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6	Attorneys for Complainant		
7	Enforcement Division of the Fair Political Practices Commission		
8	DEFORE THE EARD DOLLTICAL DRACTICES COMMISSION		
9	BEFORE THE FAIR POLITICAL PRACTICES COMMISSION		
10	STATE C	OF CALIFORNIA	
11	In the Matter of:	FPPC Case No. 18/1045	
12	LENET PACHECO, L. PACHECO	STIPULATION, DECISION AND ORDER	
13	FOR VCWD B-MEMBER 2013, L. PACHECO 4 VALLEY COUNTY		
14 15	WATER DISTRICT 2018, AND RICARDO PACHECO,		
16	Respondents.		
17		ODUCTION	
18	Respondent, Lenet Pacheco ("Pacheco"),	was a successful candidate for Board Member of the	
19	Valley County Water District in the November 5	, 2013 and November 6, 2018 general elections.	
20	Respondents, L. Pacheco for VCWD B-Member	2013 (the "2013 Committee") (ID# 1360833) and L.	
21	Pacheco for Valley County Water District 2018 (the "2018 Committee") (ID# 1400796), are Pacheco's		
22	candidate-controlled committees. Ricardo Pacheco ("Ricardo") served as the 2013 Committee's		
23	treasurer as well as the 2018 Committee's treasurer.		
24	The Political Reform Act (the "Act") ¹ red	quires candidates, committees and treasurers to file	
25	certain campaign statements and reports to disclose contributions received and expenditures made.		
26			
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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Pacheco, the 2013 Committee, the 2018 Committee and Ricardo violated the Act by failing to timely file certain campaign statements and reports.

SUMMARY OF THE LAW

The Act and its regulations are amended from time to time. The violations in this case occurred in 2015, 2016, 2017, 2018 and 2019. 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

Controlled Committee

A controlled committee means a committee that is controlled directly or indirectly by a candidate. A candidate controls a committee if he has a significant influence on the actions or decisions of the committee.⁷

Statement of Organization

Whenever 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.⁸ A recipient committee shall file a statement of organization within 10 days after the committee has qualified as a committee.⁹

² Section 81001, subdivision (h).

³ Section 81003.

⁴ Section 81002, subdivision (a).

⁵ Section 81002, subdivision (f).

⁶ Section 82016.

⁷ *Id*.

⁸ Section 84103.

⁹ Section 84101.

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Semi-Annual Campaign Statements

Candidates and their controlled committees shall file semi-annual campaign statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.¹⁰

Pre-Election Campaign Statements

All candidates appearing on the ballot to be voted on at the next election and their controlled committees shall file the applicable pre-election campaign statements.¹¹ The first pre-election campaign statement, for the period ending 45 days before the election, shall be filed no later than 40 days before the election.¹² The second pre-election campaign statement, for the period ending 17 days before the election, shall be filed no later than 12 days before the election.¹³

24-Hour Contribution Reports

A "late contribution" is a contribution that totals in the aggregate \$1,000 or more and is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure during the 90-day period preceding the date of the election, or on the date of the election, at which the candidate or measure is to be voted on.¹⁴ Each candidate or committee that makes or receives a late contribution shall report the late contribution within 24 hours of the time it is made or received.¹⁵

Joint and Several Liability of Committee and Treasurer

It is the duty of a committee treasurer to ensure the committee complies with the Act. ¹⁶ A treasurer may be held jointly and severally liable, along with the committee and candidate, for violations committed by the committee. ¹⁷

¹⁰ Section 84200.

¹¹ Section 84200.5, subdivision (a).

¹² Section 84200.8, subdivision (a).

¹³ Section 84200.8, subdivision (b).

¹⁴ Section 82036, subdivision (a).

¹⁵ Section 84203, subdivisions (a)-(b).

¹⁶ Sections 81004, 84100, and Regulation 18427.

¹⁷ Sections 83116. 5 and 91006.

