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BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
STATE OF CALIFORNIA

In the Matter of:

TERRANCE SLATIC

Respondents.

FPPC No. 22/617

STIPULATION, DECISION, AND ORDER

**INTRODUCTION**

Respondent Terrance Slatic (“Slatic”) assumed office as a Fresno Unified School District Trustee on or around December 12, 2018.

The Political Reform Act (the “Act”)<sup>1</sup> The Act requires school board trustees to disclose their reportable economic interests on a Statement of Economic Interests (“SEI”). Further, the Act limits the total value of gifts school board trustees may receive from a single source while in office. Slatic violated the Act by accepting a reportable gift over the 2021 Annual limit, failed to timely disclose and accurately report the gift on the 2021 Annual SEI, and failed to timely disclose the acceptance of gifts on the 2018 and 2019 Annuals SEIs.

**SUMMARY OF THE LAW**

The violations in this case occurred in 2018, 2019 and 2021. All legal references and discussions

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

of law pertain to the Act’s provisions as they existed at that time.

### Need for Liberal Construction and Vigorous Enforcement of the 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.<sup>2</sup> Thus, it was decreed that the Act “should be liberally construed to accomplish its purposes.”<sup>3</sup> A central purpose of the Act is to increase transparency and decrease conflicts of interest in the actions of public officials by requiring disclosure of their economic interest.<sup>4</sup> Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>5</sup>

### Statements of Economic Interest

Public officials who manage public investments are required to file an SEI disclosing their investments, interests in real property, and income or gifts received in the reporting period by April 1 each year, or the following business day if the due date is a weekend or a holiday.<sup>6</sup> The Conflict of Interest Code of the Fresno Unified School District has determined that Governing Board Members are in positions that manage public investments and shall file statements of economic interests pursuant to Government Code Section 87200.<sup>7</sup>

### Gift Disclosure

The Act defines “gift” to include any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received.<sup>8</sup> The Act defines “payment” to include a gift or other rendering of money, property, services or anything else of value, whether tangible or intangible.<sup>9</sup>

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<sup>2</sup> Section 81001, subd. (h).

<sup>3</sup> Section 81003.

<sup>4</sup> Section 10002, subd. (c).

<sup>5</sup> Section 81002, subd. (f).

<sup>6</sup> Section 87203; Regulations 18723, subd. (b)(2) and 18116, subd. (a).

<sup>7</sup> <https://www.fresnocountyca.gov/files/sharedassets/county/v/1/clerk-of-the-board/conflict-of-interest-codes/fresno-unified-school-district.pdf>

<sup>8</sup> Section 82028, subd. (a).

<sup>9</sup> Section 82044.

1 Gift Limits

2 In calendar year 2021, the Act prohibited members of school boards from accepting gifts from  
3 any single source with a total value of more than \$520.<sup>10</sup>

4 A gift is neither accepted nor received if, within 30 days, the official reimburses the source of the  
5 gift in full, or for a portion thereof.<sup>11</sup> If the source of the gift is not reimbursed for the full value of the  
6 gift, the value of the gift the official has received is reduced by the amount of the reimbursement.<sup>12</sup>

7 Liability for Violations

8 Any person who violates any provision of the Act is liable for administrative penalties up to \$5,000  
9 per violation.<sup>13</sup>

10 **SUMMARY OF THE FACTS**

11 On August 8, 2022 the Enforcement Division received a complaint from the Fresno County  
12 District Attorney's Office ("Fresno DA") regarding an investigation done by the Fresno DA's Public  
13 Integrity Unit. The investigation began as a report from Fresno County Superintendent Bob Nelson  
14 ("Nelson") regarding Slatc's failure to timely report a gift on Slatc's 2021 Annual SEI and Slatc  
15 receiving a gift over the annual limit. The complaint to the Enforcement Division included all  
16 investigation reports, exhibits, receipts, audio recordings of witness interviews, and other documents  
17 generated by Fresno DA.

18 Gift over the Limit

19 According to complaint records provided to the Enforcement Division by the Fresno DA, in  
20 2021 Slatc received a gift over the limit which stemmed from a dinner hosted by Nelson on December  
21 2, 2021. According to Nelson, every year during the California School Board Association Conference,  
22 Nelson hosts a dinner for the Fresno Unified School District Trustees and pays for all the attendee's  
23 dinner with his personal credit card. In 2021, the dinner was hosted on December 2, 2021, at Fogo de  
24 Chão Brazilian Steakhouse in San Diego. Attendees included the Fresno Unified School District  
25 Trustees, including Slatc and Slatc's guest. According to Nelson, in 2021, a group rate for the dinner  
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27 <sup>10</sup> Section 89503, subd. (a); Regulation 18940.2.

