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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA

10
11 In the Matter of:

12 LETICIA PEREZ,

13 Respondent.

FPPC Case No. 19/960

14 STIPULATION, DECISION AND ORDER (in
15 coordination with the Terms of Conditional
Dismissal for The People for the State of California
vs. Leticia R. Perez, Superior Court Case No.
BM922667A)

16 INTRODUCTION

17 Respondent Leticia Perez is a member of the Kern County Board of Supervisors (“Kern BOS”).
18 She has been a member of the Kern BOS since 2013. The Political Reform Act (“Act”)¹ prohibits public
19 officials from making, participating in making, or attempting to influence a governmental decision in
20 which the official knows or has reason to know she has a financial interest. Perez participated in
21 discussions and voted on October 24, 2017, as a member of the Kern BOS, against a ban on new
22 cannabis retail, all commercial activities, and the requirement to close existing medicinal retail cannabis
23 establishments after a specific period of time, in violation of Government Code section 87100.

24 This case is part of a plea agreement with the Kern County District Attorney’s Office (see
25 attached Terms of Conditional Dismissal).

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

1 **SUMMARY OF THE LAW**

2 All legal references and discussions of law pertain to the Political Reform Act’s provisions as
3 they existed at the time of the applicable violations.

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

5 When enacting the Act, the people of California found and declared that previous laws regulating
6 political practices suffered from inadequate enforcement by state and local authorities.² For this reason,
7 the Act is to be construed liberally to accomplish its purposes.³ There are many purposes of the Act. One
8 purpose is to ensure that the assets and income of public officials be disclosed and public officials are
9 disqualified from certain matters in order that conflicts of interest may be avoided.⁴ Another is to provide
10 adequate enforcement mechanisms so that the Act will be “vigorously enforced.”⁵

11 Conflicts of Interest

12 A public official may not make, participate in making, or attempt to use her official position to
13 influence a governmental decision in which she knows, or has reason to know, she has a financial
14 interest.⁶ A public official has a financial interest in a decision if it is reasonably foreseeable that the
15 decision will have a material financial effect, distinguishable from its effect on the public generally, on
16 any source of income aggregating \$500 or more in value provided or promised to, received by, the public
17 official within 12 months prior to the time when the decision is made.⁷

18 A material financial effect is reasonably foreseeable when the financial interest is explicitly
19 involved in the governmental decision, such as being the named party or is the subject of a governmental
20 decision before the official or the official’s agency.⁸

21 For a financial interest not explicitly involved in a decision, a financial effect need not be likely
22 to be considered reasonably foreseeable. In general, if the financial effect can be recognized as a realistic
23 possibility and more than hypothetical or theoretical, it is reasonably foreseeable. If the financial result
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26 ² Section 81001, subd. (h).
27 ³ Section 81003.
28 ⁴ Section 81002, subd. (c).
⁵ Section 81002, subd. (f).
⁶ Section 87100.
⁷ Section 87103, subd (c).
⁸ Regulation 18701, subd. (a).

1 cannot be expected absent extraordinary circumstances not subject to the public official's control, it is not
2 reasonably foreseeable. In determining whether a governmental decision will have a reasonably
3 foreseeable financial effect on a financial interest that is not explicitly involved in the governmental
4 decision, the following factors should be considered:

5 (1) The extent to which the occurrence of the financial effect is contingent upon intervening
6 events, not including future governmental decisions by the official's agency, or any other agency
7 appointed by or subject to the budgetary control of the official's agency;

8 (2) Whether the public official should anticipate a financial effect on his or her financial interest
9 as a potential outcome under normal circumstances when using appropriate due diligence and
10 care;

11 (3) Whether the public official has a financial interest that is of the type that would typically be
12 affected by the terms of the governmental decision or whether the governmental decision is of the
13 type that would be expected to have a financial effect on businesses and individuals similarly
14 situated to those businesses and individuals in which the public official has a financial interest;

15 (4) Whether a reasonable inference can be made that the financial effects of the governmental
16 decision on the public official's financial interest might compromise a public official's ability to
17 act in a manner consistent with his or her duty to act in the best interests of the public;

18 (5) Whether the governmental decision will provide or deny an opportunity, or create an
19 advantage or disadvantage for one of the official's financial interests, including whether the
20 financial interest may be entitled to compete or be eligible for a benefit resulting from the
21 decision;

22 (6) Whether the public official has the type of financial interest that would cause a similarly
23 situated person to weigh the advantages and disadvantages of the governmental decision on his or
24 her financial interest in formulating a position.⁹

25 For income received by the official or his or her spouse for goods and services provided in the
26 ordinary course of business, including a salary, the financial effect is material if:

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⁹ Regulation 18701, subd. (b).

