



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

February 27, 2023

Laguna Residents First
Eugene H. Felder Jr., Treasurer



Warning Letter Re: FPPC No. 2023-00097; Laguna Residents First; Eugene H. Felder Jr.

Dear Mr. Felder & Laguna Residents First,

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 sworn complaint filed against Laguna Residents First (the “Committee”). The complaint alleged, in part, that the Committee violated the campaign disclosure provisions of the Act by failing to aggregate monetary and non-monetary contributions received from a single source.

The Enforcement Division has completed its review of the facts in this case. Specifically, we found that on the pre-election campaign statement covering the period of September 25, 2022 through October 22, 2022 and the semi-annual campaign statement covering the period of October 23, 2022 through December 31, 2022, the Committee failed to aggregate both monetary and non-monetary contributions received from the same sources in the cumulative total. Additionally, we determined that the Committee failed to correctly attribute some of its contributions received to single individuals instead of married couples.

The Act requires specific information to be disclosed on campaign statements (Form 460). For contributions received of \$100 or more, detailed information must be disclosed, including the contributor’s full name, street address, occupation, employer, date and amount of contribution received, and the cumulative amount of contributions.² Contributions includes both monetary payments and discounted or donated goods or services received by the committee (also known as “non-monetary” or “in-kind” contributions).³ Additionally if a contribution is made from a joint

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.

² Section 84211(f)

³ Regulation 18215(b)(3)

checking account, the contribution must be attributed to the individual who signed the check, unless an accompanying document directs otherwise.⁴

The Committee violated the Act by failing to correctly disclose the total cumulative amount of contributions received from certain individuals. Additionally, the Committee violated the Act by failing to correctly attribute some contributions received from joint checking accounts to single individuals. Instead, the contributions were reported as from both individuals listed on the checks. However, the Enforcement Division has decided to close this case with this warning letter rather than a fine because: the cumulative amount issue was inadvertent and a result of inexperience with the Act; while the contributions were not correctly attributed to the individual who signed the check, the contributor's identities were disclosed; and finally it does not appear that the Committee's failure to correctly attribute the contributions was intended to deceive the public. Lastly, the Committee has now filed amended campaign statements, which correctly attribute the contributions to single individuals and correct the cumulative total amounts.

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 forms or a manual, or guidance regarding your obligations, please call the Commission's Toll-Free Advice Line at 1-866-275-3772 or visit our website at www.fppc.ca.gov.

⁴ Regulation 18533.

Please feel free to contact Ginny Brown at (916) 322-8064 or gbrown@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,

Christopher B. Burton

Christopher B. Burton, Acting Chief
Enforcement Division

CBB:gab

cc: Louis Weil (Sworn Complainant)