECISION AND ORDER

15
16 **INTRODUCTION**

17 Respondent Del Terra Real Estate Services, Inc. (“Del Terra”) qualified as a major donor committee
18 by contributing \$10,000 or more in a calendar year to various state and local candidates and/or measures.
19 As such, Del Terra had an obligation to file campaign statements and reports to disclose the contributions
20 to various state and local candidates and measures but failed to do so. By doing so, Del Terra has violated
21 the Political Reform Act (the “Act”).¹

22 **SUMMARY OF THE LAW**

23 All statutory references and discussions of law pertain to the Act’s provisions as they existed at the
24 time of the violations.

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28 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 Practice 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.

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

2 When enacting the Political Reform Act, the people of California found and declared that previous
3 laws regulating political practices suffered from inadequate enforcement by state and local authorities.²
4 Thus, it was decreed that the Act “should be liberally construed to accomplish its purposes.”³

5 One purpose of the Act is to promote transparency by ensuring that receipts and expenditures in
6 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper
7 practices are inhibited.⁴ Along these lines, the Act includes a comprehensive campaign reporting system.⁵
8 Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be
9 “vigorously enforced.”⁶

10 **Contribution**

11 A contribution means a payment, a forgiveness of a loan, a payment of a loan by a third party, or
12 an enforceable promise to make a payment, except to the extent that full and adequate consideration is
13 received or if it is clear from the surrounding circumstances that the payment is not made for political
14 purposes.⁷

15 **Major Donor Committee**

16 A committee includes any person or combination of persons who directly or indirectly makes
17 contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to or at the behest of
18 candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

19 **Duty to File Campaign Statements**

20 At the core of the Act’s campaign reporting system is the requirement that committees must file
21 campaign statements and reports for certain periods and by certain deadlines. The Act requires major
22 donor committees to file campaign statements at specific times disclosing information regarding
23 contributions received and expenditures made by the campaign committees.⁸

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26 ² Section 81001, subdivision (h).

27 ³ Section 81003.

28 ⁴ Section 81002, subdivision (a).

⁵ Sections 84200, *et seq.*

⁶ Section 81002, subdivision (f).

⁷ Section 82015.

⁸ Section 84200, *et seq.*

1 A major donor committee shall file campaign statements each year no later than July 31 for the
2 period ending June 30 and no later than January 31 for the period ending December 31, if they have made
3 contributions or independent expenditures, including payments to a slate mailer organization, during the
4 six-month period before the closing date of the statements.⁹ If a filer has not previously filed a campaign
5 statement, the period covered begins on January 1.¹⁰

6 **Duty to File 24-Hour Contribution Reports**

7 Each committee that makes a late contribution shall report the late contribution to each office with
8 which the committee is required to file its next campaign statement. A late contribution shall be reported
9 within 24 hours of the time it is made.¹¹ A late contribution is defined as a contribution, including a loan,
10 that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a
11 candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a
12 candidate or measure during the 90-day period preceding the date of the election, or on the date of the
13 election, at which the candidate or measure is to be voted on.¹²

14 **Liability**

15 Under the Act, any person who violates any provision of the Act, who purposefully or negligently
16 causes any other person to violate any provisions of the Act, or who aids and abets any other person in
17 the violation of any provision of this Act, shall be liable. This section applies only to persons who have a
18 filing or reporting obligation under the Act or who are compensated for services involving the planning,
19 organizing, or direction any activity regulated or required by this title.¹³

20 **PROCEDURAL HISTORY**

21 An administrative action for a violation of the Political Reform Act has a five-year statute of
22 limitations.¹⁴ The statute of limitations is tolled upon the service of a probable cause report, as required by
23 Section 83115.5.¹⁵ In this matter, a probable cause report was served upon Respondents' attorney on or
24 around January 24, 2020 by certified mail.

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26 ⁹ Section 84200, subdivision (b).

¹⁰ Section 82046, subdivision (b).

27 ¹¹ Section 84203.

¹² Section 82036.

28 ¹³ Section 83116.5.

¹⁴ Section 91000.5.

¹⁵ Id.

