



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

May 8, 2023

Julio Esperias, Treasurer
Latinos Progresivos Political Action Committee
[REDACTED]

Warning Letter (FPPC Case No. 2018-00366) re: Latinos Progresivos Political Action Committee; Julio Esperias

Dear Mr. Esperias:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act.¹ This case arises from several referrals that we received from the Los Angeles Registrar-Recorder/County Clerk—as well as a sworn complaint that we received in May 2018. As discussed below, this case is being closed with a warning letter.

The Act defines a “committee” to include any person receiving contributions totaling \$2,000 or more in a calendar year.² This type of committee commonly is referred to as a “recipient committee.” Generally, within 10 days after qualifying as a “recipient committee,” the committee must file a Form 410 statement of organization.³

A “primarily formed committee” includes any recipient committee that is formed or exists primarily to support or oppose a single candidate or ballot measure—or a group of specific candidates or a group of measures being voted upon in the same city, county, or multicounty election. If a committee does not meet these criteria, then the committee is a “general purpose committee.”⁴

As defined in the Act, there are multiple ways that a person or committee may become a “sponsor” of another committee. For example, if a committee receives 80% or more of its funding from another committee, then it is sponsored by the other committee. Also, a committee that sets the spending policies of another committee is considered to be the sponsor of the other committee. The name of a committee must include the name of its sponsor—and the statement of organization must include the name, street address, and telephone number of the sponsor.⁵

At the core of the Act’s campaign reporting system is the requirement that committees must file campaign statements and reports for certain reporting periods and by certain deadlines.⁶ These periods and deadlines are dependent on the type of committee that is filing.

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 Section 82013, subdivision (a).

³ Section 84101, subdivision (a).

⁴ See Sections 82027.5 and 82047.5.

⁵ See Sections 82048.7; 84102, subdivisions (a) and (b); and 84106.

⁶ Sections 84200, *et seq.*

For example, each year, a recipient committee must file a semi-annual campaign statement for the reporting period of January 1 through June 30 by the deadline of July 31—and another such statement must be filed for the reporting period of July 1 through December 31, by the deadline of January 31.⁷

In the case of a committee that was primarily formed to support a candidate listed on the ballot for the election held on June 5, 2018, the committee was required to file a pre-election campaign statement for the reporting period of January 1 through April 21, 2018, by the deadline of April 26, 2018—and another such statement was required to be filed for the period of April 22 through May 19, 2018, by the deadline of May 24, 2018.⁸ Generally, when a campaign statement is required to be filed, the reporting period begins the day after the closing date of the most recent campaign statement that was required to be filed—or January 1, if no prior statement was required to be filed.⁹

Also, if the committee made or received a “late contribution,” then it was required to file a Form 497 24-hour contribution report—within 24 hours of making or receiving the contribution. A “late contribution” includes any contribution of \$1,000 or more that is made to or received by a candidate, a controlled committee—or a committee formed or existing primarily to support or oppose a candidate or measure—during the 90-day period leading up to the relevant election.¹⁰

Regarding the use of campaign funds, no expenditure of \$100 or more may be made in cash.¹¹

In this case, the Latinos Progresivos Political Action Committee (Latinos PAC) received and accepted a contribution in the amount of \$49,900 from the Los Angeles County Professional Peace Officers’ Association Small Contributor Committee (Peace Officers PAC) on May 10, 2018—for the purpose of making independent expenditures in support of Robert Lindsey for Los Angeles County Sheriff 2018. This single contribution is the only contribution that the Latinos PAC ever reported receiving. Although the Latinos PAC never intended to become a committee, acceptance of this contribution did cause the PAC to qualify as a committee on the date of receipt. Specifically, the Latinos PAC qualified as a recipient committee that was primarily formed to support Lindsey for Los Angeles County Sheriff 2018—and the Latinos PAC was sponsored by the Peace Officers PAC as of the time of formation. (Reasons for this include the following: the Peace Officers PAC was the sole source of funding for the Latinos PAC; the money from the Peace Officers PAC was accepted subject to the direction/understanding that it would be used to make independent expenditures in support Lindsey for LA County Sheriff; and the Latinos PAC did not otherwise intend to be a committee.)