1 (1) The source is a claimant, applicant, respondent, contracting party, or is otherwise named or
2 identified as the subject of the proceeding; or

3 (2) The source is an individual that will be financially affected under the standards applied to an
4 official in Regulation 18702.5, or the official knows or has reason to know that the individual has
5 an interest in a business entity or real property that will be financially affected under the standards
6 applied to a financial interest in Regulation 18702.1 or 18702.2, respectively; or

7 (3) The source is a nonprofit that will receive a measurable financial benefit or loss, or the official
8 knows or has reason to know that the nonprofit has an interest in real property that will be
9 financially affected under the standards applied to a financial interest in Regulation 18702.2; or

10 (4) The source is a business entity that will be financially affected under the standards as applied
11 to a financial interest in Regulation 18702.1.¹⁰

12 **SUMMARY OF THE FACTS**

13 Perez has been a member of the Kern BOS since 2013. At all relevant times, Perez was married to
14 Fernando Jara. In 2016, Jara formed a consulting business named Savage Political Consulting. In 2016
15 and 2017, prior to any BOS vote, Savage Political Consulting received at least \$32,000 to provide
16 consulting services for public affairs and political strategy regarding regulatory approval for cannabis
17 operations. Jara arranged meetings for a client to seek a lease for a cannabis operation in Kern County,
18 among other work performed. Further, Jara arranged a meeting for a client of Savage Political Consulting
19 to meet with Perez to discuss future cannabis regulations in Kern County. After this meeting, on October
20 24, 2017, as a member of the Kern County Board of Supervisors, Perez participated and voted against a
21 proposed ban of the sale of cannabis and cannabis related products in the unincorporated Kern County.

22 **Count 1**

23 *Conflict of Interest Violation*

24 Perez, as a member of the Kern County Board of Supervisors, participated in discussions and
25 voted against a ban on the sale of cannabis and cannabis related products, on October 24, 2017, in which
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28 ¹⁰ Regulation 18702.3, subd. (a).

1 she knew or had reason to know had material financial effect on a source of income, in violation of
2 Government Code Section 87100.

3 **PROPOSED PENALTY**

4 This matter consists of one count. The maximum penalty that may be imposed is \$5,000 per
5 count.¹¹

6 In determining the appropriate penalty for a particular violation of the Act, the Commission
7 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the
8 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
9 any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or
10 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective
11 amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior
12 record of violations.¹² Additionally, the Commission considers penalties in prior cases with comparable
13 violations.

14 The Commission considers penalties in prior cases involving similar violations.

15 *In the Matter of Juanita Perea*, FPPC No. 17/1310. Respondent, the Executive Director of a
16 charter school, made payments to a landscaping business that was her spouse’s source of income
17 from 2015 through 2017, in violation of Government Code Section 87100. In July 2019, the
18 Commission approved a penalty of \$4,000 per count for three counts.

19 In the current case, this violation is further aggravated by the fact that, while Perez filed an
20 Annual Statement of Economic Interests (“SEI”) disclosing husband’s business, Savage Political
21 Consulting, she failed to disclose a source of income over \$10,000, which was a client engaged in the
22 cannabis business. However, the Respondent has agreed, in the criminal case, to pay \$30,000 to a non-
23 profit, perform 100 hours of community service, complete an in-person ethics course, amend the SEIs for
24 2016 and 2017 and resolve the current case with the Commission. Upon compliance with the terms in the
25 Conditional Dismissal, attached, the criminal case shall be dismissed. Perez’ vote was consistent with her
26 prior public position supporting legal medicinal cannabis establishments. Further, Perez has no prior

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28 ¹¹ Section 83116, subdivision (c).

¹² Regulation 18361.5, subdivision (d).

1 complaints filed with the Enforcement Division of the Fair Political Practices Commission. Perez
2 maintains the violation was inadvertent as a result of her failure to realize that her vote could have a
3 material financial effect on a source of income and that she had no intent to conceal, deceive or mislead.

4 Under these circumstances, it is respectfully submitted that imposition of an agreed upon penalty
5 in the amount of \$4,000 is recommended.

6 CONCLUSION

7 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
8 Respondent Leticia Perez hereby agree as follows:

9 1. Respondent does not contest that the Act was violated as described in the foregoing pages,
10 which is a true and accurate summary of the facts in this matter.

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

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

16 4. Respondent has consulted with her attorney, H.A. Sala, Attorney at Law. Respondent
17 understands and hereby knowingly and voluntarily waives, any and all procedural rights set forth in
18 Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not
19 limited to the right to appear personally at any administrative hearing held in this matter, to be
20 represented by an attorney at Respondents' own expense, to confront and cross-examine all witnesses
21 testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
22 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
23 reviewed.

