



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

November 29, 2022

William O. Lipe
Bill Lipe for Assembly 2018



Gary Crummitt



Warning Letter Re: FPPC No. 2021-00108; Bill Lipe for Assembly 2018, William O. Lipe, and Gary Crummitt

Dear William O. Lipe and Gary Crummitt:

The Enforcement Division of the Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a referral from the Franchise Tax Board’s (“FTB”) Political Reform Audit Program resulting from an audit of Bill Lipe for Assembly 2018 (the “Committee”), for the audit period of January 1, 2018 through June 30, 2018.

The FTB audit report concluded that the Committee substantially complied with the Act’s disclosure and recordkeeping provisions, but that the Committee violated the Act by failing to maintain adequate records for loans received, failing to return general election contributions, and failing to maintain certain records of subvendor information. The Enforcement Division has completed its review and determined the Committee failed to maintain records to verify the source of funds for two loans received totaling \$35,000, in violation of Section 84104 and Regulation 18401.

Despite the violation, the Enforcement Division has decided to close this case with this warning letter because the violation resulted in minimal public harm, other required records concerning the loans at issue were maintained including copies of checks and bank account statements, the Committee timely reported the receipt of the loans, and the Committee and William O. Lipe do not have a prior enforcement history.

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.

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 you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If you wish to avail yourselves 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 forms or a manual, or guidance regarding their 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 JRinehart@fppc.ca.gov or (916) 323-6302 (voicemail) with any questions you may have regarding this letter.

Sincerely,

Jenna Rinehart

Jenna C. Rinehart,
Commission Counsel
Enforcement Division

cc: Franchise Tax Board @ Dawn.Hadid@ftb.ca.gov and Layla.Arshadi@ftb.ca.gov