



STATE OF CALIFORNIA  
**FAIR POLITICAL PRACTICES COMMISSION**  
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**To:** Chair Silver, Commissioner Brandt, Commissioner Ortiz and Commissioner Wilson

**From:** Dave Bainbridge, General Counsel, Legal Division  
Simon Russell, Commission Counsel, Legal Division

**Subject:** **Prenotice Discussion, Proposed Amendments to Regulations 18360.1-18360.3; Political Reform Education Program and Streamline Resolution Program for Low-Level Enforcement Violations**

**Date:** June 8, 2026

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**Executive Summary**

Staff is submitting for pre-notice discussion the proposed amendments to Regulations 18360.1-18360.3<sup>1</sup> regarding the Political Reform Education Program (“PREP”) and Streamline resolution programs for resolving low-level violations of the Political Reform Act (“the Act”). The proposed amendments would provide clearer direction to staff regarding eligibility criteria, specify the type of information that must be included in a Streamline stipulation, clarify the circumstances under which correction of the underlying violation is required, eliminate duplicative Warning Letter procedures, and provide a formal procedure for applying discretion in borderline cases.

**Reason for Proposed Regulatory Action**

The Legal Division conducted a review of recent cases resolved under the PREP and Streamline programs to determine if changes to the regulations governing those programs were necessary. Their review identified several areas where the regulations would benefit from clarification and simplification, including:

- The distinction between eligibility criteria, discretionary factors, and exclusions;
- The circumstances under which full compliance with the Act is required prior to settlement; and
- The process for applying Chief Discretion in borderline cases where an exclusion would otherwise apply.

Staff also found that, although the current regulations are lengthy and complex, they do not fully accommodate the variety of factual scenarios encountered in practice. Enforcement

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<sup>1</sup> The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

staff reported that this has made the criteria difficult and time-consuming to apply and has increased the need to rely on Chief Discretion to avoid excluding low-public-harm cases from both programs.

To address these issues, the proposed amendments aim to streamline the eligibility criteria and clarify essential procedural requirements, rather than adding further complexity. This approach retains the original intent of the Streamline and PREP programs: to resolve more straightforward and low-level cases efficiently, uniformly, and transparently.

## **Background & Law**

Regulations 18360.1-18360.3 contain the procedural and substantive rules regarding the Enforcement Division’s Streamline resolution program. The Streamline resolution program is a framework for resolving low-level violations of the Political Reform Act (the “Act”) in a manner that is meant to be faster than the Mainline penalty process.<sup>2</sup> Streamline cases also result in lower fines than Mainline cases.

Regulation 18360.1 establishes the Streamline resolution program for certain campaign-related violations of the Act. Regulation 18360.2 does the same for certain types of ethics and lobbying violations. Regulation 18360.3 sets the penalty range for Tier One and Tier Two Streamline cases.

### *1. Streamline Program for Campaign Violations: Regulation 18360.1*

#### *A. Procedural Requirements*

Regulation 18360.1(a) provides that if eligible, filers may voluntarily resolve violations of the Act by accepting a Warning Letter, completing the Political Reform Education Program (“PREP”), paying a Tier One Streamline penalty, paying a Tier Two Streamline penalty, or paying a Mainline penalty. The Chief of Enforcement has discretion to determine the appropriate form and amount of penalty to offer in settlement for a violation depending on mitigating or aggravating circumstances.

Few other procedural details are provided in Regulation 18360.1. Subsection (a) draws a contrast with Mainline penalties in which “the stipulation includes a full description of the violation and surrounding events,” implying that non-Mainline stipulations need not do so. And Subsection (e) states that respondents must come into compliance with the requirements of the Act, i.e. correct the underlying violation. It is not stated whether this requirement can be waived, except that in the case of reporting violations, the respondent need not come into compliance if

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<sup>2</sup> A Mainline penalty differs from a Streamline penalty in that the monetary penalty is higher (up to \$5,000 per count), the Stipulation includes a narrative describing the pertinent facts of the case in detail, and the Stipulation must be approved by a vote of the Commission.

the relevant information was reported by the person elsewhere or the FPPC determines that the information has been sufficiently disclosed in the stipulation and/or other filings

### *B. Substantive Requirements*

Regulation 18360.1(b) lists the types of campaign violations that are eligible for consideration of a Warning Letter, PREP, or a Streamline penalty. These include Late Campaign Statements and Reports; Unreported Contributions and Expenditures; Cash Contribution(s) or Expenditure(s) of \$100 or More; Campaign Bank Account violations; Committee Naming violations; Advertising and Mass Mailing Disclosure violations; Slate Mailer Organization Filing Issues; Recordkeeping violations; Major Donor Notification violations; Late Campaign Statements and Reports (Major Donor Filers); Contribution Limit violations; Section 84308 violations; and Recurring Contribution violations.