1 **SUMMARY OF THE FACTS**

2 Del Terra is a corporation operating in California. It is in the business of construction and project
3 management, with a focus on municipal and school district bond projects. At all relevant times, the
4 business was owned and operated by cofounders Luis Rojas and Virginia Campos. Del Terra qualified as
5 a major donor committee in 2014, 2015, 2016, and 2017. Del Terra had a duty to file a semiannual
6 campaign statement when the company qualified as a committee during the six-month reporting period.
7 If the company qualified in the second half of the year, the company was required to report for the entire
8 calendar year. For some contributions, Del Terra also had a duty to file 24-Hour Contribution Reports, as
9 discussed below. However, Del Terra failed to file any campaign statements or reports to disclose its
10 political activity in 2014, 2015, 2016, and 2017.

11 *2014 Contributions*

12 Based on the following identified contributions, Del Terra qualified as a major donor on or around
13 October 3, 2014 and was required to file a semiannual campaign statement to report all of the contributions
14 made from January 1, 2014 through December 31, 2014 by the deadline of February 2, 2015.

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16 CONTRIBUTOR	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT
17 NAME			
18 Del Terra Real Estate 19 Services, Inc.	6/26/2014	Steinberg for Lieutenant Governor 2018	\$500.00
20 Del Terra Real Estate 21 Services, Inc.	7/14/2014	Andres Quintero for Alum Rock School Board 2014	\$500.00 ¹⁶
22 Del Terra Real Estate 23 Services, Inc.	7/17/2014	Mendoza for Senate 2014	\$3,000.00
24 Del Terra Real Estate 25 Services, Inc.	10/3/2014	Yes on Measure O Committee, Alum Rock Schools 2014	\$10,000.00

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28 ¹⁶ Original contribution was for \$5,000; however, the recipient returned \$4,500 on or around August 19, 2014 in order to comply with a local contribution limit.

CONTRIBUTOR NAME	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT
Del Terra Real Estate Services, Inc.	10/17/2014	Yes on G 2014	\$5,000.00
Del Terra Real Estate Services, Inc.	10/20/2014	Committee for Outstanding Downey Schools - Yes on Measure O	\$2,000.00
Del Terra Real Estate Services, Inc.	10/27/2014	Urias for Water Board 2014	\$1,000.00
Del Terra Real Estate Services, Inc.	10/29/2014	Yes on Measure O Committee, Alum Rock Schools 2014	\$2,500.00
Del Terra Real Estate Services, Inc.	12/10/2014	Marcel Rodarte for Norwalk City Council 2015	\$542.00
		TOTAL	\$25,042.00

2015 Contributions

Based on the contributions, Del Terra qualified as a major donor on or around November 4, 2015 and was required to file a semiannual campaign statement to report all of the contributions made from January 1, 2015 through December 31, 2015 by the deadline of February 1, 2016.

CONTRIBUTOR NAME	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT
Del Terra Real Estate Services, Inc.	3/27/2015	Aide Castro for Lynwood City Council 2015	\$1,000.00
Del Terra Real Estate Services, Inc.	9/9/2015	Friends of Solache for City Council 2017	\$500.00
Del Terra Real Estate Services, Inc.	9/17/2015	Team El Monte: A Coalition of Education and Community Leaders	\$2,500.00

CONTRIBUTOR NAME	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT
Del Terra Real Estate Services, Inc.	9/21/2015	Re-Elect Archuleta for Council 2015	\$500.00
Del Terra Real Estate Services, Inc.	9/24/2015	Morgan for High School Board 2015	\$1,000.00
Del Terra Real Estate Services, Inc.	10/2/2015	Lynwood Families for Camacho for Treasurer 2015	\$500.00
Del Terra Real Estate Services, Inc.	10/21/2015	S Fisher for Compton School Board 2015	\$1,000.00
Del Terra Real Estate Services, Inc.	11/4/2015	Rendon for Assembly 2016	\$3,000.00
		TOTAL	\$13,000

2016 Contributions

Based on the contributions, Del Terra qualified as a major donor on or around March 29, 2016 and was required to file a semiannual campaign statement to report all of the contributions made from January 1, 2016 through June 30, 2016 by the deadline of August 1, 2016 and a semiannual campaign statement for all contributions made from July 1, 2016 through December 31, 2016 by the deadline of January 31, 2017.

The Enforcement Division obtained evidence to show that Del Terra received major donor notices three times in 2016. As required under the Act, the recipient committee mailed notices on March 31, 2016; October 17, 2016; and December 20, 2016 for qualifying contributions of \$5,000 or more. The notices informed Del Terra of the obligation to file if Del Terra qualified as a major donor committee.

