



FAIR POLITICAL PRACTICES COMMISSION

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May 9, 2000

Tyrone I. Vahedi
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11661 San Vicente Blvd., Suite 903
Brentwood, California 90049

**Re: Your Request for Advice
Our File No. A-00-091**

Dear Mr. Vahedi:

This letter is in response to your request for advice on behalf of Steven Alari regarding the provisions of the Political Reform Act (the "Act").¹

QUESTION

Are payments to a civil service employee's campaign for an elected position with the California State Employees' Association ("CSEA") construed as "gifts" for purposes of the Act?

CONCLUSION

Payments received by a civil service employee to fund his campaign for an elected position with CSEA are "gifts" under the Act and, therefore, are subject to reporting requirements and the gift limitation.

FACTS

You are writing to request advice on behalf of your client, Steven Alari. Mr. Alari works for the State of California as a civil service employee for a constitutional officer. Because he is a designated employee under his agency's conflict of interest code, he falls under certain reporting requirements and conflict of interest rules and laws.

¹ Government Code sections 81000 - 91015. Commission regulations appear at title 2, sections 18109 - 18996, of the California Code of Regulations.

Mr. Alari intends to run for an elected position with CSEA and would like to raise funds from state workers and others on his personal time. However, he is concerned that the gift limitation of \$300 per year is applicable to the funds he plans to receive for his campaign.

ANALYSIS

The primary purpose for the conflict of interest provisions of the Act is to ensure that public officials, whether elected or appointed, perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them. (Section 81001(b).) In furtherance of this goal, Section 89503(c) of the Act provides that no designated state employee shall accept gifts from any single source in any calendar year totaling more than \$300² if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

“Gift” means any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received. (Section 82028(a).) Gifts do not include, among other things, campaign contributions required to be reported under Chapter 4 of the Act. (Section 82028(b)(4).)

In general, a "contribution" is a payment made at the behest of a “candidate” or committee for political purposes. (Section 82015; Regulation 18215.) The Act defines a “candidate” as an individual who is listed on the ballot, receives a contribution, or makes an expenditure for elective office. (Section 82007.) “Elective office” means any state, regional, county, municipal, district or judicial office which is filled at an election. (Section 82023.) Based on this definition, an elected position with the CSEA, a non-governmental entity, is not an elective office under Section 82023 which essentially identifies governmental positions. Consequently, payments received by Mr. Alari for purposes of his election to a position with CSEA are not campaign contributions under Chapter 4 of the Act nor are they excluded from the definition of gift.

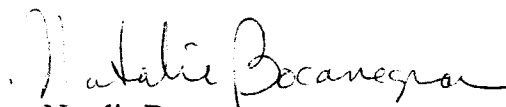
As a result, these payments are gifts and will be subject to the reporting requirements and gift limitation prescribed by the Act. However, please note that the gift limitation is applied to a gift or gifts received by Mr. Alari only if he would be required to report the receipt of income or gifts from the source of that gift on his or her statement of economic interests. (Section 89503(c).) Consequently, Mr. Alari must review his agency’s conflict of interest code to determine which specific sources would trigger application of the reporting requirements and gift limitation.

² The gift limit is adjusted annually to reflect changes in the Consumer Price Index. (Section 89503.) Currently, the gift limitation amount is \$300. (Section 89503; Regulation 18940.2(a).)

If you have any other questions regarding this matter, please contact me at
(916) 322-5660.

Sincerely,

Luisa Menchaca
Assistant General Counsel


By: Natalie Bocanegra
Staff Counsel, Legal Division

LM:NB:klw