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7

8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**
9 **STATE OF CALIFORNIA**
10

11 In the Matter of:

12 STEVE GRASHA FOR MISSION
13 SPRINGS WATER DISTRICT 2018,
14 STEVE GRASHA FOR DESERT
15 WATER AGENCY 2022, and STEVE
16 GRASHA

17 Respondents.

FPPC Case No. 2018/1268

STIPULATION, DECISION, AND ORDER

Date Submitted to Commission: November 2024

18 **INTRODUCTION**

19 Respondent Steve Grasha (“Grasha”) was elected to the Mission Springs Water District Board of
20 Directors in the November 6, 2018 General Election. The term expired in December 2022. Steve Grasha
21 for Mission Springs Water District 2018 (the “2018 Committee”) was Grasha’s candidate-controlled
22 committee. Grasha served as the 2018 Committee’s treasurer.

23 Grasha also succeeded as a candidate in the November 8, 2022 General Election for Desert
24 Water Agency, Division 1. Respondent Steve Grasha for Desert Water Agency 2022 (the “2022
25 Committee”) was Grasha’s candidate-controlled committee. Grasha served as the 2022 Committee’s
26 treasurer. Grasha is currently still in office.
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1 Respondents violated the Political Reform Act (the “Act”)¹ by failing to establish a single
2 campaign bank account, failing to timely file certain campaign statements and reports, and failing to
3 include the proper advertisement disclosures on certain advertisements.

4 **SUMMARY OF THE LAW**

5 The Act and its regulations are amended from time to time. The discussion below regarding
6 jurisdiction, the standard for finding probable cause, and the contents of the probable cause report
7 include references to current law. Unless otherwise noted, all other legal references and discussions of
8 law pertain to the Act’s provisions as they existed at the time of the violations in this case.

9 **Need for Liberal Construction and Vigorous Enforcement of the Act**

10 When enacting the Act, the people of California found and declared that previous laws regulating
11 political practices suffered from inadequate enforcement by state and local authorities.² Thus, it was
12 decreed that the Act “should be liberally construed to accomplish its purposes.”³ One purpose of the Act
13 is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully
14 and truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁴ The Act,
15 therefore, establishes a campaign reporting system designed to accomplish this purpose of disclosure.
16 Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be
17 “vigorously enforced.”⁵

18 **Committee**

19 A “committee” includes any person or combination of persons who receive contributions totaling
20 \$2,000 or more in a calendar year,⁶ commonly known as a “recipient committee.”

21 **Mandatory Use of Single, Designated Campaign Bank Account**

22 Upon the filing of the statement of intention pursuant to Section 85200, the individual shall
23 establish one campaign contribution account at an office of a financial institution located in the state.⁷

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25 ¹ The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references
26 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18104 through 18998 of Title
27 2 of the California Code of Regulations, and all regulatory references are to this source.

28 ² Section 81001, subd. (h).

³ Section 81003.

⁴ Section 81002, subd. (a).

⁵ Section 81002, subd. (f).

⁶ Section 82013, subd. (a).

⁷ Section 85201.

1 A candidate who raises contributions of \$2,000 or more in a calendar year shall set forth the
2 name and address of the financial institution where the candidate has established a campaign
3 contribution account and the account number on the committee statement of organization.⁸

4 All contributions or loans made to the candidate, to a person on behalf of the candidate, or to the
5 candidate's controlled committee shall be deposited in the account.⁹

6 Any personal funds that will be utilized to promote the election of the candidate shall be
7 deposited in the account prior to expenditure.¹⁰

8 All campaign expenditures shall be made from the account.¹¹

9 **Duty to File Campaign Statements**

10 At the core of the Act's campaign reporting system is the requirement that candidates and
11 committees must file campaign statements and reports for certain periods and by certain deadlines. The
12 Act requires candidates and their controlled committees to file campaign statements at specific times
13 disclosing information regarding contributions received and expenditures made by the campaign
14 committees.

15 **Filing Due Dates**

16 Whenever the Act requires that a statement or report be filed prior to or not later than a specified
17 date, and the deadline falls on a Saturday, Sunday, or official state holiday, the filing deadline for such a
18 statement or report shall be extended to the next regular business day.¹² This extension does not apply to
19 24-hour contribution reports when the due date falls on a Saturday, Sunday, or official state holiday
20 immediately prior to an election.¹³

21 **Preelection Campaign Statements**

22 All candidates appearing on the ballot to be voted on at the next election, their controlled
23 committees, and committees primarily formed to support or oppose an elected officer, candidate, or a
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26 ⁸ Section 85201, subdivision (b).

27 ⁹ Section 85201, subdivision (c).

¹⁰ Section 85201, subdivision (d).

