



**NOTICE AND AGENDA
Commission Hearing¹**

**California Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814**

**Thursday, February 19, 2015
10:00 A.M.**

According to (Gov. Code Section 11123) (a) all meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article. The Section further states that the portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.

Commissioner Eskovitz will attend this meeting of the Commission via teleconference from 355 South Grand Avenue, Los Angeles, CA 90071.

Agendas will be posted at the teleconference location and the teleconference location will conduct the meetings in a manner that protects the rights of any party or member of the public appearing before the state body (Commission).

WELCOME

Jodi Remke, FPPC Chair

PUBLIC COMMENT

1. Public Comment.

This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.

¹You can obtain further information about the meeting by contacting the Commission Assistant, 428 J Street, Suite 620, Sacramento, CA, 95814, Tel. (916) 322-5745. Written comments on agenda items should be submitted to the Commission no later than 12:00 p.m. the day before the meeting in order to afford the Commissioners adequate time to fully consider the comments. The fax number for comment letters is (916) 322-6440.

The agenda and related documents are posted on the FPPC website at www.fppc.ca.gov. Materials submitted by the public regarding each agenda item will be made available at the meeting and on the website.

Members of the public may listen to the meeting by phone by calling (877) 411-9748; access code 723284; or watch the meeting via Webinar at [meeting via YouTube](#).

The meeting location is accessible to the disabled. Persons who, due to a disability, need assistance in order to participate in this meeting should, prior to the meeting, contact the Commission Assistant at (916) 322-5745 (voice), (916) 322-6440 (facsimile) or in writing. TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodations for persons with disabilities. Please allow a reasonable period of time between the request and the meeting date.

2. Approval of January 2015 Commission Hearing Minutes.
[January Minutes](#)

GENERAL ITEMS 3 - 6

3. Payments for Fundraising Events from Lobbyists and Lobbying Firms: Adoption of Amendments to Regulation 18215, Definition of Contribution. Staff: Assistant General Counsel John W. Wallace and Commission Counsel Emelyn Rodriguez. Staff proposes that the Commission amend Regulation 18215 to conform to changes made to Section 82015 by SB 1441 (Lara) and AB1673 (Garcia).

[18215 Memo](#)

[18215 Regulation](#)

4. Amend Regulations 18530.4 and 18530.45 – Legal Defense

Funds. Staff: Assistant General Counsel John W. Wallace and Senior Commission Counsel Hyla P. Wagner. Recent legislation (AB 1692 and AB 1666) made changes to the definition of “attorney’s fees and other costs” contained in the Act’s legal defense fund provisions in Section 85304 and 85304.5. Staff proposes a minor amendment to the state and local legal defense fund regulations to conform them to the statutory changes.

[18530.4 & 18530.45 Memo](#)

[18530.4 Regulation](#)

[18530.45 Regulation](#)

5. Amend and Reorganize Regulations 18700 – 18709: Conflict of Interest

Regulations. Staff: Senior Commission Counsel William J. Lenkeit and Assistant General Counsel John W. Wallace. Staff proposes to submit for Commission approval the reorganization of the Act’s conflict of interest regulations to implement the new structure approved by the Commission at the April 2013 Commission meeting. The regulation package submitted herein implements amendments to regulations previously approved by the Commission and makes other nonsubstantive amendments to conform with the new structure. No substantive amendments are being submitted for consideration as part of this item.

[18700-18709 Memo](#)

[18700 Basic Rule - Guide to Conflict of Interest Regulations](#)

[18700.1 Definitions--Source of Income](#)

[18700.2 Definitions--Parent-Sub-ORBE](#)

[18701 \(Step 1\) Reasonably Foreseeable \(amend renumber\)](#)

[18701.1 \(Step 1\) Real Estate or Professional License \(renumber\)](#)

[18702 \(Step 2\) Materiality Standards \(amend renumber\)](#)

[18702.1 \(Step 2\) Materiality Standard -- Business Entities \(amend renumber\)](#)

[18702.2 \(Step 2\) Materiality Standard -- Real Property \(renumber\)](#)

[18702.3 \(Step 2\) Materiality Standard -- Source of Income \(renumber\)](#)

[18702.4 \(Step 2\) Materiality Standard -- Source of Gift \(amend & renumber\)](#)

[18702.5 \(Step 2\) Materiality Standard -- Personal Financial Effect \(amend & renumber\)](#)

[18703 \(Step 3\) Public Generally](#)

[18704 \(Step 4\) Making Participating Influence \(renumber 7 amend\)](#)

[18704.1 \(Step 4\) Making a Governmental Decision \(renumber\)](#)

[18704.2 \(Step 4\) Participating in Making a Governmental Decision \(renumber & amend\)](#)