The same day that the money from the Peace Officers PAC was received, the Latinos PAC contributed \$30,000 to Mothers for a Safe LA County; a Committee in Support of Bob Lindsey for LA County Sheriff 2018 (Mothers PAC). During the first half of 2018, the Mothers PAC reported spending more than \$400,000 on independent expenditures in support of Lindsey for Sheriff.

⁷ Section 84200, subdivision (a).

⁸ Sections 84200.5 and 84200.8.

⁹ Section 82046.

¹⁰ See Sections 82036 and 84203.

¹¹ Section 84300, subdivision (b).

Within 24 hours, the Latinos PAC was required to report receipt of the contribution from the Peace Officers PAC—and the making of the contribution to the Mothers PAC—by filing a Form 497 24-hour report, but it failed to do so, in violation of Section 84203.¹²

Also, within 10 days of receiving the contribution from the Peace Officers PAC, the Latinos PAC was required to file a Form 410 statement of organization, but it failed to do so—in violation of Section 84101, subdivision (a).

For the reporting period of January 1 through May 19, 2018, the Latinos PAC was required to file a Form 460 pre-election campaign statement by the due date of May 24, 2018, but the Latinos PAC failed to do so—in violation of Sections 84200.5 and 84200.8.

In June 2018, you withdrew \$500 cash from the campaign account, and you signed a check payable to cash for \$6,500—in violation of Section 84300, subdivision (b).

For the reporting period of May 20 through June 30, 2018, the Latinos PAC was required to file a Form 460 semi-annual campaign statement by the due date of July 31, 2018, but the Latinos PAC failed to do so—in violation of Section 84200. In an ongoing violation of this same statute, the PAC has failed to timely file semi-annual campaign statements for every reporting period after June 2018. (For the period ending 12/31/18, the PAC did file a statement, but it was almost a month late, and it was a Form 425, which improperly reported that the PAC had zero reportable activity for the period—when in fact expenditures for the period exceeded \$9,300.)

In mitigation, you do not have a history of prior, similar violations of the Act. It appears likely that you were inexperienced. One of the co-founders of the Latinos PAC passed away in 2019. Shortly after being contacted by Enforcement intake personnel, you filed the Form 497 noted above, as well as some Form 460 statements covering approximately January through May 19, 2018. (However, on these filings, the name of the Latinos PAC did not reflect that it was primarily formed to support Lindsey for LA County Sheriff 2018. Nor did the name of the committee identify that the Latinos PAC was sponsored by the Peace Officers PAC. Also, the period beginning and ending dates for the Form 460 statements were incorrect; the PAC improperly purported to be a small contributor committee on the statements; and for the period ending May 19, 2018, an expenditure in the amount of \$7,000 was not reported.) Since July 2019, the balance in the Latinos PAC bank account has been less than \$2,000—and after December 2018, there were no PAC expenditures (save for bank charges). Additionally, Lindsey was unsuccessful in the primary election. Based on the foregoing, and in accordance with the Enforcement Division Policy Directives formally adopted by the Commission on January 26, 2023, which require the Enforcement Division to take all appropriate actions within its discretion to decrease the Division's annual carryover caseload, the Enforcement Division is closing this case with this warning letter.¹³ Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.¹⁴ This resolution may not be used as a comparable case for other enforcement matters.¹⁵

¹² This warning letter applies to violations occurring within the past five years. The oldest of these violations involves failure to timely file a Form 497 24-hour report by the due date of May 11, 2018. Absent tolling for delayed discovery, the five-year statute of limitations for this violation will expire on May 11, 2023. See Section 91000.5.

¹³ <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/AgendaDocuments/General%20Items/2023/january/15.0-Enforcement-directives.pdf>

¹⁴ Regulations 18360.1.

¹⁵ See Regulation 18361.5, subdivision (e)(3).

Although the Enforcement Division is closing this case without seeking a penalty, you are still required to file all outstanding campaign statements/reports and pay any late filing fees assessed by your filing officer.

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 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. 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

cc: Los Angeles Registrar-Recorder/County Clerk
Josef Bray-Ali (sworn complainant)