¹¹ Section 85201, subdivision (e).

¹² Section 81005, subdivision (a) [effective 2019]; Regulation 18116, subdivision (a) [2018].

¹³ Section 81005, subdivision (b)(1) [effective 2019]; Regulation 18116, subdivision (b)(1) [2018].

1 measure appearing on the ballot to be voted on at the next election shall file the applicable preelection
2 statements specified in Section 84200.8.¹⁴

3 Applicable preelection campaign statements shall be filed as follows: (1) for the period ending
4 45 days before the election, the statement shall be filed no later than 40 days before the election, and
5 (2) for the period ending 17 days before the election the statement shall be filed no later than 12 days
6 before the election.¹⁵

7 **24-Hour Contribution Reports**

8 A “late contribution” includes a contribution, including a loan, that totals in the aggregate \$1,000
9 or more and is made to or received by a candidate or a controlled committee during the 90-day period
10 preceding the date of the election, or on the date of the election, at which the candidate is to be voted
11 on.¹⁶ Each committee that receives a late contribution shall report it within 24 hours of receiving it.¹⁷

12 **Semi-Annual Campaign Statements**

13 Recipient committees shall file semi-annual campaign statements each year no later than July 31
14 for the period ending June 30, and no later than January 31 for the period ending December 31 if they
15 have made contributions or independent expenditures, including payments to a slate mailer organization,
16 during the six-month period before the closing date of the statements.¹⁸

17 **Advertisement Disclosure**

18 An advertisement is any general or public communication that is authorized and paid for by a
19 committee for the purpose of supporting or opposing one or more candidates for elective office or one or
20 more ballot measures. Any advertisement paid for by a committee must include the words “Paid for by”
21 or “Ad paid for by” followed by the name of the committee as it appears on the most recent Statement
22 of Organization filed with the Secretary of State.

23 There are additional disclosure requirements, depending on the type of advertisement. An
24 advertisement that is made via a form of electronic media that allows users to engage in discourse and
25 post content, or any other type of social media, that is paid for by a candidate-controlled committee
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27 ¹⁴ Section 84200.5, subdivision (a).

¹⁵ Section 84200.8, subdivisions (a)-(b).

¹⁶ Section 82036, subdivision (a).

¹⁷ Section 84203, subdivision (a).

¹⁸ Section 84200 (a).

1 established for an elective office of the controlling candidate, and that does not support or oppose a
2 ballot measure and is not paid for by an independent expenditure, must include “Ad paid for by”
3 followed by the name of the committee in a contrasting color that is easily readable by the average
4 viewer and in no less than 10-point font on the cover or header photo of the committee’s profile, landing
5 page, or similar location.

6 Additionally, an “online platform disclosed advertisement” is a paid electronic media
7 advertisement on an online platform made via a form of electronic media that allows users to engage in
8 discourse and post content, or any other type of social media, for which the committee pays the online
9 platform. A committee that disseminates an online platform disclosed advertisement must expressly
10 notify the online platform that the advertisement is an advertisement as defined in Section 84501,
11 provide the online platform with the name of the committee as it appears on the most recent Statement
12 of Organization, provide the online platform with the name of the candidate to which the advertisement
13 refers and the office to which the candidate is seeking election, and provide the online platform with the
14 name and identification number of the committee that paid for the advertisement.

15 **Mass Mailings**

16 “Mass mailing” means over 200 substantially similar pieces of mail. No candidate, candidate-
17 controlled committee established for an elective office for the controlling candidate, or political party
18 committee shall send a mass mailing unless the name, street address, and city of the candidate or
19 committee are shown on the outside of each piece of mail in the mass mailing and on at least one of the
20 inserts included within each piece of mail of the mailing in no less than 6-point type that is in a color or
21 print that contrasts with the background so as to be easily legible. A post office box may be stated in
22 lieu of a street address if the organization’s address is a matter of public record with the Secretary of
23 State.

24 No candidate, candidate-controlled committee established for an elective office for the
25 controlling candidate, or political party committee shall send a mass electronic mailing unless the name
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1 of the candidate or committee is shown in the electronic mailing preceded by the words “Paid for by” in
2 at least the same size font as a majority of the text in the electronic mailing.”¹⁹

3 **Joint and Several Liability of Candidate, Committee and Treasurer**

4 It is the duty of a committee’s treasurer – including a candidate who is acting as the committee
5 treasurer – to ensure that the committee complies with all the requirements of the Act. A committee’s
6 treasurer may be held jointly and severally liable, along with the candidate and committee, for violations
7 committed by the committee. Any person who violates any provision of the Act is liable for
8 administrative penalties up to \$5,000 per violation.

