



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

January 27, 2023

Jack Lavers
Lavers for Assembly 2018
c/o Thomas Montgomery III
tom@politicalcommunicationsinc.com

Thomas Montgomery III
tom@politicalcommunicationsinc.com

Warning Letter (FPPC Case No. 2020-00503) re: Jack Lavers; Lavers for Assembly 2018; and Thomas Montgomery III

Gentlepersons:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act.¹ This case was opened in response to an audit performed by the Political Reform Audit Program of the Franchise Tax Board (“FTB”)—with respect to the controlled committee of Jack Lavers known as Lavers for Assembly 2018. The period covered by the audit was July 1, 2017 through June 14, 2018.

Some of FTB’s material findings involved campaign expenditures, which were not processed through the committee’s bank account, as well as failure to keep required payee source records. (At Enforcement’s request you were able to provide many of the missing records, which were not included in the FTB audit.) These findings were addressed by a recent streamline settlement. However, for two reporting periods, the recordkeeping violations were minor enough that they qualify for a warning letter (rather than a monetary penalty)—as addressed below.

The Act imposes important safeguards that are meant to create a paper trail to aid the audit and enforcement process. For example, each candidate, treasurer, and elected officer must maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements were properly filed, and to otherwise comply with the Act’s campaign disclosure provisions. This requirement includes a duty to maintain detailed information and original source documentation for all contributions and expenditures. Generally, records must be maintained for a period of four years following the date that the campaign statement to which they relate is filed, or two years after the adoption of an audit, whichever period is shorter. Required records include receipts and invoices in support of expenditures.²

This warning letter applies to the reporting periods of January 1 through April 21, 2018—and April 22 through May 19, 2018. During these periods, required payee source records were not kept for campaign expenditures totaling approximately \$1,141.

¹ The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections 81000 through 91014. The regulations of the Fair Political Practices Commission are contained in California Code of Regulations, title 2, sections 18110 through 18998. Unless otherwise noted, all statutory references are to the Government Code, and all regulatory references are to Title 2, Division 6 of the California Code of Regulations—as they were in effect during calendar year 2018 (at the time of the violations in this case).

² See Section 84104 and Regulation 18401.

However, Mr. Lavers was not an experienced candidate, and he was unsuccessful in the 2018 primary election. Also, the committee has terminated, and the public harm caused by these violations was minimal. For these reasons, we are closing this matter without further action. This letter serves as a written warning regarding the recordkeeping issues noted above. 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 you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If you wish to avail yourself of these proceedings by requesting that your 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 guidance regarding your obligations in the future, please visit our website at www.fppc.ca.gov/advice.html or call the Commission's Toll-Free Advice Line at 1-866-ASK-FPPC (1-866-275-3772).

Thank you for your attention to this matter. Please do not hesitate to call if you have any questions.

Very truly yours,

Neal P. Bucknell

Neal P. Bucknell
Senior Commission Counsel
Enforcement Division
nbucknell@fppc.ca.gov
(916) 323-6424