[18704.3 \(Step 4\) Using Position to Influence a Governmental Decision \(renumber\)](#)

[18704.4 \(Step 4\) Exceptions \(renumber\)](#)

[18704.5 \(Step 4\) Public Identification \(renumber\)](#)

[18704.6 \(Step 4\) Consultant, Public Investments--Definitions \(renumber\)](#)

[18705 Legally Required Participation \(amend & renumber\)](#)

[18706 Segmentation \(Amend\)](#)

INFORMATIONAL ITEM (No action required)

6. In the Matter of Archway Property Services, LLC, and Andrew Hawkins Cohen; FPPC No. 11/1056. Commission Counsel Adam Silver and Special Investigator Beatrice Moore. On October 16, 2014, the Commission approved a Default, Decision and Order in this case, which imposed a penalty in the amount of \$40,000 for eight counts of laundering money into the campaign accounts of 2011 San Francisco Mayoral Candidates Edwin M. Lee and Phil Ting. Thereafter, the Enforcement Division communicated with Assemblyman Ting regarding his 2011 campaign's duty to return the laundered funds, totaling \$500, to the State of California pursuant to Government Code Section 85701. On December 18, 2014, the Enforcement Division received full payment in this regard. As required by law, the disgorgement payment will be turned over to the General Fund of the State of California in connection with the complete resolution of this matter.

[Archway - Memo](#)

[Archway - Exh](#)

PROPOSED CONSENT CALENDAR ITEMS 7- 25

ENFORCEMENT MATTERS

Money Laundering

7. In the Matter of Citizens in Charge and Howard Rich; FPPC No. 13/336. Staff: Senior Commission Counsel Dave Bainbridge and Program Specialist Grant Beauchamp. Respondent, Citizens in Charge ("Respondent CIC"), is 501(c)(4) non-profit organization based in Virginia. Respondent, Howard Rich ("Respondent Rich"), is an individual who resides in Pennsylvania. In this matter, Respondent Rich made a \$200,000 contribution to California Term Limits PAC Sponsored by California Term Limits and Citizens in Charge ("CA Term Limits PAC") that was disclosed as a contribution from Respondent CIC, not Respondent Rich, in violation of Government Code Section 84301 (1 count). Respondent CIC acted as an intermediary for the \$200,000 contribution but did not disclose itself as an intermediary, in violation of Government Code Section 84302 (1 count). Further, Respondent Rich failed to file two major donor campaign statements disclosing contributions he made in 2012 that each exceeded \$10,000, in violation of Government Code Section 84200, subdivision (b) (1 count).

Total Proposed Penalty: \$14,000.

[Citizens in Charge - Stip and Exh](#)

8. In the Matter of Howard Misle; FPPC No. 12/490 (Default Decision). Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Lee Myers. In this matter,

Respondent, Howard Misle, the owner and CEO of American Metal Group, Inc., made two campaign contributions to city council candidates in the name of an employee of American Metal Group, Inc., rather than his own name, by reimbursing the employee for making the contributions to the candidates' campaigns in violation of Government Code Section 84301 (2 counts). **Total Proposed Penalty: \$10,000.**

[Misle - Default Decision and Order](#)

Conflict of Interest

9. In the Matter of Edward C. Vasquez; FPPC No. 14/1103. Staff: Commission Counsel Milad Dalju and Special Investigator Ann Flaherty. In this matter, Respondent Edward C. Vasquez, a member of the Central Basin Municipal Water District's Board of Directors until January 6, 2013, failed to report 28 gifts he received between January 1, 2009, and January 6, 2013, in violation of Government Code Section 87300 (1 count), accepted gifts in excess of the annual gift-limit in 2009, 2010, and 2011, in violation of Government Code Section 89503 (1 count), and, in his capacity as a member of the Central Basin Municipal Water District's Board of Directors, made seven governmental decisions in which he knew, or had reason to know, he had a financial interest, in violation of Government Code Section 87100 (7 counts). **Total Proposed Penalty: \$31,500.**

[Vasquez - Stip and Exh](#)

10. In the Matter of Arthur Palkowitz; FPPC No. 13/070. Staff: Commission Counsel Adam Silver and Special Investigator Paul Rasey. In this matter, Respondent, Arthur Palkowitz, as a member of the Solana Beach School District Board of Education, failed to report a source of income, which exceeded the reporting threshold of \$500, on his 2010 and 2011 Statements of Economic Interests, in violation of Government Code Sections 87300 and 87302 (1 count). In addition, Respondent made governmental decisions in which he had a material financial interest, by twice voting to approve purchase orders via consent calendar to a source of income, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$5,000.**