In order to qualify for PREP, a Warning Letter, or either Streamline Tier under Regulation 18360.1, respondents must satisfy the general eligibility requirements listed in Subsection (d)(2)-(4). Additionally, Enforcement staff consider general eligibility considerations, including whether a respondent has a lack of experience or knowledge of the Act's requirements; whether the violations were self-reported; whether the campaign at issue was unsuccessful; and similar mitigating circumstances, in determining what remedy is appropriate. There are also a number of general exclusions, including whether there is any evidence of an intent to conceal or deliberately violate the Act or its regulations; whether the respondent presented the FPPC false or altered evidence; whether the extent and gravity of the public harm resulting from the violation was more than minimal; and similar aggravating circumstances.

Once a respondent has satisfied the general eligibility criteria, they must still meet the specific eligibility requirements, considerations, and exclusions pertaining to the particular type of violation at issue. Regulation 18360.1(e) lists these in detail, arranged by the type of violation.

For example, Regulation 18360.1(e)(3) provides the eligibility criteria for violations involving cash contributions or expenditures of \$100 or more. Subsection (A) provides "considerations" for issuing a Warning Letter. Subsection (B) states what facts make a violation "eligible" for PREP or Tier One Streamline, such as the amount of money at issue and whether it was timely disclosed. Subsection (C) provides similar eligibility requirements for Tier Two Streamline. Finally, Subsection (D) lists "exclusions" from the program, such as whether the respondent made personal use of campaign funds.

### *C. Issues to Address*

**Unclear terminology regarding eligibility criteria and exclusions.** The eligibility criteria and exclusions for particular types of violations are lengthy and complex to apply for both Commission staff as well as the regulated community. Moreover, it is sometimes unclear which criteria are meant to be mandatory versus advisory. Meanwhile, new cases continue to arise that do not fit adequately within the given criteria. This results in staff making greater use of discretion when interpreting certain terms, as well as a need for further amendments that will only make the regulations even more lengthy and complex.

**Unclear how much information needs to be included in a Streamline stipulation.** The regulation implies that a Streamline stipulation need not include as much information as a Mainline stipulation, but does not otherwise specify what other information, if any, need be in it.

**Unclear whether and when compliance must be secured.** The regulation states that the Enforcement Chief shall determine the form of penalty but also includes language implying that compliance is a prerequisite to resolving most cases via Streamline. In practice, this has led to confusion among Enforcement staff regarding whether and when compliance must be secured prior to entering into a Streamline resolution agreement.

**Duplicative procedure for Warning Letters.** Under the Commission’s general authority to investigate and levy administrative penalties, the Enforcement Chief already has authority to issue Warning Letters in response to violations that qualify for either Streamline or Mainline resolution. The process for issuing Warning Letters under that pre-existing authority does not require a stipulation. The parallel authority to issue Warning Letters via Streamline stipulation under the terms of Regulation 18360.1 results in confusion regarding the procedural and substantive requirements for issuance of a Warning Letter in particular cases.

**Inconsistent terminology concerning committee size.** The use of the terms “city and county committees” and “state committees” for purposes of the Streamline program leads to confusion when those same terms are used – with different definitions – for other purposes under the Act. Moreover, a committee that qualifies as a “city and county committee” for purposes of the Streamline regulations could also qualify as a “state committee” for other purposes under the Act, and vice versa.

## *2. Streamline Program for Ethics and Lobbying Violations: Regulation 18360.2*

Regulation 18360.2 provides procedural and substantive requirements for low-level ethics and lobbying violations to qualify for PREP, a Warning Letter, or Tier One Streamline, or Tier Two Streamline resolution.