9 **SUMMARY OF THE FACTS**

10 *Grasha and the 2018 Committee*

11 According to records maintained by the Riverside County Registrar of Voters (“Riverside
12 County ROV”), on August 9, 2018, Grasha filed a statement of intention to be a candidate for the
13 Mission Springs Water District Board during the November 6, 2018 General Election. Grasha also filed
14 a candidate campaign statement-short form (“Form 470”) on August 9, 2018, which states that a
15 candidate does not anticipate receiving contributions or making expenditures totaling \$2,000 or more
16 during the calendar year.

17 According to invoices provided by Grasha, Grasha qualified as a committee on or around
18 September 16, 2018, by making two expenditures of \$950 and \$1,395.36 for advertisements promoting
19 Grasha’s candidacy.

20 Since Grasha was listed as a candidate on the November 6, 2018 election ballot, the 2018
21 Committee and Grasha were required to file the first preelection campaign statement with the Riverside
22 County ROV by the September 27, 2018 deadline but failed to do so. The 2018 Committee and Grasha
23 filed the first preelection statement on March 25, 2024. The 2018 Committee and Grasha were required
24 to file the second preelection campaign statement with the Riverside County ROV by the October 25,
25 2018 deadline but failed to do so. The 2018 Committee and Grasha filed the second preelection
26 statement on March 25, 2024.

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¹⁹ Section 84305, subdivision (c)(1) and Regulation 18435.

1 The 90-day period preceding the November 6, 2018 General Election began on August 8, 2018.
 2 Invoices for advertisements purchased by Grasha reveal that, within this period, Grasha made several
 3 contributions to the 2018 Committee that required 24-hour contribution reports. Below is a chart
 4 summarizing those reports:

STATEMENT/REPORT	REPORTING PERIOD	DUE DATE	DATE FILED	AMOUNT
24-Hour Contribution Report	9/11/2018	9/12/2018	Not Filed	\$1,395.36
24-Hour Contribution Report	9/23/2018	9/24/2018	Not Filed	\$1,500.00
24-Hour Contribution Report	10/17/2018	10/18/2018	Not Filed	\$3,154.60
24-Hour Contribution Report	10/26/2018	10/29/2018 ²⁰	Not Filed	\$3,154.60
24-Hour Contribution Report	10/30/2018	10/31/2018	Not Filed	\$3,154.60

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13 The 2018 Committee and Grasha were required to file subsequent semi-annual campaign
 14 statements for the reporting periods of October 21, 2018 through December 31, 2018 by January 31,
 15 2019, and failed to do so. The 2018 Committee and Grasha filed a termination semi-annual campaign
 16 statement covering October 21, 2018 through December 31, 2018 on March 25, 2024. The 2018
 17 Committee and Grasha filed a termination statement of organization, indicating a termination date of
 18 December 31, 2018 on March 25, 2024.

19 Upon the filing of the statement of intention, Grasha was required to establish one campaign
 20 bank account. Since Grasha made contributions to the 2018 Committee of more than \$2,000, the 2018
 21 Committee and Grasha were required to report the financial institution and account number on the
 22 committee's statement of organization. Since the statement of organization was filed in 2024, the bank
 23 account information was obtained through committee records. Committee records indicated Grasha and
 24 the 2018 Committee failed to create a designated campaign bank account and the records indicated
 25 Grasha used a personal bank account, with personal expenses comingled with campaign expenses.

26 Records of expenditures obtained by the Enforcement Division reveal that prior to the
 27 November 6, 2018 election, Grasha made expenditures for a variety of advertisements promoting

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²⁰ October 26, 2018 fell on a Friday, so the filing deadline was the following Monday.

Grasha’s candidacy. Most of these advertisements included advertisement disclosures; however, six mass emails, reaching 12,000 recipients, failed to include Grasha’s name or the name of the Committee preceded by the words “Paid for by.” The following is a summary of the mass emails:

DATE	MASS EMAILS	NUMBER SENT	DISCLOSURE
10/5/2018	Title: “Elect Steve Grasha – Mission Springs Water District”	2,000	Missing “Paid for by” and Candidate or Committee name
10/7/2018	Title: “New Leadership for Mission Springs Water District – Elect Steve Grasha, Director”	2,000	Missing “Paid for by” and Candidate or Committee name
10/12/2018	Title: “Absentee Ballots Have Arrived – Vote for Steve Grasha – Mission Springs Water District – Vote by Mail”	2,000	Missing “Paid for by” and Candidate or Committee name
10/15/2018	Title: “Steve Grasha for MSWD – We Know Him and We Trust Him with the Experience to Lead”	2,000	Missing “Paid for by” and Candidate or Committee name
10/26/2018	Title: “I Am Overwhelmed by the Support I Have Received Across the Mission Springs Water District and Dessert Hot Springs”	2,000	Missing “Paid for by” and Candidate or Committee name
11/4/2018	Title: “Nude Photo of MSWF Director ... Sparks Massive Sex Offender Raid in Desert Hot Springs Area”	2,000	Missing “Paid for by” and Candidate or Committee name