[Palkowitz - Stip and Exh](#)

11. In the Matter of John Martin; FPPC No. 14/426 (Default Decision). Staff: Senior Commission Counsel Neal Bucknell and Special Investigator George Aradi. In this matter, on or about March 18, 2014, Respondent, John Martin, in his capacity as Wasco City Councilman, made a governmental decision in which he knew, or had reason to know, he had a financial interest, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$4,000.**

[Martin - Default Decision and Order](#)

Campaign Reporting

12. In the Matter of Ryan Embree and Embree for City Council; FPPC No. 12/097.

(Default Decision) Staff: Commission Counsel Milad Dalju. In this matter, Respondent, Ryan Embree, a candidate for Malibu City Council in the April 11, 2006, election, and his candidate-controlled committee, Respondent Embree for City Council, failed to timely file semi-annual statements for the March 26, 2006, through June 30, 2009, and the January 1, 2013, through June 30, 2014, reporting periods, in violation of Government Code Section 84200, subdivision (a) (10 counts), and failed to timely file semi-annual statements for the July 1, 2009, through December 31, 2012, reporting periods, in violation of Government Code Section 84200, subdivision (a) (7 counts). **Total Proposed Penalty: \$35,500.**

[Embree - Default Decision and Order](#)

13. In the Matter of Service Employees International Union Local 721 CTW, CLC Workers Strength Committee and Tony Bravo; FPPC No. 14/261.

Staff: Senior Commission Counsel Dave Bainbridge and Program Specialist Bob Perna. In this matter, Respondent, Service Employees International Union Local 721 CTW, CLC Workers Strength Committee, failed to timely disclose on its pre-election campaign statement for the July 1, 2010 through October 16, 2010 statement period, expenditures totaling \$33,863 in the form of non-monetary contributions to two city council candidates in the City of San Jacinto and one city council candidate in the City of Hemet, in violation of Government Code Sections 84200.7, subdivision (b) and 84211, subdivision (k) (1 count). **Total Proposed Penalty \$2,500.**

[SEIU Local 271 CTW - Stip and Exh](#)

14. In the Matter of Adam Hill, Friends of Adam Hill, County Supervisor 2012, and Sharon A. McMahan, Treasurer; FPPC No. 14/595.

Staff: Commission Counsel Milad Dalju and Program Specialist Grant Beauchamp. In this matter, Respondents Adam Hill, Friends of Adam Hill, County Supervisor 2012, and Sharon A. McMahan as Treasurer, failed to timely report fifteen payments of \$500 or more, totaling \$68,058.73, made on Respondent Friends of Adam Hill, County Supervisor 2012's behalf by Respondent Friends of Adam Hill, County Supervisor 2012's agents or independent contractors during the March 18 through May 19, 2012, and May 20 through June 30, 2012, reporting periods, in violation of Government Code Sections 84200, subdivision (a), 84200.5, 84211, subdivision (k), and 84303 (1 count). **Total Proposed Penalty: \$2,500.**

[Hill - Stip and Exh](#)

15. In the Matter of Andrew M. Cohen and Elect Andy Cohen for Supervisor 2012;

FPPC No. 14/329. Staff: Commission Counsel Milad Dalju and Program Specialist Robert Perna. This matter initially arose out of a referral by Franchise Tax Board. Respondent

Andrew M. Cohen was an unsuccessful candidate for the San Mateo County Board of Supervisors in the June 5, 2012, election. Respondent Elect Andy Cohen for Supervisor 2012 was his candidate-controlled committee. In this matter, Respondents failed to maintain the detailed accounts, records, bills, and receipts that were necessary to prepare campaign statements for the January 1 through March 17, 2012, March 18 through May 19, 2012, and May 20 through June 30, 2012, reporting periods, in violation of Government Code Section 84104 (1 count). **Total Proposed Penalty: \$1,000.**

[Cohen - Stip and Exh](#)

16. In the Matter of Long K. Pham, Pham for State Senate 2014, and Mary Pham, Treasurer; FPPC No. 14/1163. Staff: Political Reform Consultant Adrienne Korchmaros. In this matter, Respondents, Long K. Pham, Pham for State Senate 2014, and Mary Pham as Treasurer, failed to timely file the semi-annual statement Form 460 covering the period of May 18, 2014 through June 30, 2014, due on July 31, 2014, with the Office of the Secretary of State, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$400.**

[Pham - Stip](#)

17. In the Matter of National United Farm Workers PAC and Sergio Guzman, Treasurer; FPPC No. 14/138. Staff: Political Reform Consultant Adrienne Korchmaros. In this matter, Respondents, National United Farm Workers PAC and Sergio Guzman as Treasurer, failed to timely file the semi-annual statement, Form 460, covering the period of July 1, 2013, through December 31, 2103, due January 31, 2014, in both paper and electronic formats, with the Office of the Secretary of State, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$400.**