### *A. Procedural Requirements*

The procedural requirements of Regulation 18360.2 are substantially identical to those found in Regulation 18360.1.

### *B. Substantive Requirements*

Regulation 18360.2(b) lists the types of ethics and lobbying violations that are eligible for consideration of a Warning Letter, PREP, or a Streamline penalty. These include Late Statements of Economic Interests; Unreported Economic Interests on a Statement of Economic Interests; Late Lobbying Reports; Unreported Lobbying Activity; Gift Limit violations; Improper Recusal for a Conflict of Interest; and Late Behested Payment Reports.

As with respondents who committed campaign violations under Regulation 18360.1, respondents who committed ethics or lobbying violations must first satisfy the general eligibility requirements of Regulation 18360.2. These requirements are substantially identical between the two regulations.

Again as with Regulation 18360.1, Regulation 18360.2 then lays out specific eligibility requirements, considerations, and exclusions for particular types of violations. For example, Regulation 18360.2(e)(1) provides the eligibility criteria for violations involving late statements of economic interests. Subsection (A) provides “considerations” for issuing a Warning Letter. Subsection (B) excludes from PREP or Tier One Streamline any violation where the undisclosed economic interest was from a source that had business before or regularly had business before the filer's agency. Subsection (C) excludes from PREP, a Warning Letter, and both Streamline tiers any violation where the public official also had a conflict of interest violation under Sections 1090 or 87100 involving the undisclosed economic interest. Finally, Subsection (D) states that a violation is “eligible” for Tier Two Streamline if the undisclosed economic interest was from a source that had business or regularly had business before the filer's agency.

### *C. Issues to Address*

Because of the close similarity between the procedural and certain substantive requirements of Regulations 18360.1 and 18360.2, the issues to address in the latter are largely the same as with the former. These include eligibility criteria and exclusions that are both overly complex and inadequate to capture all fact patterns that may arise; lack of clarity regarding how much information needs to be included in a Streamline stipulation; the duplicative procedure for Warning Letters; the lack of clarity regarding whether and when compliance must be secured.

### *3. Penalties in Streamline Cases: Regulation 18360.3*

Regulation 18360.3 provides the penalty ranges for cases that qualify for either Tier One or Tier Two Streamline under Regulations 18360.1-18360.2.

#### *A. Procedural Requirements*

Regulations 18360.3 provides that Streamline penalty stipulations are approved by the Chief of Enforcement and are reported to the Commission for discussion only before they are executed. The Chief of Enforcement will include those stipulations in the Commission agenda, as a part of the Executive Staff Report. After the close of the hearing, the Chief of Enforcement may execute all or any of the Streamline penalty stipulations, at their discretion. Penalties in streamline cases are not to exceed the prescribed maximum fine amount per violation found in Government Code Section 83116, subdivision (c) and the total Streamline penalty should not exceed the amount that would be paid in a Mainline Settlement.

The regulation also provides that the Enforcement Chief has the discretion to include and exclude violations but must specifically report out inclusion or exclusion in the Executive Staff Report.

## *B. Substantive Requirements*

The base penalties in both Streamline tiers can vary in \$100 increments based on the extent and gravity of the public harm caused by the specific violation, the level of experience of the respondent(s) with the requirements of the Act, the level of diligence to come into compliance, and the level of cooperation during investigation and in reaching settlement. Subsection (a) provides the penalty ranges for specific types of violations.

## *C. Issues to Address*

**Misplacement of the Enforcement Chief’s charging discretion within the overall regulatory structure.** The provision in Regulation 18360.3 stating that the Enforcement Chief has the authority to include or exclude violations from the Streamline program is currently located within a subsection pertaining to procedural matters at the end of the Streamline process, i.e., how the cases are reported to the Commission. However, the decision whether or not to charge a particular violation occurs at the beginning of the Streamline process, not the end. For ease of use, the provision relating to charging decisions would be more appropriately located within the subsections of Regulations 18360.1 and 18360.2 dealing with other procedural requirements at the beginning of Streamline cases.

