



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

March 3, 2024

Ryan Hughes
Attorney for Committee, Ground Game LA
Via email: ryan@tuplelegal.com

Warning Letter re: FPPC No. 2020-00927

Dear Ryan Hughes,

The Enforcement Division of the Fair Political Practices Commission (“FPPC”) enforces the provisions of the Political Reform Act (the “Act”).¹ As you are aware, the Enforcement Division received a sworn complaint regarding the nonprofit, Ground Game LA, a 501(c)(4). Specifically, the allegation was that the organization had failed to report political activity. The Enforcement Division has completed its investigation and review of the matter. The investigation determined that the Committee failed to timely file a campaign statement to report independent expenditures, as the organization qualified as an independent expenditure committee in 2020.

The Act has a comprehensive reporting system, intended to provide transparency and disclosure of political activity of both the persons who make contributions and how committees spend these contributions.² A recipient committee is a committee that makes or receives at least \$2,000 in contributions.³ An independent expenditure committee is a committee that makes at least \$1,000 in independent expenditures.⁴ A multipurpose organization is defined as not for profit organization (as described in Sections 501(c)(3) through (c)(1)) of the Internal Revenue Code, a federal or out-of-state political organization, a trade association, a professional association, a civic organization, a fraternal society, an educational institution, or any other association or group of persons acting in concert that is operating for purposes other than making contributions or expenditures.⁵ A multipurpose organization, such as an organization like Ground Game LA, can qualify as a committee, including a recipient committee or independent expenditure committee, in specific circumstances.⁶

With respect to the November 3, 2020 General Election, Ground Game LA paid for multiple mailers. Two of the mailers opposed a local Culver City Ballot measure, Measure B, and one mailer supported a candidate for State Assembly District 64, Fatima Iqbal-Zubair. Ground Game LA filed 24-hour independent expenditure reports to disclose this activity.

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 84200, *et seq.*

³ Section 82013, subdivision (a).

⁴ Section 82013, subdivision (b).

⁵ Section 84222.

⁶ Section 84222, subdivision (b) and (c).

The investigation found insufficient evidence that Ground Game LA qualified as a recipient committee in 2020. The evidence suggests that the organization is a 501(c)(4) multipurpose organization. The organization did not receive \$2,000 or more in payments from donors that were given for the purpose of making contributions or expenditures. The organization spent less than \$50,000. However, the organization did make more than \$1,000 in independent expenditures and therefore qualified as an independent expenditure committee.

An independent expenditure committee is required to file semiannual campaign statements to disclose the independent expenditures made, these statements are due each year no later than July 31, for the period ending June 30, and no later than January 31, for the period ending December 31, if the committee has made independent expenditures during the six-month reporting period.⁷ Here, Ground Game LA filed 24-hour independent expenditure reports but failed to subsequently file a semiannual campaign statement, also referred to as a Form 461. As the activity was reported timely on an earlier statement, the Enforcement Division is closing this case with this 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.

If you have any questions regarding this letter, please contact Theresa Gilbertson at tgilbertson@fppc.ca.gov or by phone at (279) 237-5960.

Sincerely,

Theresa Gilbertson

Theresa Gilbertson
Senior Commission Counsel
Enforcement Division

CC: Ron Bassilian, Sworn Complainant

⁷ Section 84200, subdivision (b).