[National United Farm Workers PAC - Stip](#)

18. In the Matter of Lan Nguyen, Re-Elect Lan Nguyen for School Board 2012, and Lan Nguyen, Treasurer; FPPC No. 14/1159. Staff: Political Reform Consultant Adrienne Korchmaros. In this matter, Respondents East Side Union High School Governing Board Member Lan Nguyen, his committee Re-Elect Lan Nguyen for School Board 2012, and Lan Nguyen as Treasurer, failed to timely file the semi-annual statement, Form 460, covering the period January 1, 2014 through June 30, 2014, due on July 31, 2014, with the Santa Clara County Registrar of Voters, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

[Nguyen - Stip](#)

19. In the Matter of Joseph DiSalvo, DiSalvo for County School Board 2012, and Joseph DiSalvo, Treasurer; FPPC No. 14/1155. Staff: Political Reform Consultant Adrienne Korchmaros. In this matter, Respondents, successful school board candidate Joseph DiSalvo,

his committee, DiSalvo for County School Board 2012, and Joseph DiSalvo as Treasurer, failed to timely file the semi-annual statement, Form 460, covering the period January 1, 2014 through June 30, 2014, due July 31, 2014, with the Santa Clara County Registrar of Voters, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

[Di Salvo - Stip](#)

Major Donor Reporting

20. In the Matter of Sky and Sea Corporation; FPPC No. 14/1337. Staff: Political Reform Consultant Jeanette Turvill. In this matter, Respondent, Sky and Sea Corporation, failed to timely file two Major Donor Committee Campaign Statements, Form 461, in 2013 and 2014, with the Office of the Secretary of State, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$800.**

[Sky and Sea - Stip](#)

21. In the Matter of Nicholas Josefowitz; FPPC No. 11/1064. Staff: Political Reform Consultant Adrienne Korchmaros. In this matter, Respondent, Nicholas Josefowitz, failed to timely file a Major Donor Statement, Form 461, covering the period January 1, 2012, through December 31, 2012, due January 31, 2013, with the Office of the Secretary of State, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$692.**

[Josefowitz - Stip](#)

Mass Mailer

22. In the Matter of Graton Community Services District; FPPC No. 13/1133. Staff: Commission Counsel Adam Silver and Special Investigator Paul Rasey. In this matter, Respondent, Graton Community Services District, sent a newsletter at the public's expense, in violation of Government Code Section 89001 (1 count). **Total Proposed Penalty: \$2,000.**

[Graton Community Services District - Stip and Exh](#)

Statement of Economic Interests – Non-Filer

23. In the Matter of Samuel Nevis; FPPC No. 15/028. Staff: Political Reform Consultant Jeanette Turvill. In this matter, Respondent, Samuel Nevis, as a Member of the California Rice Commission, failed to timely file a 2013 Annual Statement of Economic Interests, due on April 1, 2014, with the Fair Political Practices Commission, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$300.**

[Nevis - Stip](#)

24. In the Matter of James Stevens; FPPC No. 14/1053. Staff: Commission Counsel Adam Silver and Political Reform Consultant Adrienne Korchmaros. In this matter, Respondent, James Stevens, as a Building Inspector II for the County of San Benito, failed to timely file a 2013 Annual Statement of Economic Interests, due on April 1, 2014, with the San

Benito County Elections Department, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

[Stevens - Stip](#)

Statement of Economic Interests – Non-Reporting

25. In the Matter of George S. Cambero; FPPC No. 14/1355. Staff: Political Reform Consultant Adrienne Korchmaros. In this matter, Respondent, George S. Cambero, a successful candidate for the Elsinore Valley Municipal Water District, failed to timely disclose his economic interest in his business Innovative Water Specialties on his Candidate Statement of Economic Interests, in violation of Government Code Section 87208 (1 count). **Total Proposed Penalty: \$200.**

[Cambero - Stip](#)

EXECUTIVE STAFF REPORTS ITEM 26

Legislative Report. Staff: Senior Commission Counsel and Legislative Coordinator, Sukhi Brar

[Legislative Report](#)

Litigation Report. Staff: Assistant General Counsel, John W. Wallace

[Litigation Report](#)

Legal Division Report. Staff: Assistant General Counsel, John W. Wallace

[Legal Division Report](#)

Enforcement Division Report. Staff: Chief of Enforcement, Gary Winuk

[Enforcement Division Report](#)

Technical Assistance Division Report. Staff: Chief of Technical Assistance Division, Lynda Cassady

[TAD Division Report](#)