



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

January 27, 2023

Gregory Conlon
Thomas Montgomery, Treasurer
o/b/o Greg Conlon for State Treasurer 2018



Re: Warning Letter Re: FPPC No. 2021-00637; Gregory Conlon for State Treasurer 2018, Gregory Conlon, and Thomas Montgomery

Dear Gregory Conlon, Thomas Montgomery, and Committee,

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to an audit 1 from the Franchise Tax Board finding that Greg Conlon for State Treasurer 2018 (the “Committee”) failed to make all campaign related expenditures from the Committee bank account. The Enforcement Division has completed its review of the facts in this case. Specifically, we found the Committee failed to make \$4,302 of campaign related expenditures from the campaign bank account.

A streamline stipulation was previously approved for three counts of failing to timely disclose subvendor payment information on three campaign statements. The remaining violations are being resolved with this Warning Letter, as detailed below.

The Act requires candidates who anticipate soliciting or receiving contributions from others, or who anticipate spending \$2,000 or more in connection with their election, must open a campaign bank account at any established financial institution in California.² All campaign contributions must be deposited into the campaign bank account.³ Candidates must deposit personal funds to be used for the campaign in the campaign bank account before making campaign expenditures.⁴ All campaign expenditures must be made from the campaign bank account.⁵ A candidate’s personal funds used to pay the filing fee or the ballot statement fee do not count toward the \$2,000 threshold.⁶

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² Section 85201, subdivision (a)

³ Section 85201, subdivision (b)

⁴ Section 85201, subdivision (d)

⁵ Section 85201, subdivision (e)

⁶ Section 85201, subdivision (f)

The Enforcement Division has decided to close this case with a warning letter rather than a fine for the following reasons: the expenditures were reported timely on Schedule C of the appropriate campaign statements, the expenditures that did not go through the campaign bank account were a small percentage of the overall activity, the expenditures were made with the candidate's money, the candidate was unsuccessful, and the committee is now terminated.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an Enforcement Division case resolution without administrative prosecution or fine. The Commission has adopted Regulation 18360.1 to authorize the Enforcement Division to issue warning letters to conclude cases in specified circumstances. However, the warning letter resolution does not provide anyone with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If any of you wish to avail themselves of these proceedings by requesting the case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the Enforcement Division will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the Commission's website ten (10) days from the date of this letter.

If you need forms or a manual, or guidance regarding your obligations, please call the Commission's Toll-Free Advice Line at 1-866-275-3772 or visit our website at www.fppc.ca.gov.

Please feel free to contact me at 916-322-5772 or mnash@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,

Marissa Nash

Marissa Nash
Commission Counsel
Enforcement Division