24 5. Respondent agrees to the issuance of the decision and order set forth below. Also,
25 Respondent agrees to the Commission imposing against him an administrative penalty in the amount of
26 \$4,000. One or more payments totaling this amount—to be paid to the General Fund of the State of
27 California—is/are submitted with this stipulation as full payment of the administrative penalty described
28 above, and they will be held by the State of California until the Commission issues its decision and order

1 regarding this matter.

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

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

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Dated: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

Dated: _____

Leticia Perez, individually
Respondent

1 The foregoing stipulation of the parties “In the Matter of Leticia Perez,” FPPC Case No. 19/960,
2 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective
3 upon execution below by the Chair.

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5 IT IS SO ORDERED.

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7 Dated: _____

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9 Richard C. Miadich, Chair
10 Fair Political Practices Commission
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1 **CYNTHIA J. ZIMMER, District Attorney**
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2 **Christopher E. Dominguez, SBN 193850**
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3 1215 Truxtun Avenue
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4 (661) 868-2340

5 Attorneys for Plaintiff

FILED
KERN COUNTY

JAN 16 2020

BY _____ DEPUTY

ENDORSED

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7 **SUPERIOR COURT OF CALIFORNIA**
COUNTY OF KERN - METROPOLITAN DIVISION

8 THE PEOPLE OF THE STATE OF CALIFORNIA,) Case No.: BM922667A
9)
Plaintiff,) Terms of Conditional Dismissal
10 vs.)
Date: January 16, 2020
Time: 10:30 a.m.
11 LETICIA R. PEREZ) Court: Dept. 17
Defendant.)
12)
13)

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16 **I. INTRODUCTION**

17 The parties have reached a tentative agreement for the resolution of this case. Subject to the
18 consent of the court, the People and the Defense propose the conditional dismissal of this case if the
19 below requirements are met within one year from the date of the entry of the conditional dismissal. To
20 ensure clarity to all parties, the terms are clearly delineated below.
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1 **II. TERMS OF CONDITIONAL DISMISSAL**

2 Acknowledging the defendant's lack of any criminal record, and the goals of deterrence though
3 punishment as well as rehabilitation, the People have agreed to the conditional dismissal of this case if
4 the following conditions are met within one year of the entry of the conditional dismissal:

- 5 1. The defendant must disgorge \$30,000. This is the amount acknowledged by defendant and Mr.
6 Jara as being received from IPG and Mr. Abbasi paid via check in connection with marijuana
7 advocacy performed by Mr. Jara. The \$30,000 shall be paid within 11 months of the entry of
8 the conditional dismissal at a rate of no less than \$3,000 per month until completely paid.
9 Payments shall be made to non-profit groups working to address homelessness and/or drug
10 rehabilitation efforts. Charities and non-profit groups donated to shall be subject to approval
11 from the District Attorney's Office. Defendant must further agree that such payments will not
12 be deducted as charitable contributions in her own nor Mr. Jara's state or federal tax filings.
- 13 2. The defendant will resolve the current inquiry being conducted by the Fair Political Practices
14 Commission [FPPC] involving the same facts as raised during this case. The resolution to the
15 FPPC inquiry will include an administrative fine of \$4,000 in FPPC case 2019-00960.
- 16 3. The defendant will agree to the stipulated facts (attached as Exhibit 1), and further agree that
17 such stipulated facts will be admissible as evidence in the event that future proceedings in this
18 case become necessary (for example, if the terms of conditional dismissal are not met).
- 19 4. The defendant will perform 100 hours of community service through community service
20 programs approved by the Kern County Probation Department.
- 21 5. The defendant will complete an in-person ethics course for elected officials conducted through
22 the California Institute for Local Government.
- 23 6. The defendant will file amended Form 700 forms for the years of 2016 and 2017, disclosing
24 with specificity the income related to IPG and Mr. Abbasi.

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- 7. The defendant must ^{Not commit any} ~~commit new~~ law violations during the term of the conditional dismissal.
- 8. The defendant must agree to a partial lifting of the court's order precluding counsel for the parties discussing the case with the media, to ensure that the public is fully informed on the current status and terms of resolution of the case.
- 9. The above noted terms must be completed in full within the one-year conditional dismissal period. If the conditions are met, the People will agree to the dismissal of the case at that time. If, after six months from the entry of the conditional dismissal, the defendant has already completed in full the terms required by the conditional dismissal, the People will not oppose a motion to advance the conditional dismissal hearing and will agree to dismiss the case at that time if verification of the conditions is fulfilled.

Dated: January 16, 2020

Respectfully submitted,

CYNTHIA J. ZIMMER
DISTRICT ATTORNEY

By Christopher E. Dominguez
Christopher E. Dominguez
Deputy District Attorney