1 2 3 4 5 6 7	GALENA WEST Chief of Enforcement JENNA C. RINEHART Commission Counsel FAIR POLITICAL PRACTICES COMMISS 1102 Q Street, Suite 3000 Sacramento, CA 95811 Telephone: (916) 323-6302 Email: JRinehart@fppc.ca.gov Attorneys for Complainant Enforcement Division of the Fair Political Practic	
8	BEFORE THE FAIR POLITICAL PRACTICES COMMISSION	
10	STATE OF CALIFORNIA	
11	In the Matter of:	FPPC Case No. 16/19865
12	PLACER COUNTY IMPACT	STIPULATION, DECISION AND ORDER
13	REPUBLICANS PAC and GEORGE E. PARK JR,	
14	,	
15	Respondents.	
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17	INTR	ODUCTION
18	Respondent, Placer County Impact Repul	plicans PAC (the "Committee") (ID# 1390564), is a
19	county general purpose committee. The Commit	tee's initial statement of organization states the
20	Committee was formed to make contributions or	expenditures to support or oppose candidates or
21	measures in Placer County. Respondent, George E. Park Jr. ("Park"), serves as the Committee's	
22	treasurer.	
23	The Political Reform Act (the "Act") 1 requires committees and treasurers to timely file certain	
24	campaign statements and to comply with the disclosure provisions for mass mailings and	
25	advertisements.	
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27 28	¹ The Political Reform Act – sometimes simply referred to as the Act – is contained in Government Code sections 81000 through 91014. 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. All regulatory references are to this source.	
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The Committee and Park violated the Act by failing to comply with the disclosure provisions for mass mailings and advertisements produced by the Committee. Also, the Committee and Park violated the Act by failing to properly name and identify the Committee as a sponsored committee and by failing to timely file 24-hour independent expenditure reports.

SUMMARY OF THE LAW

The Act and its regulations are amended from time to time. The violations in this case occurred in 2016 and 2018. For this reason, all legal references and discussions of law pertain to the Act's provisions as they existed at that time.

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

When enacting the Act, the people of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities.² Thus, it was decreed the Act "should be liberally construed to accomplish its purposes.³ A central purpose of the Act is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁴ Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced."5

Committee

A "committee" includes any person or combination of persons who receives contributions totaling \$2,000 or more in a calendar year, 6 commonly known as a "recipient committee."

General Purpose Committee

"General purpose committee" means any recipient committee which is formed or exists primarily to support or oppose more than one candidate or ballot measure. A "county general purpose committee" is a committee to support or oppose candidates or measures voted on in only one county, or in more than one jurisdiction within one county.8

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² Section 81001, subdivision (h).

³ Section 81003.

⁴ Section 81002, subdivision (a). ⁵ Section 81002, subdivision (f).

⁶ Section 82013, subdivision (a).

⁷ Section 82027.5, subdivision (a).

⁸ Section 82027.5, subdivision (c).

Sponsored Committee

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"Sponsored committee" means a committee, other than a candidate controlled committee, that has one or more sponsors. Any person, except a candidate or other individual, may sponsor a committee. Person" means an individual, committee, and any other organization or group of persons acting in concert. A person sponsors a committee if the committee receives 80 percent or more of its contributions from the person.

Committee Identification

Whenever identification of a sponsored committee is required, the identification shall include the full name of the committee as required in its statement of organization. A sponsored committee shall use only one name in its statement of organization. The committee shall include the name of its sponsor in the name of the committee.

Statement of Organization

If there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. A recipient committee also shall, within 24 hours, notify the appropriate filing officers if the change requiring the amendment occurs before the date of the election in connection with which the committee is required to file a pre-election campaign statement, but after the closing date of the last pre-election campaign statement required to be filed for the election, if the name of the committee is required to be changed. The notification shall include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number.

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⁹ Section 82048.7, subdivision (a).

¹⁰ *Id*.

¹¹ Section 82047.

¹² Section 82048.7, subdivision (b)(1).

¹³ Section 84106, subdivision (a).

¹⁴ Section 84106, subdivision (b).