28 <sup>11</sup> Regulation 18941, subd. (c)(3).

<sup>12</sup> *Id.*

<sup>13</sup> Section 83116.5.

1 with a fixed menu was arranged because, in the past, the bill was inflated by some of the attendees. A  
2 review of the reports provided by Fresno DA included in the complaint revealed the fixed menu dinner  
3 price was \$193 per person, which included two drinks and an all-you-can-eat dinner. Upon arrival,  
4 Nelson let the group know he would provide two drinks for each attendee and all-you-can-eat dinner, as  
5 is custom at Brazilian-style steakhouses. The fixed menu included a “Seafood Tower” to share, the  
6 “Emerald Dinner” for each guest, two bottles of wine to share between all of the attendees and soft  
7 drinks.

8         However, the value of the dinner Slati received was significantly higher than \$193. As  
9 established in greater detail below, with tax and tip, Slati received a dinner valued at \$781 per person,  
10 for a total of \$1,562. As a result, the value of the gift received by Slati was \$1,042 over the 2021 annual  
11 gift limit of \$520.

12         According to reports provided by the Fresno DA, unbeknownst to Nelson, Slati arrived at the  
13 restaurant prior to the other attendees and arranged with the restaurant staff to have any alcohol ordered  
14 by the group rung up as food items on the bill. According to records received in the complaint, Slati  
15 then shared the Seafood Tower dish with all other attendees, a prorated cost \$14.14. Slati also ordered  
16 two upgraded steak dinners that were not provided for on the fixed menu for him and his guest, valued at  
17 \$145 per person. In addition to dinner, Slati ordered additional drinks not provided on the fixed menu.  
18 These included four Chopin Vodka shots, valued at \$14.50 per shot, one additional shot of Don Julio  
19 Tequila, valued at \$33, and two bottles of Opus One Wine (“Opus One”) valued at \$435 a bottle.  
20 According to a witness interview with David Chavez (“Chavez”), the Chief of Staff to Nelson, Slati  
21 shared one bottle of Opus One between himself and his guest at the dinner. Chavez stated he had half of  
22 a glass of the Opus One Slati opened at the table. When Chavez walked with Slati back to the hotel,  
23 Chavez stated Slati was carrying the second bottle of Opus One. As Slati directed, all of the alcohol  
24 items Slati ordered rang up as “Tomahawk steaks” on the bill. When Nelson received the bill, he  
25 reasonably questioned the Tomahawk steaks on the bill, at which point Slati told Nelson that he  
26 previously directed staff to ring up all alcohol as food.

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1 Failure to Timely and Accurately Report

2 According to records obtained from Fresno DA, none of the attendees of the dinner on December  
3 2, 2021, including Slatc, timely reported the dinner on the 2021 Annual SEI. On March 31, 2022 Slatc  
4 timely filed the 2021 Annual SEI and reported no reportable interests on any schedule. On May 2, 2022,  
5 the Fresno DA sent a letter to the attendees of the dinner on December 2, 2021 identifying the  
6 requirement to report gifts over \$50 on annual SEIs and noted that none of the attendees reported the  
7 dinner hosted by Nelson on December 2, 2021. The letter instructed all attendees to amend the 2021  
8 Annual SEI to include the dinner by June 2, 2022, and that failure to do so would result in a referral to  
9 the Enforcement Division. On June 1, 2022, Slatc filed an amendment to the 2021 Annual SEI to  
10 include the dinner. Slatc underreported the value of the dinner by \$1,367 by reporting the value of the  
11 dinner at \$195 instead of \$1,562. Slatc has not attempted to pay down the value of the gift and no  
12 additional amendments have been filed to properly disclose the value of the gift.

13 In addition to the 2021 Annual SEI, the Enforcement Division investigation in this case  
14 determined Slatc also failed to timely report two previous annual dinners hosted by Nelson, one in 2018  
15 and one in 2019, on the appropriate annual SEI. Slatc reported these two dinners on the amended 2021  
16 Annual SEI, instead of on the appropriate 2018 and 2019 Annual SEIs.

17 **VIOLATIONS**

18 Count 1: Failure to Timely Report Gift on 2018 Annual SEI

19 Slatc failed to timely report a gift received in December 2018 valued at \$357 on an Annual 2018 SEI,  
20 by the April 1, 2019 due date, in violation of Government Code Section 87207.

