



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

April 6, 2023

John Phillips, individually and  
O/B/O John Phillips for Monterey County Supervisor District 2-2018

[REDACTED]

[REDACTED]

Warren Wayland, individually and  
O/B/O John Phillips for Monterey County Supervisor District 2-2018

**RE: Warning Letter: FPPC Case No. 2020/00560; In the Matter of John Phillips, John Phillips for Monterey County Supervisor District 2-2018 and Warren Wayland**

Dear John Phillips and Warren Wayland:

The Enforcement Division of the California Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (the “Act”).<sup>1</sup> This letter is in response to a complaint filed against you both and John Phillips for Monterey County Supervisor District 2-2018 (“Committee”) alleging you violated the campaign disclosure provisions of the Act.

The Enforcement Division has completed its review of the facts in this case. Specifically, we found that you both and the Committee failed to timely disclose subvendor payments on: the pre-election campaign statement for the period April 22, 2018, through May 19, 2018, in the amount of \$3,503; and the semi-annual campaign statement for the period May 20, 2018, through June 30, 2018, in the amount of \$6,333. Also, we found that you both and the Committee improperly disclosed contributions made to other candidates in the amount of about \$2,580 as civic donations on the semi-annual campaign statement for the reporting period of July 1, 2018, through December 31, 2018.

The Act requires committees to disclose precise information on their campaign statements. Specifically, the Act requires that for expenditures of \$100 or more, the committee must report the full name of each person to whom an expenditure is made, as well as the person’s street address, the amount of the expenditure, and a brief description of the expenditure.<sup>2</sup> An expenditure also includes payments made to an agent or independent contractor, commonly referred to as “subvendor payments,” of \$500 or more.<sup>3</sup> An expenditure is made on the date the payment is made or on the date consideration is received.<sup>4</sup> For each person to whom an expenditure of \$100 or more during the

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<sup>1</sup> 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 18109 through 18997 of Title 2 of the California Code of Regulations.

<sup>2</sup> Section 84211, subd. (i).

<sup>3</sup> Section 84211, subd. (k).

<sup>4</sup> Section 82025, subd. (a).

period covered by the campaign statement, the person's full name, street address, amount of each expenditure, a brief description for which each expenditure was made and if made to a candidate, the full name of the candidate or committee, if the payment was made to support or oppose the candidate, the cumulative amount of the contribution made and the jurisdiction in which the candidate is voted upon.<sup>5</sup>

You each violated the Act because you failed to fully report subvendor payments on the Committee's campaign statements, as noted above. Additionally, you each violated the Act by improperly disclosing contributions made to other candidates as civic donations. However, mitigating evidence exists such that the Enforcement Division has elected to close this case with a warning letter rather than a penalty. The campaign statements included payments made to Maria Martinez, a political consultant. The subvendor payments represent a relatively small percentage of the total amount of expenditures made by the Committee. Further, the pertinent contributions were timely disclosed, albeit improperly identified. Also, the Committee and Phillips do not have prior history of violating this section of the Act. 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.<sup>6</sup> Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.<sup>7</sup> This resolution may not be used as a comparable case for other enforcement matters.<sup>8</sup>

Please note that while the Enforcement Division is closing this matter without a fine, your filing officer may assess late filing penalties. Further, you are still required to file corrective amendments disclosing the above-referenced missing financial activity with 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 your client with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If your clients wish to avail themselves of these proceedings by requesting that this 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

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<sup>5</sup> Section 84211, subd. k.

<sup>6</sup> <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/AgendaDocuments/General%20Items/2023/january/15.0-Enforcement-directives.pdf>

<sup>7</sup> Regulations 18360.1 and 18360.3.

<sup>8</sup> See Regulation 18361.5, subdivision (e)(3).

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 your clients 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](http://www.fppc.ca.gov).

Should you have any questions regarding this letter, please feel free to contact me at (916) 324-8787 or [bcastillo@fppc.ca.gov](mailto:bcastillo@fppc.ca.gov).

Sincerely,  
**Bridgette Castillo**  
Bridgette Castillo  
Senior Commission Counsel  
Enforcement Division