¹⁵ Regulation 18419, subdivision (b)(1).

¹⁶ Section 84103, subdivision (a).

¹⁷ Section 84103, subdivision (b).

¹⁸ *Id*.

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Independent Expenditure

"Independent expenditure" means an expenditure made by any person in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage or defeat of a clearly identified measure which is not made to or at the behest of the affected candidate or committee.¹⁹

24-Hour Independent Expenditure Reports

A "late independent expenditure" means an independent expenditure that totals in the aggregate \$1,000 or more and is *made for or against a specific candidate or measure* involved in an election during the 90-day period preceding the date of the election or on the date of the election.²⁰ A committee that makes a late independent expenditure shall report the late independent expenditure within 24 hours of the time it is made.²¹

Mass Mailing

Under the Act, "mass mailing" means over 200 substantially similar pieces of mail.²² No committee shall send a mass mailing unless the name, street address, and city of the committee are shown on the outside of each piece of mail in the mass mailing in no less than 6-point type which shall be in a color or print which contrasts with the background so as to be easily legible.²³ Also, the required disclosure must be preceded by the words, "Paid for by."²⁴

An advertisement supporting or opposing a candidate that is paid for by an independent expenditure must include the following statement: This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office.²⁵

¹⁹ Section 82031.

²⁰ Section 82036.5.

²¹ Section 84204.

²² Section 82041.5.

²³ Section 84305, subdivision (a).

²⁴ Regulation 18435, subdivision (d).

²⁵ Section 84506.5.

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Advertisement

Under the Act, "advertisement" means any general or public communication that is authorized and paid for by a committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure.²⁶ An advertisement made via a form of electronic media that allows users to engage in discourse and post content, or any other type of social media, shall only be required to include the disclosures required by Sections 84502, 84503, and 84506.5 in a contrasting color and in no less than 8 point font on the committee's profile, landing page, or similar location.²⁷

Any advertisement paid for by a recipient committee shall include the words "Paid for by" followed by the name of the committee as it appears on the statement of organization.²⁸ An advertisement supporting or opposing a candidate that is paid for by an independent expenditure shall include a statement that it was not authorized by a candidate or a committee controlled by a candidate.²⁹

Joint and Several Liability of Committee and Treasurer

It is the duty of a committee treasurer to ensure the committee complies with the Act.³⁰ A treasurer may be held jointly and severally liable, along with the committee and candidate, for violations committed by the committee.³¹

Liability for Violations

Any person who violates any provision of the Act, who purposely or negligently causes any other person to violate any provision of the Act, or who aids and abets any other person in the violation of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.³²

SUMMARY OF THE FACTS

On October 25, 2016, the Committee timely filed its initial statement of organization reporting October 21, 2016 as the date it qualified as a committee. In 2016, the Committee reported \$47,145 in contributions and \$47,043 in expenditures. To date, the Committee remains open.

²⁶ Section 84501, subdivision (a).

²⁷ Section 84504.3, subdivision (f).

²⁸ Section 84502, subdivision (a)(1).

²⁹ Section 84506.5.

³⁰ Sections 81004, 84100, and Regulation 18427.

³¹ Sections 83116.5 and 91006.

³² Sections 83116 and 83116.5.

The Committee's largest contributor was League of Placer County Taxpayers PAC ("League") (ID# 1352462), a county general purpose committee. League's initial statement of organization states League was formed to advocate for or against local candidates and measures. Park also served as League's treasurer.

Failure to Comply with Disclosure Provisions on Mass Mailings

In October 2016, the Committee produced and paid for five mass mailings to support or oppose candidates in Placer County appearing on the November 8, 2016, General Election ballot as follows:

INVOICE DATE	MAILER DESCRIPTION	AMOUNT OF COPIES	COST
10/21/2016	Yes to Andrew Tagg, Julie Hirota, John Allard, Bonnie Gore, and Richard Roccucci	5,500	\$4,996.42
10/22/2016	No to Camille Maben; Yes to Greg Janda, Dave Butler, Joe Patterson, Kathy Turner, and Eric Stevens	8,000	\$5,972.40
10/22/2016	No to Gary Miller; Yes to Julie Constant, Doyle Radford, and Alisa Fong	7,700	\$5,842.00
10/22/2016	No to Rene Aguilera; Yes to Andrew Tagg, Julie Hirota, and Paige Stauss	15,500	\$8,427.29
10/22/2016	No to Rene Aguilera and Gary Miller; Yes to Andrew Tagg, Julie Hirota, Paige Stauss, Julie Constant, Doyle Radford, and Alisa Fong	6,800	\$5,235.45

Each of the mass mailings were reported by the Committee as independent expenditures and each contained the following disclosure statement, "Paid for by the Placer County Impact Republicans PAC ID# 1390564 1700 Eureka Rd., #150A Roseville, CA 95661." However, the mass mailings did not include a statement that it was not authorized by a candidate or a committee controlled by a candidate.

Failure to Timely File 24-Hour Independent Expenditure Reports

The 90-day period preceding the November 8, 2016, General Election, began on August 10, 2016. The Committee was required to file 24-hour independent expenditure reports within 24 hours of making a late independent expenditure. The Committee's post-election semi-annual campaign statement revealed late independent expenditures made that required 24-hour independent expenditure reports.

The Committee and Park timely filed approximately 11 24-hour independent expenditure reports in October 2016 totaling approximately \$32,052.87. However, the Committee and Park did not file three ///

24-hour independent expenditure reports for the following late independent expenditures made prior to the November 8, 2016, General Election:

DUE DATE	CANDIDATE/ MEASURE	ALLOCATED COST
10/21/2016	Measure M	\$4,365.63
10/24/2016	Tagg	\$1,249.11
10/24/2016	Hirota	\$1,249.11
	TOTAL:	\$6,863.85

Failure to Timely Amend Statement of Organization

The Committee reported receiving \$32,145 in contributions between its date of establishment and November 1, 2016. During that time, the Committee's largest contributor was League.

As of November 1, 2016, League had contributed \$27,000 to the Committee which amounts to approximately 84% of the total contributions received by the Committee (\$27,000 / \$32,145 = 0.8399). Thus, under the Act, as of November 1, 2016, the Committee was sponsored by League and was required to report the sponsorship within 24 hours by filing an amended statement of organization.

In addition to filing an amended statement of organization to report League's sponsorship of the Committee, the Committee was required to change its name to include the name of its sponsor, Placer County Impact Republicans PAC sponsored by League of Placer County Taxpayers PAC. The Committee and Park did not file an amended statement of organization to report League's sponsorship or to change the Committee's name to include the name of its sponsor, League.

Failure to Comply with Disclosure Provisions on Advertisements

On or around October 31, 2018, the Committee produced a 37-second long video advertisement. This video advertisement was an independent expenditure to oppose a local ballot measure, Measure B, and to support a candidate for Roseville City Council, Stephanie Dement, in the November 6, 2018 General Election. The cost of producing this video advertisement was not reported on any campaign statements filed by the Committee.

The video advertisement was posted to the Committee's Facebook page on October 31, 2018. The advertisement did not contain a disclosure statement and failed to include the "not authorized" statement. Additionally, the disclosure statement and "not authorized" statement does not appear on the Committee's profile or landing page. The disclosure statement should have read, "Paid for by the Placer

County Impact Republicans PAC" and the following "not authorized" statement was required to appear on the page, "This advertisement was not authorized or paid for by a candidate or a committee controlled by a candidate."

VIOLATIONS

Count 1: Failure to Comply with Disclosure Provisions on Mass Mailings

In October 2016, the Committee and Park failed to include the required "not authorized" statement on five separate mass mailings that supported or opposed candidates, in violation of Government Code Section 84506.5.

Count 2: Failure to Timely File 24-Hour Independent Expenditure Reports

Prior to the November 8, 2016 General Election, the Committee and Park failed to timely file three 24-hour independent expenditure reports for three late independent expenditures made on October 20, 2016 and October 21, 2016 totaling \$6,863.85 by the October 21, 2016 and October 24, 2016 due dates, respectively, in violation of Government Code Section 84204.