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1 *Grasha and the 2022 Committee*

2 Grasha was a successful candidate in the November 8, 2022 General Election for Desert Water
3 Agency, Division 1. On September 6, 2022, the 2022 Committee and Grasha filed a statement of
4 organization with the Riverside County ROV indicating the 2022 Committee had qualified on August
5 16, 2022. However, according to SOS records, the 2022 Committee and Grasha failed to file the
6 statement of organization with the SOS and, therefore, did not receive a committee identification
7 number. As of the date of this Report, no statement of organization has been filed with the SOS.

8 According to 24-hour contribution reports filed with the Riverside County ROV, the Committee
9 reported receiving four late contributions. All four late contribution reports were not timely filed, as seen
10 below:

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12 DATE RECEIVED	CONTRIBUTOR	AMOUNT	DUE DATE	DATE FILED
13 8/31/2022 ²¹	Steve Grasha	\$10,000	9/1/2022	9/19/2022
14 10/7/2022	Steve Grasha	\$5,000	10/10/2022 ²²	10/19/2022
15 10/7/2022	Steve Grasha	\$5,000	10/10/2022 ²³	10/26/2022
16 11/3/2022	Steve Grasha	\$5,000	11/4/2022	11/8/2022

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18 Since Grasha was listed as a candidate on the November 8, 2022 election ballot, the 2022
19 Committee and Grasha were required to file the first preelection campaign statement by September 29,
20 2022 and the second preelection campaign statement by October 27, 2022 but, according to filing officer
21 records, they failed to do so. The 2022 Committee and Grasha were required to file the subsequent semi-
22 annual campaign statement for the reporting period of October 23, 2022 through December 31, 2022 by
23 January 31, 2023 but failed to do so.

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26 ²¹ The filed 24-hour contribution report disclosed the date the contribution was received as September 31, 2022. This
27 appears to be a typographical error because September has only 30 calendar days, the date of the filing was reported by the
28 Committee as September 1, 2022, and the report was date-stamped by the Riverside County ROV on September 19, 2022. It
appears that the date received was either August 31, 2022 or September 1, 2022, with the corresponding deadlines of either
September 1, 2022 or September 2, 2022.

²² October 7, 2022 fell on a Friday, so the filing deadline was the following Monday.

²³ October 7, 2022 fell on a Friday, so the filing deadline was the following Monday.

1 **PROCEDURAL HISTORY**

2 This case originated in 2018 from an AdWatch referral and a sworn complaint regarding
3 Grasha’s failure to file campaign statements for the 2018 Committee. The case was investigated by
4 Special Investigator Ann Flaherty (“Flaherty”). At the outset of the investigation, the Enforcement
5 Division staff was attempting to reach Grasha and to instruct him to file preelection campaign
6 statements prior to the 2018 General Election. However, Grasha was uncooperative with the
7 Enforcement Division during the investigation. Grasha avoided proactive phone calls by the
8 Enforcement Division before the 2018 Election to gain compliance and did not communicate with the
9 Enforcement Division until after the 2018 Election.

10 When Grasha did communicate with Flaherty and the Enforcement Division staff, Grasha hung
11 up the phone on Flaherty on two occasions and refused to provide bank and committee records, claiming
12 that he was not required to comply. Because of this refusal, the Enforcement Division issued subpoenas
13 to obtain the records. In 2022, Grasha engaged in similar, evasive behavior regarding efforts by the
14 Enforcement Division to obtain compliance and cooperation from Grasha.

15 On August 7, 2023 the Probable Cause Report was served on Grasha, the 2018 Committee, and
16 the 2022 Committee. On July 16, 2024 the Accusation was served on Grasha, the 2018 Committee, and
17 the 2022 Committee. A notice of defense was not filed; therefore the matter was prepared for a Default
18 Decision. On August 30, 2024 Grasha, the 2018 Committee, and the 2022 Committee received a letter
19 from the Enforcement Division indicating that the matter would appear on the September 19, 2024
20 Commission Meeting Agenda as a notice item. On September 19, 2024 the case appeared on the
21 Commission Meeting Agenda as a pre-notice default.

22 **VIOLATIONS**

23 *Grasha and the 2018 Committee*

24 **Count 1: Failure to Timely File Five 24-Hour Contribution Reports**

25 Grasha and the 2018 Committee failed to timely file five 24-hour contribution reports disclosing
26 five late contributions received by their respective due dates between September 12, 2018 and October
27 31, 2018, in violation of Government Code Section 84203.

