



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

October 7, 2024

Nora Vargas
Nora Vargas for County Supervisor 2020
Stephanie Sanchez
Via email: stephanie@pctreasury.com

Warning Letter Re: FPPC Case No. 2023-00458; Nora Vargas, Nora Vargas for County Supervisor 2020, and Stephanie Sanchez

Dear Nora Vargas and Stephanie Sanchez:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the "Act").¹ This letter is in response to a referral the Enforcement Division received from the Franchise Tax Board's ("FTB") Political Reform Audit Program resulting from an audit of your committee, Nora Vargas for County Supervisor 2020 (the "Committee"), for the reporting period of January 1, 2018 through December 31, 2020.

The FTB audit report concluded that the Committee violated the Act by failing to timely disclose accrued expenses totaling \$116,333. Of this amount, accrued expenses totaling \$10,205 were required to be disclosed prior to the March 3, 2020 Primary Election, and \$106,127 were required to be disclosed prior to the November 3, 2020 General Election. Subvendor expenditures totaling \$93,478 were also not timely disclosed.

The Act requires each campaign statement contain, among other things, the total amount of expenditures, and the total cumulative amount of expenditures made during the period covered by the campaign statement.² Expenditure means any individual payment or accrued expense. Accrued expenses (excluding loans) owed by a recipient committee which remain outstanding shall be reported on each campaign statement until extinguished.³

An accrued expense (excluding a loan) shall be reported as of the date on which the goods or services are received, except that any obligation incurred for a regularly recurring administrative overhead expense (e.g., rent, utilities, phones, campaign workers' salary) shall not be reported as an accrued expense before the payment due date. If the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate. Once the exact amount is determined, the committee shall either amend the report(s) containing the

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 84211, subd. (b)

³ Regulation 18421.6, subd. (a).

estimate or indicate the correct amount on the report for the reporting period in which such amount is determined.⁴

Despite the violations, the Enforcement Division has determined that further enforcement action is not warranted. You explained the campaign did not receive the pertinent invoices until after the election. After invoices were received, you filed amendments and added the missing disclosures. Additionally, the audit report concluded that you substantially complied with the Act's disclosure and recordkeeping provisions. You also do not have a history of violating the Act and the Committee has since terminated.

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 need forms or a manual, or guidance regarding your obligations, please visit our website at www.fppc.ca.gov. Please feel free to contact Angela Brereton at 916-322-5771 or abrereton@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,

Angela J. Brereton

Angela J. Brereton
Assistant Chief
Enforcement Division

cc: Franchise Tax Board

AJB: se

⁴ Regulation 18421.6, subd. (b).