



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

October 3, 2023

No on Measure U
James Cathcart
Dennis Neufeld
[REDACTED]

Warning Letter Re: FPPC No. 2019-00536; No on Measure U, James Cathcart, and Dennis Neufeld

Dear Committee, James Cathcart, and Dennis Neufeld:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the “Act”).¹ This letter results from a proactive investigation against No on Measure U (the “Committee”) regarding its failure to include the required disclosures on the Committee’s website and Facebook page. The Enforcement Division has completed its review of the facts in this case and found that in addition to failing to include proper advertising disclosures, the Committee failed to timely file semi-annual campaign statements and made a prohibited cash expenditure.

The Act requires committees to file semi-annual campaign statements each year no later than July 31 for the period ending June 30 and January 31 for the period ending December 31.² The Act defines a “top contributor” as the persons from whom the committee paying for an advertisement has received its three highest cumulative contributions of \$50,000 or more.³ Any advertisement paid for by a committee shall include the words “Paid for by” followed by the committee’s name,⁴ and any advertisement paid for by a committee shall include “committee major funding from” followed by the names of its top contributors paying for the advertisement.⁵ Finally, no expenditure of \$100 or more shall be made in cash.⁶

The Committee violated the Act by failing to timely file two semi-annual campaign statements, by failing to include the proper “paid for by” disclaimer on the Committee’s website and Facebook page, and by making a prohibited cash expenditure of over \$100 in the form of a cashier’s check. However, mitigating circumstances exist here. The two semi-annual campaign statements were for post-election activity, and a review of the Committee’s bank records

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 84200.

³ Section 84501, subd. (c)(1).

⁴ Section 84502.

⁵ Section 84503.

⁶ Section 84300, subd. (b).

revealed a low amount of activity during one of the periods and no activity in the other, resulting in minimal harm to the public. The Committee's website and Facebook page were clearly from the Committee, too, so there was no confusion as to who the source was. The website contained the Committee's ID number at some point, and all other advertisements by the Committee included the proper disclosures. Further, while the Committee made a prohibited cash expenditure in the form of a cashier's check for postage for mailers, the expenditure was a small percentage (8%) of the Committee's overall activity, records were properly maintained regarding this expenditure, and all the Committee's expenditures were timely disclosed on campaign statements. Also, the Committee's efforts were unsuccessful because Measure U passed. The Committee has since terminated and has no prior history of violating the Act.

The Enforcement Division investigation found that there was insufficient evidence to determine whether the "committee major funding from" disclaimer on advertisements was required. Therefore, the "major funding from" disclaimer is not subject to this warning letter.

Based on the foregoing, and in accordance with the Enforcement Division Policy Directives formally adopted by the Commission on January 26, 2023, which requires the Enforcement Division to take all appropriate actions within their discretion to decrease the Division's annual carryover caseload, the Enforcement Division is closing this case with this warning letter.⁷ Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.⁸ This resolution may not be used as a comparable case for other enforcement matters.⁹

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.

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⁷ <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/AgendaDocuments/General%20Items/2023/january/15.0-Enforcement-directives.pdf>

⁸ Regulations 18360.1 and 18360.3.

⁹ See Regulation 18361.5, subdivision (e)(3).

Please feel free to contact Angela Brereton at 916-322-5771 or abrereton@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,

Angela J. Brereton

Angela J. Brereton
Assistant Chief
Enforcement Division