## **Proposed Regulatory Changes**

### *1. Regulation 18360.1: Amendments*

Staff propose amendments to Regulation 18360.1 to clarify and simplify the substantive and procedural requirements of the PREP and Streamline programs for campaign violations. The proposed language:

- Expressly rephrases eligibility criteria for particular types of violations as either “exclusions” or “factors for consideration” to provide clearer guidance to staff regarding mandatory versus advisory criteria.
- Clarifies that a Streamline stipulation shall include sufficient information to identify the specific count(s) “being charged” and demonstrate why a Streamline penalty is an appropriate resolution. This language also means uncharged counts need not be itemized on a Streamline stipulation, however Enforcement “may” list counts for which a Warning Letter is being issued.
- Establishes a formal procedure for invoking discretion to allow borderline cases into a particular Streamline tier where an exclusion would otherwise apply. Specifically, the Enforcement Chief will make a recommendation to the Executive Director, who must then approve the use of discretion to override an exclusion.
- Removes other references to Warning Letters and Mainline penalties, which are not governed by these regulations.

- Makes clear that compliance must be secured prior to completing PREP or entering into a Streamline stipulation, except when circumstances do not make such compliance practical or within the public interest.
- Moves the reference to the Enforcement Chief’s authority to not charge particular violations from its current location in Regulation 18360.3 (dealing with penalties) to Subsection (a) of Regulations 18360.1 and 18360.2 (which mirror one another) in order to keep all procedural rules pertaining to the initiation of a Streamline case in one place.
- Changes the terms “city and county committees” and “state committees” for purposes of the Streamline program to “small committees” and “large committees,” respectively.
- Adds additional mitigating factors for inclusion of late-filed 24-Hour Report to Tier One Streamline, specifically where the late-reported contribution or expenditure was made from the candidate’s own personal funds or where a committee raised or spent less than \$10,000 in connection with an election.
- Decreases the thresholds for cash contribution violations that may be included in Streamline from \$5,000 to \$2,500 for PREP and Tier One Streamline, and from \$10,000 to \$5,000 for Tier Two Streamline.
- Harmonizes the criteria regarding Streamline eligibility for Section 84308 violations with recent legislative changes to the latter Section, specifically by eliminating the requirement that a contribution need be returned “prior to a decision being rendered in a proceeding” and eliminating outdated monetary thresholds.
- Removes excess or duplicative verbiage and makes other non-substantive grammatical or terminological changes for clarity and readability.

## *2. Regulation 18360.2: Amendments*

Staff propose amendments to Regulation 18360.2 that mirror those of Regulation 18360.1 where the language of the two regulations is substantially the same.

In addition, staff propose amendments to Regulation 18360.2 that would do the following:

- Eliminate the exclusions from Tier Two Streamline for lobbying violations involving “multiple reports not timely filed.”
- Include any gift limit violation within Tier Two Streamline where the filer returned the gift unused or reimbursed the source of the gift for the difference between the gift’s fair market value and the applicable gift limit prior to the date the gift was required to be disclosed.
- Harmonize the criteria regarding Streamline eligibility for behested payment violations

with FPPC regulations pertaining to those violations, specifically by excluding from PREP and both Streamline Tiers a violation where the maker of the payment was a named party in, or the subject of, a proceeding before the Respondent or the Respondent's agency while the decision was pending and within 12 months prior to the proceeding.. Previously, the regulation stated that the timeline for this exclusion was “three months before and for three months following the date a final decision was rendered.”

### *3. Regulation 18360.3: Amendments*

Staff propose amendments to Regulation 18360.3 that would do the following:

- Moves the reference to the Enforcement Chief’s authority to not charge particular violations from its current location in Regulation 18360.3 (dealing with penalties) to Subsection (a) of Regulations 18360.1 and 18360.2 (which mirror one another) in order to keep all procedural rules pertaining to the initiation of a Streamline case in one place.
- Add Tier Two Streamline penalty ranges for Improper Recusal for a Conflict of Interest and Recurring Contribution violations, and adjusts the penalty range for Tier One Recurring Contribution violations.

### **Conclusion**

The proposed amendments to Regulations 18360.1-18360.3 would clarify procedural ambiguities and simplify application of the regulations.

Staff welcomes the Commission’s feedback on the proposed regulations.

### **Attachments:**

**Proposed Amendments to Regulation 18360.1**

**Proposed Amendments to Regulation 18360.2**

**Proposed Amendments to Regulation 18360.3**