22 Count 2: Failure to Timely Report Gift on 2019 Annual SEI

23 Slatc failed to timely report a gift received in December 2019 valued at \$307 on an Annual 2019 SEI,  
24 by the June 1, 2020 due date, in violation of Government Code Section 87207.

26 Count 3: Failure to Timely Report Gift on 2021 Annual SEI

27 Slatc failed to timely report a gift received on December 2, 2021 valued at \$1,562 on an Annual 2021  
28 SEI, by the April 1 2022 due date, in violation of Government Code Section 87207.

1 Count 4: Failure to Accurately Report Gift on Annual 2021 SEI

2 Slatik failed to accurately report the value of a gift received on December 2, 2021 valued at \$1,562 on an  
3 amended Annual 2021 SEI, filed on June 1, 2022, in violation of Government Code Section 87207.

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5 Count 5: Accepting a Gift Over the Limit

6 On December 2, 2021 Slatik accepted a gift from Superintendent Bob Nelson valued at \$1,562,  
7 exceeding the applicable gift limit by \$1,042, in violation of Government Code Section 89503.

8 **PROPOSED PENALTY**

9 This matter consists of five counts. The maximum penalty that may be imposed is \$5,000 per  
10 count. Thus, the maximum penalty that may be imposed is \$25,000.

11 In determining the appropriate penalty for a particular violation of the Act, the Commission  
12 considers the facts of the case, the public harm involved, and the purpose of the Act. Also, the Commission  
13 considers factors such as: (1) The extent of and gravity of the public harm caused by the specific violation;  
14 (2) The level of experience of the violator with the requirements of the Political Reform Act; (3) Penalties  
15 previously imposed by the Commission in comparable cases; (4) The presence or absence of any intention  
16 to conceal, deceive, or mislead; (5) whether the violation was deliberate, negligent, or inadvertent; (6)  
17 Whether the violator demonstrated good faith by consulting the Commission staff or any other  
18 governmental agency in a manner not constituting complete defense under Government Code Section  
19 83114(b); (7) Whether the violation was isolated or part of a pattern and whether the violator has a prior  
20 record of violations of the Political Reform Act or similar laws; and (8) Whether the violator, upon  
21 learning of a reporting violation, voluntarily filed amendments to provide full disclosure.<sup>14</sup>

22 This case does not qualify for the Streamline Program because the gift was more than \$1,000 over  
23 the annual gift limit, the gift was not reported on the 2021 Annual SEI, and Slatik intended to violate the  
24 Act.

25 Regarding the first factor, an express purpose of the Act is to ensure the assets and income of  
26 public officials which may be materially affected by their official actions are disclosed so that conflicts of  
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14Regulation 18361.5, subd. (e).

1 interest may be avoided. The public is harmed by SEI reporting violations because the public is deprived  
2 of important information about the assets and income of public officials. Additionally, SEI reporting  
3 violations have the potential to conceal other violations such as accepting a gift over the limit. In this  
4 matter, Slatic impermissibly accepted a gift over the 2021 annual gift limit, failed to timely report the  
5 receipt of the gift, failed to accurately report the gift, and failed to report a gift in 2018 and 2019. In this  
6 case, the public harm is aggravated because the original 2021 Annual SEI was late, and when the gift was  
7 reported on an amended SEI, the amount reported was \$195, instead of the true value of the gift: \$1,562.  
8 This amendment, although it disclosed the gift, concealed the acceptance of a gift over the limit.

9         Regarding the second factor, Slatic was elected to the Fresno Unified School District as a Board  
10 of Trustee Member in December 2018, and has been required to file Statements of Economic Interests  
11 since then. Prior to being elected in December 2018, Slatic had never been elected to public office.

12         Regarding the third factor, a recent case with a similar violation is *In the Matter of Devon Mathis*;  
13 *FPPC 18/365*. The Commission approved a stipulation in this matter on October 21, 2021. In this matter,  
14 Mathis, a member of the California State Assembly, admitted to accepting a gift in excess of the gift limit  
15 and failing to timely disclose this gift on an annual statement of economic interest. Specifically, Mathis  
16 routinely stayed at the home of a former employee on an ongoing basis without paying any compensation  
17 for lodging. The fair market equivalent was calculated to be \$37 per night for at least 62 nights in 2016.  
18 In total, the gift was \$1,834 over the annual gift limit. In addition, Mathis failed to disclose the gift. The  
19 Commission imposed a penalty of \$3,500 for accepting the gift over the limit and \$2,000 for failing to  
20 timely disclose the financial interest.