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1 **Count 2: Failure to Timely File Preelection and Semi-annual Campaign Statements**

2 Grasha and the 2018 Committee failed to timely file the preelection campaign statements
3 covering the reporting periods of July 1, 2018 through September 22, 2018 and September 23, 2018
4 through October 20, 2018 and failed to timely file two semi-annual campaign statements covering the
5 reporting periods of October 21, 2018 through December 31, 2018 and January 1, 2019 through June 30,
6 2019, by their respective due dates, in violation of Government Code Sections 84200.5, 84200.8 and
7 84200.

8 **Count 3: Failure to Establish a Designated Campaign Bank Account**

9 In 2018, Grasha and the 2018 Committee failed to establish a designated campaign bank account,
10 deposit all contributions into it, and make all expenditures from it, in violation of Government Code
11 Section 85201.

12 **Count 4: Failure to Include Proper Disclosure on Mass Emails**

13 In October and November 2018, Grasha and the 2018 Committee failed to include the proper
14 advertisement disclosure on mass emails produced by the 2018 Committee, in violation of Government
15 Code Section 84305, subdivision (c)(1).

16 *Grasha and the 2022 Committee*

17 **Count 5: Failure to Timely File Four 24-Hour Contribution Reports:**

18 Grasha and the 2020 Committee failed to timely file four 24-hour contribution reports disclosing
19 four late contributions received by their respective due dates between September 1, 2022 and November
20 4, 2022, in violation of Government Code Section 84203.

21 **Count 6: Failure to Timely File Preelection and Semi-annual Campaign Statements**

22 Grasha and the 2022 Committee failed to timely file two preelection campaign statements
23 covering the reporting periods of July 1, 2022 through September 24, 2022 and September 25, 2022
24 through October 22, 2022 and failed to timely file one semiannual campaign statement covering the
25 period of October 23, 2022 through December 31, 2022, in violation of Government Code Sections
26 84200.5, 84200.8 and 84200.

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1 **PROPOSED PENALTY**

2 This matter consists of six proposed counts. The maximum penalty that may be imposed is
3 \$5,000 per count. Thus, the maximum penalty that may be imposed for the violations charged is
4 \$30,000.²⁴

5 While most of these violations are eligible for the Streamline Program, the campaign bank
6 account violation is excluded. Furthermore, due to the procedural factors noted above, as well as the
7 significant public harm, lack of cooperation, and appearance of intent, the Enforcement Division
8 determined the most appropriate resolution is a mainline stipulation.

9 In determining the appropriate penalty for a particular violation of the Act, the Enforcement
10 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an
11 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Divisions
12 considers the facts and circumstances of the violation in the context of the following factors set forth in
13 Regulation 18361.5 subdivision (e)(1) through (8): (1) The extent and the gravity of the public harm
14 caused by the specific violations; (2) The level of experience of the violator with the requirements of the
15 Political reform Act; (3) Penalties previously imposed by the Commission in comparable cases; (4) The
16 presence or absence of any intention to conceal, deceive, or mislead; (5) Whether the violation was
17 deliberate, negligent, or inadvertent; (6) Whether the violator demonstrated good faith by consulting the
18 Commission, staff or any other governmental agency in a manner not constituting complete defense
19 under Government Code Section 83114(b); (7) Whether the violation was isolated or part of a pattern or
20 whether the violator has a prior record of violations of the Political Reform Act or similar law; (8)
21 Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide
22 full disclosure.²⁵

23 With respect to the first factor, the failure to utilize a designated campaign bank account causes
24 public harm in that it erodes the trust placed in candidates to utilize campaign funds for proper purposes.
25 The provisions also ensure all transactions are properly reported and that campaign statements are easily
26 substantiated with records and source documents. Here, the public harm is more than minimal because
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28 ²⁴ Section 83116, subd. (c).

²⁵ Regulation 18361.5, subd. (e).

1 Grasha failed to open a designated campaign bank account. Therefore, all contributions and
2 expenditures went through Grasha's personal bank account. The failure to use a designated campaign
3 bank account for all transactions prevented the Enforcement Division from substantiating campaign
4 activity.

5 Additionally, the failure to timely file campaign statements, particularly pre-election campaign
6 statements and 24-hour reports, further deprives the public of important time-sensitive information prior
7 to the election. Here, the public harm is more than minimal because Grasha failed to timely file
8 pre-election campaign statements and multiple 24-hour contribution reports for both the 2018 Committee
9 and the 2022 Committee. The 2018 Committee provided no disclosure to the public regarding the 2018
10 Committee's contributions and expenditures because no statements or reports other than a candidate-
11 statement short form were filed prior to the election. In aggravation, all statements and reports were not
12 filed until 2024. In 2022, the only statements filed prior to the election were four 24-hour contribution
13 reports. Therefore, the public had limited knowledge of the 2022 Committee's contributions and no
14 knowledge of the 2022 Committee's expenditures.

