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

July 11, 2023

Ventura Chamber of Commerce Political Action Committee
Shannon Hillygus, Treasurer and Principal Officer
c/o KC Jenkins
Bell, McAndrews & Hiltachk, LLP
Via Email: kcjenkins@bmhlaw.com

Warning Letter Re: FPPC No. 2018-01481; Ventura Chamber of Commerce Political Action Committee and Shannon Hillygus

Dear KC Jenkins:

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 our investigation concerning a sworn complaint in connection with the above referenced case. The Enforcement Division has completed its investigation and determined that the Ventura Chamber of Commerce Political Action Committee (ID #911222) (the "Committee") and Shannon Hillygus, the Committee's treasurer and principal officer, failed to include the proper disclosure on certain advertisements and failed to timely disclose subvendor payments.

Under the Act, an electronic media advertisement paid for by a committee, other than a political party committee or a candidate controlled committee, must include the text "Who funded this ad?" which is hyperlinked to an internet website containing the disclosures required by Sections 84502, 84503, and 84506.5.[2] If including the "Who funded this ad?" language is impracticable, then the advertisement need only include a hyperlink to an internet website containing the required disclosures.[3] A printed advertisement, such as postcards or brochures, must include the disclosures required by Sections 84502, 84503 and 84506.5.[4] A video advertisement must include the disclosures required by Sections 84502, 84503, and 84506.5 at the beginning or end of the advertisement.[5]

---

[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 84504.3, subd. (a).
[3] Section 84504.3, subd. (b).
[4] Section 84504.2, subd. (a).
[5] Section 84504.1, subds. (a) and (c).

Section 84502 requires the disclosure to include the words "Paid for by" followed by the name of the committee as it appears on the most recent filed Statement of Organization.[6] Section 84503 requires the disclosure to include the names of the top contributors[7] to the committee.[8] If there are no contributors that qualify as top contributors, this disclosure is not required.[9] Section 84506.5 requires the disclosure to include a statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate.[10] The disclosures required by Sections 84503 and 84506.5 shall not appear in all capital letters.[11]

Under the Act, an expenditure of $500 or more may not be made by an agent or independent contractor, including an advertising agency, on behalf of or for the benefit of a candidate or committee unless it is reported by the candidate or committee as if the expenditure were made directly by the candidate or committee.[12] For each person to whom an expenditure of $500 or more has been made, if different from the payee, the relevant campaign statement must report the person's full name, street address, amount of each expenditure, and a brief description of the expenditure for each person.[13]

The Committee violated the advertising disclosure provisions of the Act by failing to include a disclosure on two electronic media advertisements; failing to include the name of the Committee as it appeared on the statement of organization on two postcards, four brochures, and two video advertisements; and formatting the "not authorized" language required by Section 84506.5 in all capital letters. Further, the Committee violated the Act by failing to timely report subvendor payments totaling approximately $37,184 across two reporting periods. However, the Enforcement Division has determined that mitigating circumstances exist here. The electronic media advertisements included a picture of the Committee's logo and was linked to the internet website of the Committee's sponsor. The printed and video advertisements included the "Paid for by" language in the correct manner and position and while the name used did not match the Committee's name as it appeared on its statement of organization, the disclosure clearly identified the Committee as the source of the advertisement. While the Committee failed to timely report subvendor payments, the Committee timely reported the payments made to the vendor on Schedule E, the independent expenditures produced by the subvendors on Schedule D, and related 24-hour independent expenditure reports. Further, the Committee has since hired a professional treasurer to ensure future compliance with the Act. Lastly, the Committee does not have a prior history of violating the Act. Based on the foregoing, and in accordance with the

---

[6] Section 84502, subd. (a).

[7] The Act defines "top contributors" as the persons from whom the committee paying for an advertisement has received its three highest cumulative contributions of $50,000 or more. (Section 84501, subd. (c)(1).)

[8] Section 84503, subd. (a).

[9] *Id*.

[10] Section 84506.5.

[11] Section 84505, subd. (b).

[12] Section 84303, subd. (a).

[13] Section 84211, subd. (k)(6).

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.[14] Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.[15] This resolution may not be used as a comparable case for other enforcement matters.[16]

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.

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: John Griffin [redacted]

---

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

[15] Regulations 18360.1 and 18360.3.

[16] See Regulation 18361.5, subd. (e)(3).