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.¹⁸

SUMMARY OF THE FACTS

Pacheco was successful in her bid for Board Member of the Valley County Water District in the November 5, 2013 general election. On September 23, 2013, Pacheco timely filed a qualifying statement of organization, with the Secretary of State, reporting the 2013 Committee qualified as a committee on September 18, 2013. The 2013 Committee remained open after the election, and according to campaign statements, between January 1, 2015 and December 31, 2017, the 2013 Committee received approximately \$5,700 in contributions and spent approximately \$8,056 on expenditures. On February 3, 2020, Pacheco filed a terminating statement of organization, with the Secretary of State, reporting the 2013 Committee terminated as of December 31, 2017.

Pacheco was successful in her bid for Board Member of the Valley County Water District in the November 6, 2018 general election. On December 18, 2017, Pacheco late-filed a qualifying statement of organization, with the Secretary of State, reporting the 2018 Committee qualified as a committee on November 12, 2017. According to campaign statements, between establishment and December 31, 2018, the 2018 Committee received approximately \$48,750 in contributions and spent approximately \$34,384 on expenditures. To date, the 2018 Committee has not been terminated.

Failure to Timely File Five Semi-Annual Campaign Statements for 2013 Committee

Between July 1, 2015 and December 31, 2017, the 2013 Committee was required to file semi-annual campaign statements as follows:

REPORTING PERIOD	DUE DATE
July 1, 2015 to December 31, 2015	February 1, 2016
January 1, 2016 to June 30, 2016	August 1, 2016
July 1, 2016 to December 31, 2016	January 31, 2017
January 1, 2017 to June 30, 2017	July 31, 2017
July 1, 2017 to December 31, 2017	January 31, 2018

¹⁸ Sections 83116 and 83116. 5.

On February 24, 2016, 23 days late, the 2013 Committee filed the semi-annual campaign statement for the reporting period of July 1, 2015 to December 31, 2015. This statement reported \$5,500 received in contributions and \$4,950 spent on expenditures.

On August 29, 2016, 28 days late, the 2013 Committee filed the semi-annual campaign statement for the reporting period of January 1, 2016 to June 30, 2016. This statement reported \$0 received in contributions and \$930 spent on expenditures.

On February 2, 2017, 2 days late, the 2013 Committee filed the semi-annual campaign statement for the reporting period of July 1, 2016 to December 31, 2016. This statement reported \$200 received in contributions and \$930 spent on expenditures.

On August 28, 2017, 28 days late, the 2013 Committee filed the semi-annual campaign statement for the reporting period of January 1, 2017 to June 30, 2017. This statement reported \$0 received in contributions and \$4,000 spent on expenditures. The \$4,000 in expenditures was a loan made to R. Pacheco for BPK City Council 2015 (ID# 1373511) that was forgiven during this reporting period.

On February 7, 2018, 7 days late, the 2013 Committee filed the semi-annual campaign statement for the reporting period of July 1, 2017 to December 31, 2017. This statement reported \$0 in contributions and expenditures. On October 15, 2018, the 2013 Committee filed an amended semiannual campaign statement for this reporting period. This statement reported \$0 received in contributions and \$836 spent on expenditures.

Failure to Timely File Three Semi-Annual Campaign Statements for 2018 Committee

Between July 1, 2017 and December 31, 2018, the 2018 Committee was required to file semiannual campaign statements as follows:

REPORTING PERIOD	DUE DATE
July 1, 2017 to December 31, 2017	January 31, 2018
January 1, 2018 to June 30, 2018	July 31, 2018
October 21, 2018 to December 31, 2018	January 31, 2019

On February 7, 2018, 7 days late, the 2018 Committee filed the semi-annual campaign statement for the reporting period of July 1, 2017 to December 31, 2017. This statement reported \$1,250 received in contributions and \$2,000 spent on expenditures.

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On October 15, 2018, 76 days late, the 2018 Committee filed the semi-annual campaign statement for the reporting period of January 1, 2018 to June 30, 2018. This statement reported \$17,500 received in contributions and \$24 spent on expenditures.

On February 5, 2019, 5 days late, the 2018 Committee filed the semi-annual campaign statement for the reporting period of October 21, 2018 to December 31, 2018. This statement reported \$0 received in contributions and \$11,937 spent on expenditures.