21         For Counts 1 and 2, a lesser penalty than in *Mathis* is recommended. Here, the 2018 gift received  
22 from Nelson was valued at \$357. The 2019 gift received from Nelson was valued at \$307. Both dinners  
23 are significantly lower than the gift *Mathis* failed to report and neither surpassed the gift limit threshold.  
24 Therefore, a lower penalty of \$1,500 is recommended for Counts 1 and 2.

25         For Counts 3-5, penalties higher than in *Mathis* are recommended because there is evidence of  
26 intent to conceal the gift over the limit violation and evidence of deliberate violation, as referenced in the  
27 fourth and fifth factors. This case is similar to *Mathis* in that both respondents accepted a gift significantly  
28 over the gift limit and in both cases the gift was not timely reported on the appropriate SEI. Here, the

amount was \$1,042 over the limit, and in *Mathis*, it was \$1,834 over the limit. However, this case is distinguished from *Mathis* in that Slatc concealed the gift over the limit violation. Slatc amended the 2021 Annual SEI one day before the deadline to amend given by the Fresno DA. In the amendment, Slatc significantly underreported the value of the gift. Based on the amount of additional and expensive menu items Slatc ordered outside of the fixed menu, Slatc not only knew the gift was worth more than what Slatc reported on the amended 2021 Annual SEI, but also deliberately created a circumstance where Slatc would receive a gift over the gift limit. Slatc was aware Nelson coordinated a fixed menu to keep costs down, and intentionally had the bill altered by restaurant staff and intentionally ordered additional items, including two bottles of wine valued at \$435 a bottle. The elaborate scheme, unilaterally creating an over-the-limit gift, failure to initially report the gift, and significantly underreporting the value of the gift once the violation was discovered by Fresno DA justifies a maximum penalty of \$5,000 for each counts 3-5.

Regarding the sixth factor, Slatc did not consult with the Commission staff or any other governmental agency in a manner not constituting complete defense under Government Code Section 83114(b). Regarding the seventh factor, during Slatc's time as a trustee, Slatc had a pattern of failing to timely file and accurately report on SEIs, which led to a previous penalty imposed by the Commission. Slatc previously paid a \$200 penalty to the Commission on September 19, 2019, for failing to time file the Assuming Office SEI for Slatc's position as a Trustee for the Fresno Unified School District. Slatc's next annual SEI, the 2018 Annual SEI, failed to include a dinner hosted by Nelson. The 2019 Annual SEI also failed to include a dinner hosted by Nelson, as did the 2021 Annual SEI. Therefore, the violations are not isolated but part of a pattern of violating the Act. Regarding the eighth factor, as of the date of this stipulation, amendments have not been made to the 2018, 2019 Annual SEIs. The 2021 Annual SEI has not been amended a second time to report the true value of the gift received.

Based on the foregoing, the following penalties are recommended:

Count #	Violation	Penalty Amount
1	Failure to Report Gift on 2018 Annual SEI	\$1,500
2	Failure to Report Gift on 2019 Annual SEI	\$1,500
3	Failure to Report Gift on Annual SEI 2021	\$5,000
4	Failure to Accurately Report Gift on Amended 2021 SEI	\$5,000
5	Acceptance of a Gift Over the Limit	\$5,000
	<b>Total:</b>	<b>\$18,000</b>



1 **CONCLUSION**

2 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
3 Respondent, Terrance Slatik, hereby agree as follows:

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

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

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

11 4. The Respondent has consulted with their attorney, Michael Goldfeder, and understands and  
12 hereby knowingly and voluntarily waives any and all procedural rights set forth in Sections 83115.5,  
13 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to  
14 appear personally at any administrative hearing held in this matter, to be represented by an attorney at the  
15 Respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to  
16 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over  
17 the hearing as a hearing officer, and to have the matter judicially reviewed.

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

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

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

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8 Dated: \_\_\_\_\_  
9 James M. Lindsay, Chief of Enforcement  
10 Fair Political Practices Commission

11 Dated: \_\_\_\_\_  
12 Terance Slatic  
13 Respondent  
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1 The foregoing stipulation of the parties “In the Matter of Terrance Slatic; FPPC No. 22/617, is hereby  
2 accepted as the final decision and order of the Fair Political Practices Commission, effective upon  
3 execution below by the Chair.  
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5 IT IS SO ORDERED.  
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7 Dated: \_\_\_\_\_

8 Adam Silver, Chair  
9 Fair Political Practices Commission  
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