



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

September 12, 2023

Richard Rios
Kelly Liang
Olson Remcho
o/b/o Kaiser Foundation Health Plan Inc. and the Hospitals
Via email: rrios@olsonremcho.com, kliang@olsonremcho.com

No Action Closure Letter Re: FPPC Case No. 2019-01023; Kaiser Foundation Health Plan Inc. and the Hospitals

Dear Lance Olson,

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 a Commission-initiated investigation which alleged that Kaiser Foundation Health Plan Inc. and the Hospitals (“Kaiser Foundation”), which qualified as a major donor committee, made late contributions to Affordable Housing Now – Yes on Props 1&2 Coalition (“Affordable Housing Now”) without notifying Affordable Housing Now that KP Financial Services OPS was an affiliated entity of Kaiser Foundation, and Kaiser Foundation was the contributing entity.

The Enforcement Division has completed its review of the facts in this case. Specifically, we found that Kaiser Foundation made late contributions to Affordable Housing Now before the November 6, 2018 General Election. Kaiser Foundation sent checks for these contributions to Affordable Housing Now, and the payor identified on the checks was “KP Financial Services OPS.” However, KP Financial Services OPS is not an affiliated entity of Kaiser Foundation, but rather the fiscal agent for Kaiser Foundation – the division of Kaiser Foundation that writes checks. Affordable Housing Now disclosed in its campaign statements and reports that it received these contributions from KP Financial Services OPS, instead of from Kaiser Foundation. Before the November 6, 2018 General Election, and after contact with the Enforcement Division, all campaign statements and reports for Kaiser Foundation and for Affordable Housing Now were amended to disclose that the contributions were from Kaiser Foundation and identified that KP Financial Services OPS was the fiscal agent for Kaiser Foundation’s contributions.

Under the Act, an individual or entity that makes contributions totaling \$10,000 or more in a calendar year qualifies as a major donor committee and incurs filing and reporting obligations.²

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 18104 through 18998 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² Section 82013, subd. (c).

The Act requires committees that make or receive a late contribution to file a late contribution report (Form 497) within 24 hours of making or receiving the contribution.³ A “late contribution” includes a contribution(s) aggregating \$1,000 or more that is made to or received by a committee primarily formed to support a ballot measure(s) within 90 days before the date of the election, or on the date of the election, in which the pertinent ballot measure is to be voted on.⁴ A major donor committee that files campaign statements disclosing contributions made by affiliated entities requiring aggregation must notify the recipients of its contribution of the name used on the major donor campaign statements under the “name of filer.”⁵

KP Financial Services OPS was not a separate affiliated entity of Kaiser Foundation, but was instead Kaiser Foundation’s fiscal agent – the check cutting department of Kaiser Foundation. Thus, Regulation 18428, subdivision (b)(2) does not apply to these circumstances. Additionally, before the November 6, 2018 General Election, all of the relevant campaign statements and reports were amended immediately after Enforcement contact to disclose that the contributions were from Kaiser Foundation and identified that KP Financial Services OPS was the fiscal agent for Kaiser Foundation’s contributions. Therefore, the allegation has been disproven, and we are closing this matter without further action.

If you need forms or a manual, or guidance regarding Kaiser Foundation’s filing and reporting obligations in the future, 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 abreron@fppc.ca.gov or (916) 322-5771 with any questions you may have regarding this letter.

Sincerely,



Angela J. Brereton, Assistant Chief
Enforcement Division

³ Section 84203.

⁴ Section 82036.

⁵ Regulation 18428, subd. (b)(2).