CONTRIBUTOR NAME	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT
Del Terra Real Estate Services, Inc.	3/2/2016	Esau Herrera for Assembly 2016	\$1,000.00
Del Terra Real Estate Services, Inc.	3/29/2016	Yes on Measure I for Alum Rock's Schools	\$10,000.00
Del Terra Real Estate Services, Inc.	4/8/2016	Janice Hahn for Supervisor 2016	\$250.00
Del Terra Real Estate Services, Inc.	4/25/2016	Yes on Measure I for Alum Rock's Schools	\$20,000.00
Del Terra Real Estate Services, Inc.	5/17/2016	Neighbors for Sylvia Arenas for D8 City Council 2016	\$500.00
Del Terra Real Estate Services, Inc.	9/22/2016	Friends of Solache for City Council 2017	\$3,600.00
Del Terra Real Estate Services, Inc.	10/12/2016	Lynwood For Yes on Measure N	\$10,000.00
Del Terra Real Estate Services, Inc.	12/16/2016	Lynwood for Yes on Measure N	\$7,000.00
Del Terra Real Estate Services, Inc.	12/16/2016	Oralia Rebollo For Council 2015	\$1,000.00
		TOTAL	\$53,350.00

In addition, Del Terra was required to file three 24-hour contribution reports to report a cumulative total of \$40,000, as indicated below.

CONTRIBUTOR NAME	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT	24- HOUR
Del Terra Real Estate Services, Inc.	3/29/2016	Yes on Measure I for Alum Rock's Schools	\$10,000.00	Required, Not filed ¹⁷
Del Terra Real Estate Services, Inc.	4/25/2016	Yes on Measure I for Alum Rock's Schools	\$20,000.00	Required, Not filed
Del Terra Real Estate Services, Inc.	10/12/2016	Lynwood For Yes on Measure N	\$10,000.00	Required, Not filed ¹⁸
		TOTAL	\$40,000.00	

2017 Contributions

Based on the contributions, Del Terra qualified as a major donor on or around June 27, 2017 and was required to file a semiannual campaign statement to report all of the contributions made from January 1, 2017 through June 30, 2017 by the deadline of July 31, 2017 and a semiannual campaign statement for all contributions made from July 1, 2017 through December 31, 2017 by the deadline of January 31, 2018. Del Terra failed to file any campaign statements.

The Enforcement Division obtained evidence to show that Del Terra received major donor notices three times in 2017. As required under the Act, the recipient committee mailed notices on March 3, 2017; April 28, 2017; and September 27, 2017 for qualifying contributions of \$5,000 or more. The notices informed Del Terra of the obligation to file if Del Terra qualified as a major donor committee.

¹⁷ Measure I was a ballot measure considered on the June 7, 2016 Primary Election ballot for the Alum Rock Unified School District. The 90-day reporting period for this election was March 9, 2016 – June 7, 2016. Del Terra qualified as a major donor with this contribution.

¹⁸ Measure N was a ballot measure considered on the November 8, 2016 General Election ballot for the Lynwood Unified School District. The 90-day report period for this election was August 10, 2016 – November 8, 2016.

CONTRIBUTOR NAME	DATE	RECIPIENT OF CONTRIBUTION	AMOUNT
Del Terra Real Estate Services, Inc.	2/16/2017	Susan Rubio for Senate 2018	\$1,000.00
Del Terra Real Estate Services, Inc.	3/3/2017	Lynwood for Yes on Measure N	\$5,000.00
Del Terra Real Estate Services, Inc.	3/28/2017	Lynwood for Yes on Measure N	\$3,089.00
Del Terra Real Estate Services, Inc.	6/27/2017	John Chiang for Governor 2018	\$2,500.00
Del Terra Real Estate Services, Inc.	6/30/2017	David Vela for Assembly 2018	\$2,000.00
Del Terra Real Estate Services, Inc.	8/28/2017	David Vela for Assembly 2017	\$500.00
Del Terra Real Estate Services, Inc.	9/27/2017	Camacho for Council 2017	\$5,000.00 ¹⁹
Del Terra Real Estate Services, Inc.	10/25/2017	Solis for Supervisor 2018	\$500.00
Del Terra Real Estate Services, Inc.	11/8/2017	Susan Rubio for Senate 2018	\$1,000.00
		TOTAL	\$20,589.00

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¹⁹ Though ordinarily this election would have been held on 2017 and therefore would have triggered a 24-hour reporting obligation, the local jurisdiction adjusted the election schedule to coincide with Statewide General Elections. The candidate was on the ballot in 2018.

