



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

October 31, 2023

Elwyn California
111 Elwyn Road
Elwyn, PA 19063

Email: rex_carney@elwyn.org

Warning Letter re: FPPC No. 2020-00469; Elwyn California

Dear Elwyn California:

The Enforcement Division of the Fair Political Practice Commission enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a referral from the California Secretary of State’s Office alleging you failed to timely file lobbying quarterly reports (“Form 635”). The Enforcement Division found that as a lobbyist employer, the Act required you to file Form 635s quarterly, and Elwyn California failed to timely file electronic Form 635s for the 2019-2020 and 2020-2021 legislative sessions. Specifically, Form 635s were not timely filed on the following due dates: October 31, 2019; January 31, 2020; April 31, 2020; July 31, 2020; October 31, 2020 and January 31, 2021.

The Act required all registered lobbyist employers to complete the applicable lobbyist employer report for each calendar quarter, regardless of the level of activity.² The Act outlines the criteria for electronic filings and states, in part, that electronic filing is required if a lobbyist employer makes two thousand five hundred dollars (\$2,500) or more in reportable payments in a calendar quarter.³ Once triggered, the obligation to electronically file quarterly reports is ongoing.⁴

Your actions violated the Act because you failed to timely electronically file Form 635s for the last two quarters of the 2019 – 2020 legislative session, and all four quarters of the 2020 – 2021 legislative session, by the required deadlines. However, mitigating factors exist as to the five late Form 635s that did not have any reportable interests⁵. The Enforcement Division found that you filed the statements electronically after being contacted by the Enforcement Division. Furthermore, these five quarterly reports had no activity. Lastly, you have not had a prior violation of this section of the Act within the last five years. 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’s annual carryover caseload, the Enforcement

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 Government Code Section 86114.

³ Government Code Section 84605, subd. (a)(4).

⁴ Government Code Section 84605, subd. (d).

⁵ The violation that occurred on January 31, 2020 was resolved via streamline stipulation.

Division is closing this case with this warning letter.⁶ Discretion was used based upon the mitigating or aggravating circumstances and the totality of the circumstances.⁷ This resolution may not be used as a comparable case for other enforcement matters.⁸

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 have any questions regarding this letter, please contact Chance Felkins at cfelkins@fppc.ca.gov or (279) 237-3766.

Sincerely,

Michael Chance Felkins

Michael Chance Felkins, Commission Counsel
Enforcement Division

cc: *Secretary of State*

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

⁷ Regulation 18360.1 and 18360.3.

⁸ See Regulation 18361.5, subd. (e)(3).