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

June 18, 2024

Sent Via Email: jguard@kaufmanlegalgroup.com
Joseph Guardarrama
O/B/O Henry Jones, Individually and
O/B/O Henry Jones for CalPERS 2019

Warning Letter Re: FPPC No. 2021-00020; Henry Jones and Henry Jones for CalPERS 2019

Dear Joseph Guardarrama:

The Enforcement Division of the Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act.[1] This letter is in response to an audit performed by the Commission Audit Division in the above referenced matter. The audit found that Henry Jones for CalPERS 2019 (the "Committee") and Henry Jones failed to timely: 1. File a Candidate Intention Statement; 2. File a Statement of Organization; 3. File a Semi-Annual campaign statement for the period ending December 31, 2018 with CalPERS; 4. File seven late contributions received on Form 497s; and 5. Timely disclose accrued expenses on campaign statements at the time the expenditures were incurred but disclosed these payments when paid.

The Enforcement Division has completed its review of the facts in this case. The Act's statute of limitations to pursue administrative prosecution is five years.[2] The audit findings regarding the Candidate Intention Statement, Statement of Organization and Semi-Annual campaign statement for the period ending December 31, 2018 are all beyond five years. Thus, these violations are outside the Act's statute of limitations.

The late contribution violations within the statute of limitations were resolved with a Streamline Stipulation. Additionally, the audit determined the Committee failed to timely disclose accrued expenses on the Semi-Annual campaign statement covering January 1, 2019, through June 30, 2019, in the amount of $25,270.22, also within the statute of limitations.

The Act requires committees to itemize expenditures made to a person during the period totaling $100 or more and provide detailed information regarding those expenditures.[3] The Act's definition of expenditure includes accrued expenses (i.e. unpaid bills), and any accrued expense which remains outstanding shall be reported on each campaign statement until the expense is paid or forgiven.[4]

[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 91000.5.
[3] Section 84211(i) and (k).
[4] Regulation 18421.6.

Your clients' actions violated the Act because they failed to report accrued expenses in the amount of $25,270.22 on the campaign statement covering the period January 1, 2019 through June 30, 2019. However, the Enforcement Division has decided to close this case with a warning letter rather than a fine because your clients disclosed these accrued expenses on the following campaign statement, disclosed the accrued expenses prior to the September 30, 2019 Special Election, and have no prior history of violating this section of the Act.

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. 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 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 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 questions regarding this letter, please contact me at bcastillo@fppc.ca.gov or (279) 237-3764.

Sincerely,

Bridgette Castillo

Bridgette Castillo
Senior Commission Counsel
Enforcement Division