1 **VIOLATIONS**

2 Count 1: Failure to Timely File a Campaign Statement

3 Del Terra failed to timely file a semiannual campaign statement for the reporting period of January
4 1, 2014 through December 31, 2014 by the deadline of February 2, 2015 after qualifying as a major donor
5 on or around October 3, 2014, in violation of Government Code section 84200, subdivision (b).

6 Count 2: Failure to Timely File a Campaign Statement

7 Del Terra failed to timely file a semiannual campaign statement for the reporting period of January
8 1, 2015 through December 31, 2015 by the deadline of February 1, 2016 after qualifying as a major donor
9 on or around October 21, 2015, in violation of Government Code section 84200, subdivision (b).

10 Count 3: Failure to Timely File a Campaign Statement

11 Del Terra failed to timely file a semiannual campaign statement for the reporting period of January
12 1, 2016 through June 30, 2016 by the deadline of August 1, 2016 and failed to timely file a semiannual
13 campaign statement for the reporting period of July 1, 2016 through December 31, 2016 by the deadline
14 of January 31, 2017 after qualifying as a major donor on or around March 29, 2016, in violation of
15 Government Code section 84200, subdivision (b).

16 Count 4: Failure to Timely File a Campaign Statement

17 Del Terra failed to timely file a semiannual campaign statement for the reporting period of January
18 1, 2017 through June 30, 2017 by the deadline of July 31, 2017 and failed to timely file a semiannual
19 campaign statement for the reporting period of July 1, 2017 through December 31, 2017 by the deadline
20 of January 31, 2018 after qualifying as a major donor on or around June 27, 2017, in violation of
21 Government Code section 84200, subdivision (b).

22 Count 5: Failure to Timely File 24-Hour Contribution Report

23 Del Terra failed to timely file three 24-hour contribution reports to disclose a total of \$40,000 in
24 contributions made on March 29, 2016, April 25, 2016, and October 12, 2016, in violation of Government
25 Code section 84203.

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1 **PROPOSED PENALTY**

2 This matter consists of five counts. The maximum penalty per count that may be imposed is
3 \$5,000.²⁰ Therefore, the maximum penalty possible in this matter is \$25,000.

4 In determining the appropriate penalty for a particular violation of the Act, the Commission
5 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the Commission
6 considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of any intention
7 to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d)
8 whether the violation was isolated or part of a pattern; (e) whether corrective amendments voluntarily were
9 filed to provide full disclosure; and (f) whether the violator has a prior record of violations.²¹

10 Del Terra knew or should have known the requirements for a major donor committee. Del Terra
11 was involved in local politics in both Santa Clara and Los Angeles counties, hosting or sponsoring
12 fundraisers for various local candidates or measures and making frequent contributions in California
13 elections. In addition, there is evidence that Del Terra received major donor notices in 2016 and 2017,
14 notifying Del Terra of the potential filing obligation. As part of settlement, Del Terra has filed the campaign
15 statements to provide the required disclosure. Del Terra has no prior enforcement history but, in this matter,
16 has shown a pattern on nonfiling of campaign statements despite qualifying as a major donor committee
17 for several years in a row.

18 *In the Matter of KCRW Foundation*; FPPC No. 18/352. (The Commission approved a stipulated
19 agreement on November 15, 2018.) Respondent made a \$125,000 contribution to a primarily formed ballot
20 measure committee and qualified as a major donor committee. Respondent was obligated to file a major
21 donor campaign statement for the contribution but did so only after receiving notice of a complaint filed
22 with the Enforcement Division. In mitigation, the contribution was made in March in anticipation of a
23 November ballot measure and the receiving committee disclosed KCRW's contribution and properly
24 named KCRW Foundation as the sponsor of the committee, mitigating some of the public harm from the
25 failure to timely file a major donor campaign statement. The Commission approve a penalty of \$2,500 for
26 failure to timely file a major donor campaign statement.

