



November 2, 2023

Claudia Orona
[REDACTED]

Warning Letter: FPPC No. 2022-00356, Claudia Orona

Dear Claudia Orona:

The Enforcement Division of the Fair Political Practices Commission (the “Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ This case was opened in response to an anonymous complaint and two sworn complaints alleging violations of the Act’s conflict of interest provisions as a member of the Solvang City Council.

No public official at any level of state or local government may make, participate in making, or in any way attempt to use their official position to influence a governmental decision in which they know or have reason to know they have a financial interest.² A public official has a disqualifying conflict of interest in a governmental decision if it is reasonably foreseeable that the decision will have a material financial effect on their financial interests.³ When an official identified in Section 87200 is disqualified from a governmental decision, the official must identify the interest, recuse themselves and leave the room.⁴

The complaint alleges that you participated in the Solvang City Council discussions and votes on June 28, 2021, August 23, 2021 and March 14, 2022 to re-open Copenhagen Drive to vehicle traffic. Our review of the facts in this case shows that there is insufficient evidence to determine that these governmental decisions would have had a reasonably foreseeable material financial effect on your business, Horzes Entertainment, LLC, or its leasehold interest. Thus, there is insufficient evidence to support that a violation of the Act occurred, and we are closing these allegations with no further action.

The complaint also alleges that on October 11, 2021, you did not properly recuse yourself and leave the room when the Solvang City Council discussed the approval of Horzes Entertainment, LLC’s electric trolley license application. Your actions violated the Act because, while you recused yourself and initially left the room, you conferenced during the item discussion, in view of the Solvang City Council, with a representative of Horzes Entertainment, LLC who was answering questions the Solvang City Council had about the license application. Additionally, the Solvang City Council included this item on the Agenda on September 13, 2021, and September 27, 2021, and during each of these meetings, the matter was continued to a subsequent meeting with no substantive decision made by the Solvang City Council. You abstained from voting on these items,

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 Section 87100.

³ Section 87100.

⁴ Section 87105.

but you did not recuse yourself and leave the room as was required. Thus, you failed to properly recuse yourself and fully leave the room, violating Section 87105. However, you recused yourself on October 11, 2021, and you did not vote on the item on any of the occasions it came before the Solvang City Council, you did not directly participate in any of the discussions, you had a representative appear on behalf of Horzes Entertainment, LLC, and you have no prior history of violating the Act. Therefore, the Enforcement Division has decided to close this case with a warning letter.

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.

Should you have any questions regarding this letter, please feel free to contact me at (916) 322-5771 or abrereton@fppc.ca.gov.

Sincerely,

Angela J. Brereton

Angela J. Brereton

Assistant Chief, Enforcement Division