15 With respect to the second factor, Grasha has previous experience with the Act's requirements.
16 Grasha was a candidate for Coachella Valley Water District in the November 4, 2014 General Election.
17 Therefore, he knew or should have known the Act's requirements.

18 With respect to the third factor, the following cases were considered as comparable cases:

19 **Count 1: Failure Timely File Five 24-Hour Contribution Reports**

- 20 • *In the Matter of Clint Olivier, Clint Olivier for Assembly 2016 and Richard Egan; FPPC 19/357.*

21 The Committee, Olivier and Wegan, among other violations, failed to timely file six 24-hour
22 contribution reports. The total amount of contributions not disclosed was \$23,800. These
23 contributions were disclosed on preelection campaign statements prior to the special election
24 date, except for one in the amount of \$5000, which was disclosed prior to the primary election.

25 On August 24, 2021, the Commission approved a penalty of \$2,500.

26 Like in Olivier, multiple 24-hour reports were not timely filed here, and the total amount of
27 contributions was similar in both cases. Grasha and the 2018 Committee failed to timely file five reports
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1 here, similar to the six in *Olivier*. However, unlike in *Olivier*, the contributions were not timely filed on
2 a preelection campaign statement in this case. Therefore, a higher penalty of \$3,000 is recommended.

3 **Count 2: Failure to Timely File Preelection and Semi-annual Campaign Statements**

- 4 • [*In re the Matter of H.S. Fangary for City Council 2017, Hany S. Fangary and Dina Fangary; FPPC 18/5 and 22/33.*](#) The 2017 Committee, Fangary, and Dina Fangary, among other
5 violations, failed to timely file a preelection campaign statement for the reporting period ending
6 September 23, 2017 and failed to timely file a semi-annual campaign statement for the reporting
7 period ending December 31, 2017. The late preelection for the reporting period ending
8 September 23, 2017 reported contributions totaling \$14,949 and expenditures totaling \$6,737.
9 The semi-annual campaign statement for the reporting period ending December 31, 2017
10 reported contributions totaling \$2,633 and expenditures totaling \$3,840. The semi-annual
11 campaign statement for the reporting period ending June 30, 2018 reported contributions
12 totaling \$13,000 and expenditures totaling \$15,679. On November 17, 2022 the Commission
13 approved a penalty of \$3,000 for failing to timely file campaign statements.
14

15 Here, Grasha and the 2018 Committee failed to timely file two preelection campaign statements and
16 two semi-annual campaign statements. In *Fangary*, there were two semi-annual campaign statements
17 filed late, and one late preelection campaign statement. In both cases, the committees are now
18 terminated and both candidates were successful. Therefore, a similar penalty of \$3,000 is
19 recommended.
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21 **Count 3: Failure to Establish a Designated Campaign Bank Account**

- 22 • [*In re the Matter of H.S. Fangary for City Council 2017, Hany S. Fangary and Dina Fangary; FPPC 18/5 and 22/33.*](#) The 2017 Committee, Fangary, and Dina Fangary, among other violations,
23 failed to deposit all contributions into and make all expenditures from a designated campaign
24 bank account. Fangary utilized his personal funds to make expenditures and accepted
25 contributions into a PayPal account and these contributions were comingled with Fangary's
26 personal funds and non-campaign-related withdrawals. The contributions to the PayPal account
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1 were never deposited into the campaign bank account. On November 17, 2022 the Commission
2 approved a penalty of \$3,000 for the bank account violation.

3 Here, as in *Fangary*, contributions and expenditures were not deposited into a campaign bank
4 account. However, here, the number of contributions and expenditures that did not go through the
5 campaign bank account is higher than in *Fangary*; therefore, a higher penalty is recommended. In
6 *Fangary*, over three reporting periods, a total of \$6,699 in contributions were not deposited into the bank
7 account. Regarding expenditures in *Fangary*, over two reporting periods, a total of \$4,562 in
8 expenditures were made outside of the designated bank account. Here, unlike *Fangary*, who established
9 a designated campaign bank account but failed to deposit all contributions into it and make all
10 expenditures from it, Grasha failed to open and establish a campaign bank account. 100% of all
11 contributions and expenditures totaling approximately \$15,748, were made outside of the designated
12 campaign bank account. Therefore, a higher penalty of \$5,000 is recommended.

