



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

May 17, 2023

Konstantinos Roditis for Controller 2018

Konstantinos Roditis



Warning Letter Re: FPPC No. 2019-01026; Konstantinos Roditis for Controller 2018 and Konstantinos Roditis

Dear Konstantinos Roditis and Committee:

The Enforcement Division of the Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a referral from the Commission’s Audit Division resulting from an audit of Konstantinos Roditis for Controller 2018 (the “Committee”), for the audit period of January 1, 2017 through February 4, 2019.

The Commission’s Audit Report concluded that the Committee substantially complied with the Act’s disclosure and recordkeeping provisions. However, the Commission’s Audit Report determined the Committee violated the Act by failing to maintain certain campaign records, failing to use only one campaign bank account, and by making candidate loans over the limit.

The Act requires candidates and treasurers to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements and to establish that campaign statements were properly filed.² Specifically, the Act requires maintenance of detailed information and original source documentation including copies of contributor checks and duplicate deposit slips for contributions received of \$25 or more.³ Additionally, for a contribution received of \$100 or more, the records must include the occupation and employer of the contributor.⁴ The Committee violated the Act by failing to maintain copies of contributors’ checks totaling \$2,254, copies of duplicate deposit slips totaling \$10,000, and records to substantiate the occupation and/or employer information totaling \$11,100.

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 84104.

³ Regulation 18401, subd. (a)(2)(B).

⁴ Regulation 18401, subd. (a)(3)(A).

The Act requires for candidates and controlled committees to establish one campaign bank account and to deposit all contributions or loans into that designated account.⁵ The candidate may transfer funds from the campaign bank account to a savings account and, prior to expenditure, the funds must be redeposited in the candidate's campaign bank account.⁶ The Committee violated the Act by depositing a loan from the candidate directly into the Committee's savings account rather than into the Committee's designated campaign bank account.

The Act prohibits a candidate for elective state office from personally loaning their campaign an amount which exceeds \$100,000.⁷ You violated the Act by personally loaning the Committee \$252,000.

The Enforcement Division has determined that mitigating circumstances exist here. First, while the Committee failed to maintain certain campaign records, copies of a contributor listing, check register, bank statements and copies of the contributors' checks obtained from the committee bank account were maintained. Second, while the Committee failed to deposit certain loans directly into the Committee's designated campaign bank account, this activity was isolated to the beginning of the campaign, the candidate was the source of the funds at issue, and the Committee timely disclosed the receipt of the loans prior to the election. Third, while you made prohibited loans to the Committee, you immediately filed a 24-hour contribution report to disclose the loans, and, prior to the November 6, 2018 General Election, the Committee made a partial repayment of the loan bringing the outstanding balance below \$100,000. Additionally, you contend that you called the Commission's Advice Line regarding the loan amount and was informed that was fine but later learned that the outstanding balance of the loan could not exceed \$100,000. Furthermore, the violations at issue here caused minimal public harm, the campaign activity was reported correctly and timely, you were a first-time candidate with no prior campaign experience, you were unsuccessful, the Committee, aside from the candidate loans, raised and spent a low amount regarding the election, the Committee has since terminated, and there was no evidence of an intent to conceal the violations. 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.⁸ Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.⁹ This resolution may not be used as a comparable case for other enforcement matters.¹⁰

⁵ Section 85201, subd. (a).

⁶ Regulation 18524, subd. (b).

⁷ Section 85307, subd. (b).

⁸ <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/AgendaDocuments/General%20Items/2023/january/15.0-Enforcement-directives.pdf>

⁹ Regulations 18360.1 and 18360.3.

¹⁰ See Regulation 18361.5, subdivision (e)(3).

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 yourselves of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten 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 days from the date of this letter.

If you need forms or a manual, or guidance regarding your obligations, please visit our website at www.fppc.ca.gov. Please feel free to contact me at JRinehart@fppc.ca.gov or (916) 323-6302 (voicemail) with any questions you may have regarding this letter.

Sincerely,

Jenna Rinehart

Jenna C. Rinehart,
Commission Counsel
Enforcement Division

cc: Commission's Audit Division pballantyne@fppc.ca.gov