

18419(b)(1)

State of California

Memorandum

To : File (2 Cal. Adm. Code Section 18419)

Date : July 20, 1978

From : FAIR POLITICAL PRACTICES COMMISSION
Barbara Campbell *BC*

*Dep't
48046
JCO M-78-299*

Subject: Advice given to Laura Worsinger, J.C. Penney Co.

Laura Worsinger (213-620-1740) with the Western Regional Counsel's office of J.C. Penney Co. called today to ask about the use of "Penney Pac" for a Pac sponsored by the J.C. Penney Co.

2 Cal. Adm. Code Section 18419(b)(1) requires that the Pac's name include the official or publicly recognized name of the sponsoring organization.

After discussing the matter with Ted, Lee and Mike, I advised her that the use of "Penney Pac" by J.C. Penney is within the provisions of 2 Cal. Adm. Code Section 18419(b)(1).

BC:plh

Memorandum

To : Michael Bennett, Executive Director
Fair Political Practices Commission
1100 K Street
Sacramento, CA 95814

Date : September 22, 1978

File No.:

Telephone: ATSS ()
()

From : Robert C. Summers

Subject: AB-3667

~~AB-3667~~

A-78-300

This memo is to highlight areas that we have identified in the random audit selection process provided by this bill.

LOBBYIST AUDITS

1. A determination must be made identifying all lobbyists registered during the calendar year 1978.
2. Those not in substantial compliance and those which are new lobbyists, not previously audited, must be identified.
3. Twenty-five percent (25%) of the remainder (Item 1 minus Item 2) are to be selected.
4. The individuals to be audited are those selected at Item 3 and those identified at Item 2. The period for the first audit will be the calendar year 1978.

CAMPAIGNS

1. Identification of all statewide candidates who spent less than \$25,000. A sample of 10% of these is required to be audited under Section 90001(b). The Franchise Tax Board, of course, would not audit the candidates of the State Board of Equalization selected in this process. I assume that these would be done by the Fair Political Practices Commission.

We are not certain whether the 10% sample is to be taken of each group of candidates by office mentioned or of the collective groups.

2. A random selection must be made of 50% of the contested Senate districts, 50% of the Assembly districts and 50% of the contested offices for Superior Court Judge. The determination of amounts spent is not necessary for this selection process.

[Handwritten signature]

Michael Bennett
September 22, 1978
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3. Identification of all committees who have spent more than \$10,000 during the calendar year 1978, other than controlled or measure committees, so that a random selection of 50% can be made as required by Section 90001(g).
4. We would like a definition of the term "primarily supporting" for the purpose of identifying audits required by Section 90001(e).

TIMING

1. For the lobbyist audits, I assume that the selection process will not be made until after the last date for filing the last statement for the calendar year 1978, which would be January 31, 1979. All of the steps, except the actual selection, can be done prior to that time. We would like the selection to take place as soon as possible after January 31, 1979.
2. For the campaign audits, the law provides that the selection process cannot be made until after the final filing date of the post-election statement, or January 31, 1979. A substantial part of the process necessary to make the selection can be accomplished prior to that date, however, the final identification of those committees, whose selection is based on a monetary amount, cannot be made until after the final statement is analyzed. We are, of course, interested in having this workload available as soon as possible.

It appears to me that the major problem is the identification of 90001(g) committees whose audit depends upon an expenditure requirement. This process requires that the entire universe be identified and the amount spent be determined prior to the selection. Delays in the selection process will result in a further delay in the performance of the audit.

We would be happy to discuss these problems with you or a member of your staff at your earliest convenience.



Chief, Political Reform Audit Division

cc: Martin Huff
Doug Dick
Norman Fuller
Jim Turrini
Roy Eto