Failure to Timely File Two Pre-Election Campaign Statements for 2018 Committee

Prior to the November 6, 2018 general election, the 2018 Committee was required to file preelection campaign statements as follows:

STATEMENT	REPORTING PERIOD	DUE DATE
First Pre-Election	July 1, 2018 to September 22, 2018	September 27, 2018
Second Pre-Election	September 23, 2018 to October 20, 2018	October 25, 2018

On October 15, 2018, 18 days late, the 2018 Committee filed the first pre-election campaign statement for the correct reporting period. This statement reported \$26,000 received in contributions and \$5,055 spent on expenditures.

On November 5, 2018, 11 days late and 1 day prior to the election, the 2018 Committee filed the second pre-election campaign statement for the correct reporting period. This statement reported \$4,000 received in contributions and \$15,336 spent on expenditures.

Failure to Timely File Six 24-Hour Contribution Reports for 2018 Committee

The 90-day period preceding the November 6, 2018 general election began on August 8, 2018 and ended on November 6, 2018. The 2018 Committee was required to file 24-hour reports within 24 hours of making or receiving a late contribution that totals in the aggregate \$1,000 or more. The 2018 Committee's filed campaign statements revealed late contributions that required 24-hour reports.

On August 18, 2018, the 2018 Committee reported receiving a \$2,000 contribution from Andrew Lujan, an individual. This late contribution was reported on the 2018 Committee's first pre-election campaign statement. On May 8, 2019, 217 days late, the 2018 Committee filed a 24-hour contribution report for this late contribution. However, the 24-hour report failed to report the amount received from the contributor.

On September 8, 2018, the 2018 Committee reported receiving a \$3,000 contribution from Advocate Competitive Edge, a business entity. Also, on September 8, 2018, the 2018 Committee reported receiving a \$5,000 contribution from Becker Boards, a business entity. Lastly, on September 8, 2018, the 2018 Committee reported receiving a \$5,000 contribution from ATU Local 1277 PAC, a recipient committee. These late contributions were reported on the 2018 Committee's first pre-election campaign statement. On May 8, 2019, 241 days late, the 2018 Committee filed 24-hour contribution reports for these late contributions. However, the 24-hour reports failed to report the amounts received from the contributors.

On September 12, 2018, the 2018 Committee reported receiving a \$5,000 contribution from AAE, a recipient committee. This late contribution was reported on the 2018 Committee's first preelection campaign statement. On May 8, 2019, 237 days late, the 2018 Committee filed a 24-hour contribution report for this late contribution. However, the 24-hour report failed to report the amount received from the contributor.

On September 15, 2018, the 2018 Committee reported receiving a \$5,000 contribution from David Olivas, an individual. Also, on September 15, 2018, the 2018 Committee reported receiving a \$1,000 contribution from Baldwin Auto Craft, a business entity. These late contributions were reported on the 2018 Committee's first pre-election campaign statement. On May 8, 2019, 234 days late, the 2018 Committee filed 24-hour contribution reports for these late contributions. However, the 24-hour reports failed to report the amounts received from the contributors.

On October 2, 2018, the 2018 Committee reported receiving a \$3,000 contribution from Voters for Good Government, a recipient committee. This late contribution was reported on the 2018 Committee's second pre-election campaign statement. On May 8, 2019, 217 days late, the 2018 Committee filed a 24-hour contribution report for this late contribution. However, the 24-hour report failed to report the amount received from the contributor.

On October 10, 2018, the 2018 Committee reported making a \$2,000 contribution to Ed Hernandez 4 LT Gov., a recipient committee. This late contribution was reported on the 2018 Committee's second pre-election campaign statement. The 2018 Committee did not file a 24-hour report for this late contribution.