Count 3: Failure to Timely Amend Statement of Organization

On or around November 2, 2016, the Committee and Park failed to timely file an amended statement of organization to report its sponsorship and to include its sponsor's name in the Committee's name, in violation of Government Code Section 84103, subdivisions (a)-(b).

Count 4: Failure to Comply with Disclosure Provisions on Advertisements

On or around October 31, 2018, the Committee and Park failed to include a disclosure statement and the required "not authorized" statement on the Committee's Facebook profile or landing page, in violation of Government Code Section 84504.3, subdivision (f).

PROPOSED PENALTY

This matter consists of four counts. The maximum penalty that may be imposed is \$5,000 per count. Thus, the maximum penalty that may be imposed here is \$20,000.³³

In determining the appropriate penalty for a particular violation of the Act, the Commission considers the facts of the case, the public harm involved, and the purposes of the Act. Further, the Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of

³³ Section 83116, subdivision (c).

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any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior record of violations.³⁴

The public harm inherent in campaign reporting violations is that the public is deprived of important, time-sensitive information regarding campaign activity. Generally, these types of violations are considered more serious when the public is deprived of information that was required to be disclosed prior to an election because this has the potential to affect how votes are cast. Another factor that influences the seriousness of the violation is whether the public harm was mitigated because some of the reportable activity was disclosed, prior to the election. Here, the Committee and Park's failure to timely file an amended statement of organization and to change the Committee's name are considered more serious because the information was required to be reported prior to the November 6, 2018 General Election. Also, this violation is considered more serious because the Committee and Park produced at least eight mass mailings, the majority of which were paid for by contributions received from League. Due to the timing of the contributions received from League, the Committee and Park did not have to include the sponsorship information on the mass mailings, but the Committee did need to notify its filing officer of the change prior to the election. Next, the Committee and Park's failure to timely file three 24-hour independent expenditure reports is considered more serious because the late independent expenditure were not reported on any pre-election campaign statement filed prior to the election.

In this case, the evidence supports there was no intent to conceal, deceive or mislead the public as to the Committee's mass mailings and advertisements. The mass mailings released by the Committee and Park included the proper disclosure statement and only failed to include the required "not authorized" statement and the advertisement was posted on the Committee's own Facebook page. However, by failing to identify and name the sponsor in the Committee's name prior to the election, the public had no knowledge of how the Committee paid for its expenditures, including approximately eight mass mailings.

³⁴ Regulation 18361.5, subdivision (d).

However, the violations appear to be negligent as Park is sophisticated with the Act and was the paid treasurer for the Committee, League, and another committee. The violations committed here were isolated as the Committee and Park have not had prior enforcement history.

The Commission considers penalties in prior cases with the same or similar violations and comparable facts.

Count 1: Failure to Comply with Disclosure Provisions on Mass Mailings

In the Matter of Yorba Linda Taxpayers Association, Tom Babnick, and Jeff Decker; FPPC Case No. 16/766. Respondents, a general purpose committee, its treasurer and principal officer, paid for and produced 29,000 copies of a mailer valued at \$12,139. Respondents failed to disclose that the mailer was not authorized by a candidate or a candidate-controlled committee. Also, the mailers failed to use the correct font size for its disclosure. On September 19, 2019, the Commission approved a penalty of \$2,000 for this count.

A higher penalty than that approved in the *Yorba Linda* case is recommended. Similar to *Yorba Linda*, the Committee and Park failed to disclose that the mass mailers were not authorized by a candidate or candidate-controlled committee. Although, the Committee and Park failed to disclose this information on five different mass mailers with a total cost of \$30,473 and produced a total of 43,500 copies of the mailers. The mailers at issue here used the correct font size for its disclosure. Therefore, a penalty of \$2,500 is recommended.

Count 2: Failure to Timely File 24-Hour Independent Expenditure Reports

In the Matter of Southwest Teachers Association PAC, Ben Swearingen, and Michelle Gates; FPPC Case No. 17/403. Respondents, a general purpose committee, its treasurer and principal officer, failed to timely file four 24-hour independent expenditure reports totaling \$4,320 prior to the pertinent election. In aggravation, the independent expenditures at issue were not reported on any campaign statement or report filed by the Committee prior to the election. On December 20, 2018, the Commission approved a penalty of \$1,500 for this count.

