



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811
(916) 322-5660 • Fax (916) 322-0886

May 20, 2022

Amber Maltbie
O/B/O Michael Hanchett
Via email: amaltbie@nossaman.com

Re: No Action Closure Letter - FPPC No. 20-1112, In the Matter of Michael Hanchett

Dear Amber Maltbie:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the “Act”).¹ As you are aware, the Enforcement Division received two complaints against your client, Michael Hanchett. Those complaints alleged, in general, that Hanchett was a public official for the San Simeon Community Services District and in that capacity, had a conflict of interest when he influenced, participated in, and/or made decisions in which he had a financial interest. Specifically, the allegation is that Hanchett influences or participates in decisions that would impact his business interests in the community.

Upon investigation, the Enforcement Division determined that there is insufficient evidence to find that Hanchett’s role with the District qualifies as a public official under the Act.

Under the Act, a public official at any level of state or local government shall not make, participate in making, or in any way attempt to use the public official’s position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.² A public official includes every member, officer, employee, or consultant of a state or local governmental agency.³ However, “member” does not include an individual who performs duties as part of a committee, board, commission, group, or other body that does not have decision making authority.⁴ A committee possesses decision making authority whenever it may make a final governmental decision, when it may compel or prevent a governmental decision either by reason of an exclusive power to initiate the decision or by reason of a veto that may not be overridden, or when it makes substantive recommendations and, over an extended period of time, those recommendations have been regularly approved without significant amendment or modification by another public official or governmental agency.⁵

Hanchett serves as a member of two standing committees of the San Simeon Community Services District, the Budget/Finances Committee and the Water/Facility Committee. According to

¹ 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 Practices Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² Section 87100.

³ Regulation 18700, subdivision (c)(1).

⁴ Regulation 18700, subdivision (c)(2).

⁵ Regulation 18700, subdivision (c)(2)(A).

the District's manual of policies and procedures, the Budget/Finances Committee is concerned with the financial management of the District, including the preparation of an annual budget and major expenditures. The Water/Facility Committee is concerned with the formulation of plans for arranging, realizing, and/or achieving the District's goal in regard to alternative water sources and facility maintenance and upgrades. The Committees may take no action and instead must make recommendations for formal action by the Board by means of Committee reports.

In a review of the meetings and recommendations made by the two standing committees from 2017 through 2020, there was insufficient evidence to show that the committees either made final governmental decisions, that the committees could compel or prevent a governmental decision, or that the committees' recommendations were regularly approved without significant amendment or modification. At the District's regularly held Board meetings, the recommendations were frequently heard with no action taken, were heard and modifications were made after debate and input from the community or were accepted by the Board after debate and input from the community. There was insufficient evidence to show a pattern of the standing committees making final decisions that received little review.

Based on the foregoing, we have closed our investigation against your client in this matter.

If you have any questions regarding this matter, please feel free to contact me at 916-323-6421 or by email at tgilbertson@fppc.ca.gov.

Sincerely,

Theresa Gilbertson
Senior Commission Counsel
Enforcement Division

CC: Robert Hather, Sworn Complainant.