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²⁰ Section 83116, subdivision (c).

²¹ Regulation 18361.5, subdivision (d).

1 Here, with respect to Count 1, the total contributions that Del Terra failed to report in 2014 was
2 \$25,042. Two of the contributions would have triggered a major donor notice from the recipient committee.
3 For Count 2, the total contributions that Del Terra failed to report in 2015 was \$13,000. No contributions
4 made would have triggered a major donor notice from the recipient committee. The amount of money
5 given by Del Terra per count is less than a third of what KCRW Foundation gave; therefore, a somewhat
6 smaller penalty is warranted. Unlike in the case with KCRW Foundation, there was no mitigating
7 disclosure of Del Terra's contributions. Therefore, a penalty of \$2,000 is recommended for both Counts 1
8 and 2.

9 With respect to Count 3, the total contributions that Del Terra failed to report in 2016 was \$53,350
10 and there is evidence that three major donor notices were sent by the recipient committee. With respect to
11 Count 4, the total contributions that Del Terra failed to report in 2017 was \$20,589 and there is evidence
12 that three major donor notices were sent by the recipient committee. As stated above, though the amount
13 was smaller, a similar penalty is warranted to due to the lack of mitigating public disclosure of Del Terra's
14 political contributions. Therefore, a penalty of \$2,500 is recommended for both Counts 3 and 4.

15 With respect to Count 5, a comparable matter is, *in the Matter of Burbank Hospitality Association*;
16 FPPC No. 18/113. (The Commission approved a stipulated agreement on June 21, 2018.) Respondent made
17 a \$50,000 contribution to a primarily formed ballot measure committee during the 90-day period prior to
18 the November 8, 2016 General Election and qualified as a major donor committee. Respondent was
19 required to file a 24-hour contribution report for that late contribution but failed to timely do so. The
20 recipient of the late contribution reported the late contribution prior to the election. The Commission
21 approved a penalty of \$2,500 for failure to timely file a 24-hour contribution report.

22 Here, the three 24-hour contribution reports due would have disclosed \$40,000. Due to similar
23 facts, a similar penalty of \$2,500 is recommended.

24 After considering the factors listed in Regulation 18361.5 and penalties in prior similar cases, a
25 total penalty of \$11,500 is recommended.

26 CONCLUSION

27 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
28 Respondent, Del Terra Real Estate Services, Inc., hereby agree as follows:

1 1. Respondent violated the Act as described in the foregoing pages, which are a true and
2 accurate summary of the facts in this matter.

3 2. This stipulation will be submitted for consideration by the Fair Political Practices
4 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.

5 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose
6 of reaching a final disposition without the necessity of holding an administrative hearing to determine the
7 liability of Respondent pursuant to Section 83116.

8 4. Respondent has consulted with their attorney, Rachel Fiset of Zweiback, Fiset & Coleman,
9 LLP, and understand, and hereby knowingly and voluntarily waive, all procedural rights set forth in
10 Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not
11 limited to the right to appear personally at any administrative hearing held in this matter, to be represented
12 by an attorney at Respondent’s own expense, to confront and cross-examine all witnesses testifying at the
13 hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge
14 preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

15 5. Respondent agrees to the issuance of the decision and order set forth below. Also,
16 Respondent agrees to the Commission imposing against them an administrative penalty in the amount of
17 \$11,500. One or more payments totaling said amount—to be paid to the General Fund of the State of
18 California—is/are submitted with this stipulation as full payment of the administrative penalty described
19 above, and same shall be held by the State of California until the Commission issues its decision and order
20 regarding this matter.

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

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 fax
3 or as a PDF email attachment, is as effective and binding as the original.
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5 Dated: _____
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7 Galena West, Chief of Enforcement
8 Fair Political Practices Commission

9 Dated: _____
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11 Ruben Collaso, Secretary, on behalf of
12 Respondent Del Terra Real Estate Services, Inc.
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1 The foregoing stipulation of the parties “In the Matter of Del Terra Real Estate Services, Inc.,”
2 FPPC Case No. 2018-00619 is hereby accepted as the final decision and order of the Fair Political Practices
3 Commission, effective upon execution below by the Chair.

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5 IT IS SO ORDERED.

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7 Dated: _____

_____ Richard C. Miadich, Chair
Fair Political Practices Commission