In summary, Pacheco, the 2018 Committee, and Ricardo failed to file six 24-hour contribution reports for the following contributions made or received prior to the November 6, 2018 general election:

DATE	NAME	RECEIVED BY?	AMOUNT
08/08/2018	Andrew Lujan	2018 Committee	\$2,000
09/08/2018	Advocate Competitive Edge	2018 Committee	\$3,000
09/08/2018	Becker Boards	2018 Committee	\$5,000
09/08/2018	ATU Local 1277 PAC	2018 Committee	\$5,000
09/12/2018	AAE	2018 Committee	\$5,000
09/15/2018	David Olivas	2018 Committee	\$5,000
09/15/2018	Baldwin Auto Craft	2018 Committee	\$1,000
10/02/2018	Voters for Good Government	2018 Committee	\$3,000
10/10/2018	Ed Hernandez 4 LT Gov.	Ed Hernandez 4 LT Gov.	\$2,000
		TOTAL:	\$31,000

VIOLATIONS

Pacheco, the 2013 Committee, and Ricardo Violations

Count 1: Failure to Timely File Five Semi-Annual Campaign Statements for 2013 Committee

Pacheco, the 2013 Committee, and Ricardo failed to timely file five semi-annual campaign statements for the reporting periods ending on December 31, 2015, June 30, 2016, December 31, 2016, June 30, 2017, and December 31, 2017, in violation of Government Code Section 84200.

Pacheco, the 2018 Committee, and Ricardo Violations

Count 2: Failure to Timely File Three Semi-Annual Campaign Statements for 2018 Committee

Pacheco, the 2018 Committee, and Ricardo failed to timely file three semi-annual campaign statements for the reporting periods ending on December 31, 2017, June 30, 2018, and December 31, 2018, in violation of Government Code Section 84200.

Count 3: Failure to Timely File Two Pre-Election Campaign Statements for 2018 Committee

Pacheco, the 2018 Committee, and Ricardo failed to timely file two pre-election campaign statements for the reporting periods ending on September 22, 2018 and October 20, 2018, in violation of Government Code Section 84200.5 and 84200.8.

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Count 4: Failure to Timely File Six 24-Hour Contribution Reports for 2018 Committee

Prior to the November 6, 2018 general election, Pacheco, the 2018 Committee, and Ricardo failed to timely file six 24-hour contribution reports for late contributions made or received totaling \$31,000, in violation of Government Code Section 84203.

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 \$20,000.¹⁹

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 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.²⁰

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 seriousness of Pacheco, the 2013 Committee and Ricardo's late filing violation is mitigated because the late filed statements were all post-election semi-annual campaign statements. The seriousness of Pacheco, the 2018 Committee and Ricardo's late filing violations is mitigated because the late filed statements were filed prior to the election and the information which should have been included in late filed/not filed 24-hour reports was reported on other campaign statements filed by the 2018 Committee prior to the election. However, the

¹⁹ Section 83116, subdivision (c).

²⁰ Regulation 18361. 5, subdivision (d).

2018 Committee's second pre-election campaign statement was filed only one day prior to the pertinent election, thereby minimizing the disclosure the voters received prior to the election.

In this case, there was no evidence to support an intent to conceal, deceive or mislead the public as to the 2013 Committee or 2018 Committee's receipts and expenditures. However, the violations appear to be negligent as Pacheco and Ricardo are sophisticated with the Act as both were previously candidates in local elections. Thus, Pacheco and Ricardo knew or should have known of the required filing schedule for campaign statements and reports. Pacheco, the 2013 Committee, the 2018 Committee, and Ricardo have not had prior enforcement history for their campaigns.

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

In the Matter of Los Angeles League of Conservation Voters; FPPC No. 16/19925. Respondents, a county general purpose committee and its treasurer, failed to timely file two pre-election statements prior to the June 7, 2016 election (Count 1), two pre-election statements prior to the November 8, 2016 election (Count 2), three semi-annual campaign statements (Count 3), and seventeen 24-hour contribution reports (Counts 4 and 5). Due to the committee's campaign activity prior to the elections, Respondents had an obligation to file 24-hour reports and pre-election campaign statements prior to two elections. Approximately \$65,478, or 61%, of the Committee's expenditures (contributions made) were required to be reported on 24-hour contributions reports. The pre-election statements and 24-hour reports were not filed until after the pertinent elections following contact from the Enforcement Division. Respondents campaign activity between January 1, 2016 and June 30, 2017 totaled \$95,471 in contributions received and \$106,507 in expenditures made. On December 20, 2018, the Commission approved a total penalty of \$13,500; \$3,000 for Count 1, \$3,000 for Count 2, \$2,500 for Count 3, \$2,500 for Count 4, and \$2,500 for Count 5.