13 **Count 4: Failure to Include Proper Disclosure on Mass Emails**

- 14 • *In the Matter of Megan Dahle for Assembly 2020 and Megan Dahle; FPPC 20/323*. The
15 Committee and Dahle, among other violations, failed to include the accurate committee name on
16 a mass mailing that was sent to 59,633 recipients. The disclosure stated “Paid for by Dahle for
17 Senate 2019” instead of “Paid for by Megan Dahle for Assembly 2020.” Brian Dahle, the
18 respondent's husband, is the controlling candidate for Dahle for Senate 2019. The Committee
19 reported the expenditures associated with the mailer on the relevant campaign statement, which
20 was filed prior to the relevant election. On July 24, 2020 the Commission approved a penalty of
21 \$2,500.

22 Here, Grasha and the 2018 Committee sent six different mass emails to 2,000 people each without
23 the proper disclosure. Unlike in *Dahle*, where there was some disclosure, but it was improper, there was
24 no disclosure on any of the emails. Additionally, unlike in *Dahle*, the expenditures were not timely
25 reported on the relevant campaign statement. Therefore, a higher penalty of \$3,000 is recommended.

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1 **Count 5: Failure to Timely File Four 24-Hour Contribution Reports**

- 2 • *In the Matter of Clint Olivier, Clint Olivier for Assembly 2016 and Richard Egan; FPPC 19/357.*

3 The Committee, Olivier and Wegan, among other violations, failed to timely file six 24-hour
4 contribution reports. The total amount of contributions not disclosed was \$23,800. These
5 contributions were disclosed on preelection campaign statements prior to the special election
6 date, except for one in the amount of \$5000, which was disclosed prior to the primary election.
7 On August 24, 2021, the Commission approved a penalty of \$2,500.

8 Here, like in *Olivier*, multiple 24-hour reports were not timely filed, and the total amount of
9 contributions was similar in both cases. Grasha and the 2022 Committee failed to timely file four reports
10 here, similar to the six in *Olivier*, and the amount of contributions here is \$25,000, similar to the \$23,800
11 in *Olivier*. However, unlike in *Olivier*, the contributions were not timely filed on a preelection campaign
12 statement in this case. Therefore, a higher penalty of \$3,000 is recommended.

13 **Count 6: Failure to Timely File Preelection and Semi-annual Campaign Statements**

- 14 • [*In re the Matter of H.S. Fangary for City Council 2017, Hany S. Fangary and Dina Fangary;*](#)
15 [*FPPC 18/5 and 22/33.*](#) The 2017 Committee, Fangary, and Dina Fangary, among other
16 violations, failed to timely file a preelection campaign statement for the reporting period ending
17 September 23, 2017 and failed to timely file a semi-annual campaign statement for the reporting
18 period ending December 31, 2017. The late preelection for the reporting period ending
19 September 23, 2017 reported contributions totaling \$14,949 and expenditures totaling \$6,737.
20 The semi-annual campaign statement for the reporting period ending December 31, 2017
21 reported contributions totaling \$2,633 and expenditures totaling \$3,840. The semi-annual
22 campaign statement for the reporting period ending June 30, 2018 reported contributions
23 totaling \$13,000 and expenditures totaling \$15,679. On November 17, 2022 the Commission
24 approved a penalty of \$3,000 for failing to timely file campaign statements.
25

26 Here, Grasha and the 2022 Committee failed to timely file two preelection campaign statements and
27 one semi-annual campaign statement. In *Fangary*, there were two semi-annual campaign statements
28 filed late, and one late preelection campaign statement. In both cases, the committees are now

1 terminated and both candidates were successful. Therefore, a similar penalty of \$3,000 is
2 recommended.

3 With respect to the fourth and fifth factors, the Enforcement Division did not obtain any direct
4 evidence that the violations were due to an intent to conceal, deceive, mislead the public, or to avoid
5 compliance with the Act. Nevertheless, the evidence also shows that Grasha filed a Form 470 indicating
6 that he did not anticipate reaching monetary thresholds for a committee only to exceed those thresholds
7 just over one month later. Then, instead of filing the appropriate amendment, he failed to do so and
8 continued to engage in monetary transactions without the required designated bank account. It is also
9 important to note that both the local filing officer and the Enforcement Division made Grasha aware of
10 his filing responsibilities in connection with his failures pertaining to the 2018 Committee only for him
11 to repeat the same violations with respect to the 2022 Committee. The missing campaign statements
12 were eventually filed but only after significant Enforcement involvement, and nearly all campaign-
13 related materials produced by the 2018 and 2022 Committees included Grasha's name and photo, so
14 there was minimal confusion as to those violations.

15 With respect to the sixth factor, Grasha, the 2018 Committee and the 2022 Committee did not
16 consult the Commission staff or any other governmental agency in an effort to understand the Act's
17 requirements.