A similar penalty than that approved in the *Southwest Teachers* case is recommended. Similar to *Southwest Teachers*, the Committee and Park failed to file three 24-hour independent expenditure reports totaling \$6,863.85. In aggravation, the independent expenditures at issue were not reported on

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any campaign statement or report filed by the Committee prior to the election. Therefore, a penalty of \$1,500 is recommended.

Count 3: Failure to Timely Amend Statement of Organization

In the Matter of Apple Valley Professional Firefighters Association Local 4742, James Peratt, and Larry Soper; FPPC Case No. 16/19935. Respondents, a city general purpose committee, its treasurer and principal officer, failed to file an amended statement of organization to identify the committee as primarily formed and to change the name of the committee accordingly. In September 2016, the committee met the 70% threshold to be considered a primarily formed committee but failed to file an amended statement of organization to reflect the change and to change the name of the committee prior to the November 8, 2016 General Election. On August 15, 2019, the Commission approved a penalty of \$3,500 for this count.

A lesser penalty than that approved in the *Firefighters* case is recommended. Similar to *Firefighters*, the Committee and Park failed to timely file an amended statement of organization to report League's sponsorship of the Committee prior to the November 8, 2016 General Election. Additionally, similar to *Firefighters*, the Committee and Park failed to change the Committee's name, to include the name of its sponsor within 24 hours of becoming a sponsored committee on November 1, 2016. In mitigation, the Committee had no campaign activity throughout 2017. As of May 4, 2018, the Committee no longer met the threshold to be considered a sponsored committee. Therefore, a penalty of \$2,500 is recommended.

Count 4: Failure to Comply with Disclosure Provisions on Advertisements

In the Matter of Santa Monicans for Council Term Limits, Yes On Measure TL, and Nancy Coleman; FPPC Case No. 18/200. Respondents, a primarily formed ballot measure committee and its principal officer, failed to include the necessary disclosures on four different advertisements. Respondents self-reported its failure to print the proper disclosures on one newspaper and two electronic advertisements. Also, Respondents failed to include the required disclosures on its website. On October 18, 2019, the Commission approved a penalty of \$2,500.

A lesser penalty than that approved in the *Santa Monicans* case is recommended. Unlike *Santa Monicans*, the Committee and Park failed to include the required disclosures on only one advertisement posted to the Committee's Facebook page. Therefore, a penalty of \$1,500 is recommended.

Under these circumstances, it is respectfully submitted that imposition of an agreed upon penalty in the amount of \$8,000 is justified, as reflected in the chart below:

Count	Violation	Penalty
1	Failure to Comply with Disclosure Provisions on Mass Mailings	\$2,500
2	Failure to Timely File 24-Hour Independent Expenditure Reports	\$1,500
3	Failure to Timely Amend Statement of Organization	\$2,500
4	Failure to Comply with Disclosure Provisions on Advertisements	\$1,500
	TOTAL	\$8,000

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents, Placer County Impact Republicans PAC and George E. Park Jr. hereby agree as follows:

- 1. Respondents violated the Act as described in the foregoing pages, which are a true and accurate summary of the facts in this matter.
- 2. This stipulation will be submitted for consideration by the Fair Political Practices Commission at its next regularly scheduled meeting or as soon thereafter as the matter may be heard.
- 3. This stipulation resolves all factual and legal issues raised in this matter for the purpose of reaching a final disposition without the necessity of holding an administrative hearing to determine the liability of Respondents pursuant to Section 83116.
- 4. Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

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1	The foregoing stipulation of the parties "In the Matter of Placer County Impact Republicans PAC		
2	and George E. Park Jr.," FPPC Case No. 16/19865, is hereby accepted as the final decision and order of		
3	the Fair Political Practices Commission, effective upon execution by the Chair.		
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5	IT IS SO ORDERED.		
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7	Dated:		
8	Richard C. Miadich, Chair Fair Political Practices Commission		
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