A lesser penalty than that approved in the *Los Angeles League* case is recommended. Similar to *Los Angeles League*, the 2013 Committee, Pacheco, and Ricardo failed to timely file five post-election semi-annual campaign statements. Also, the 2018 Committee, Pacheco, and Ricardo failed to timely file three semi-annual campaign statements, two pre-election campaign statements, and six 24-hour contribution reports. The late filed 24-hour reports for contributions received amounted to \$29,000, or

approximately 53% of the total contributions received by the 2013 and 2018 Committees. Unlike *Los Angeles League*, the 2013 Committee, the 2018 Committee, Pacheco, and Ricardo raised only \$54,450 in contributions, approximately 57% of that raised by *Los Angeles League*, and spent only \$42,440 on expenditures, approximately 39% of that spent by *Los Angeles League*. In aggravation to all counts, the 2013 Committee failed to accurately report loans it had made to R. Pacheco for BPK City Council 2015 thereby misinforming voters of the 2013 Committee's campaign activity. Also, in aggravation to all counts, the 2018 Committee was 26 days late in filing its qualifying statement of organization thereby giving the public late notice of its campaign activity. Therefore, a total penalty amount of \$9,000 is recommended; \$2,000 for Count 1; \$2,000 for Count 2; \$2,500 for Count 3; and \$2,500 for Count 4.

Under these circumstances, it is respectfully submitted that imposition of an agreed upon penalty in the amount of \$9,000 is justified, as reflected in the chart below:

Count	Violation	Penalty
1	Failure to Timely File Five Semi-Annual Campaign Statements for 2013 Committee	\$2,000
2	Failure to Timely File Three Semi-Annual Campaign Statements for 2018 Committee	\$2,000
3	Failure to Timely File Two Pre-Election Campaign Statements for 2018 Committee	\$2,500
4	Failure to Timely File Six 24-Hour Contribution Reports for 2018 Committee	\$2,500
	TOTAL:	\$9,000

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents, Lenet Pacheco, L. Pacheco for VCWD B-Member 2013, L. Pacheco 4 Valley County Water District 2018, and Ricardo Pacheco, 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.
- 5. Respondents agree to the issuance of the decision and orders set forth below. Also, Respondents agree to the Commission imposing against them an administrative penalty in the amount of \$9,000. One or more cashier's checks or money orders totaling said amount – to be paid to the General Fund of the State of California – is/are submitted with this stipulation as full payment of the administrative penalty described above, and same shall be held by the State of California until the Commission issues its decision and order regarding this matter.
- If the Commission refuses to approve this stipulation then this stipulation shall become 6. null and void, and within fifteen business days after the Commission meeting at which the stipulation is rejected, all payments tendered by Respondents in connection with this stipulation shall be reimbursed to Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing before the Commission becomes necessary, neither any member of the Commission, nor the Executive 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
3	transmitted via fax or as a PDF email attachment, is as effective and binding as the original.
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5	Dated:
6	Galena West, Chief of Enforcement Fair Political Practices Commission
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9	Dated:
10	Lenet Pacheco, individually and on behalf of L. Pacheco for VCWD B-Member 2013 and L. Pacheco 4
11	Valley County Water District 2018, Respondents
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14	Dated: Ricardo Pacheco, Treasurer, Respondent
15	Ricardo Facilica, Respondent
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18	The foregoing stipulation of the parties "In the Matter of Lenet Pacheco, L. Pacheco for VCWD
19	B-Member 2013, L. Pacheco 4 Valley County Water District 2018, and Ricardo Pacheco," FPPC Case
20	No. 18/1045, is hereby accepted as the final decision and order of the Fair Political Practices
21	Commission, effective upon execution by the Chair.
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23	IT IS SO ORDERED.
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25	Dated: Richard C. Miadich, Chair
26	Fair Political Practices Commission
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