18 With respect to the seventh factor, there is evidence to suggest these violations were part of a
19 pattern of repeated violations. In the 2018 General Election, Grasha and the 2018 Committee failed to
20 timely file campaign statements, including preelection campaign statements. The next time Grasha ran
21 for office, in 2022, Grasha and the 2022 Committee again failed to timely file campaign statements.
22 Additionally, Grasha has a prior history of violating the Act. In 2017, Steve Grasha for City Council
23 (ID# 1258054) and Steve Grasha for City Council (ID# 1258915) were administratively terminated²⁶ by
24 the Enforcement Division for failure to close the committee.²⁷ Again in 2018, Steve Grasha for
25 Coachella Valley Water District (ID# 137062) was administratively terminated by the Enforcement
26

27 ²⁶ Pursuant to Regulation 18404.2, the Enforcement Division may administratively terminate a committee provided
28 that the committee meets certain requirements, including failing to timely file campaign statements in the previous twelve
months and has an ending cash balance of \$3,000 or less.

²⁷ FPPC Case No. 2016/525.

1 Division.²⁸ Finally, according to Riverside County Registrar of Voters, Grasha for Coachella Valley
2 Water District also failed to file any preelection or semi-annual campaign statements.

3 With respect to the eighth factor, this stipulation does not include reporting violations. However,
4 the missing preelection and semiannual campaign statements were filed in 2023 and 2024.

5 In aggravation to all counts, there were additional violations not charged here that were eligible
6 for a Streamline Tier One penalty and dropped for the purpose of settlement. For the 2018 Committee,
7 these violations include the failure to timely file a statement of organization. For the 2022 Committee,
8 these violations include the failure to timely file a statement of organization and failure to include proper
9 disclosure on social media advertisements and mass mailings. Finally, Steve Grasha, as a candidate,
10 failed to timely report income on the Candidate Statement of Economic Interest.

11 Based on the factors outlined above, the Enforcement Division is seeking a penalty of \$20,000.

12 Based on the foregoing, the following penalties are recommended:

13

Count #	Violation	Penalty Amount
1	Failure to Timely File Five 24-Hour Contribution Reports	\$3,000
2	Failure to Timely File Preelection and Semi-annual Campaign Statements	\$3,000
3	Failure to Establish a Designated Campaign Bank Account	\$5,000
4	Failure to Include Proper Disclosure on Mass Emails	\$3,000
5	Failure to Timely File Four 24-Hour Contribution Reports	\$3,000
6	Failure to Timely File Preelection and Semi-annual Campaign Statements	\$3,000
	Total:	\$20,000

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21 **CONCLUSION**

22 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
23 Respondents, Steve Grasha, Steve Grasha for Mission Springs Water District 2018 and Steve Grasha for
24 Desert Water Agency 2022 hereby agree as follows:

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

27
28 _____
²⁸ FPPC Case No. 2018/968.

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

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

6 4. Respondents understand and hereby knowingly and voluntarily waive, any and all
7 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through
8 18361.9. This includes, but is not limited to the right to appear personally at any administrative hearing
9 held in this matter, to be represented by an attorney at the Respondents' own expense, to confront and
10 cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to
11 have an impartial administrative law judge preside over the hearing as a hearing officer, and to have the
12 matter judicially reviewed.

13 5. The Respondents agree to the issuance of the decision and order set forth below. Also,
14 the Respondents agree to the Commission imposing against it an administrative penalty in the amount of
15 \$20,000. One or more cashier's checks or money orders totaling said amount—to be paid to the General
16 Fund of the State of California—is/are submitted with this stipulation as full payment of the
17 administrative penalty described above, and same shall be held by the State of California until the
18 Commission issues its decision and order regarding the matter.

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

25 7. The parties to this agreement may execute their respective signature pages separately. A
26 copy of any party's executed signature page, including a hard copy of a signature page transmitted via
27 fax or as a PDF email attachment, is as effective and binding as the original.

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Dated: _____
James M. Lindsay, Chief of Enforcement
Fair Political Practices Commission

Dated: _____
Steve Grasha individually and on behalf of Steve Grasha
for Mission Springs Water District 2018 and Steve
Grasha for Desert Water Agency 2022

1 The foregoing stipulation of the parties “In the Matter of Steve Grasha for Mission Springs
2 Water District 2018, Steve Grasha for Desert Water Agency 2022 and Steve Grasha; FPPC Case No.
3 2018/1268, is hereby accepted as the final decision and order of the Fair Political Practices Commission,
4 effective upon execution below by the Chair.

5
6 IT IS SO ORDERED.

7
8 Dated: _____

_____ Adam E. Silver, Chair
Fair Political Practices Commission