



**NOTICE AND AGENDA
Commission Meeting¹**

California Fair Political Practices Commission
1102 Q Street, Suite 3800
Sacramento, CA 95811

Thursday, November 15, 2018
10:00 A.M.

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The section further states that the portion of the teleconferenced meeting that is required to be open to the public must be audible to the public at the location specified in the notice of the meeting. The Commission may take action on any item listed on this agenda.

Commissioner Hatch will attend this meeting of the Commission via teleconference from:

Ka'anapali Beach Club - Lobby
104 Ka'anapali Shores Place
Maui, HI 96761
8:00 a.m. UTC-10:00 Hawaii-Aleutian Time

Commissioner Cardenas will attend this meeting of the Commission via teleconference from:

California State University, Los Angeles
Conference Room 712, Simpson Tower
5151 State University Drive
Los Angeles, CA 90032

¹You can obtain further information about the meeting by contacting the Commission Assistant, 1102 Q Street, Suite 3000, Sacramento, CA, 95811, 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. Email comment letters directly to CommAsst@fppc.ca.gov.

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 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 [YouTube](https://www.youtube.com/watch?v=...).

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), CommAsst@fppc.ca.gov (e-mail) and ADACoordinator@fppc.ca.gov. 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 three business days between the request and the meeting date.

Welcome

Alice Germond, Chair

Public Comment

1. **Public Comment for Items not on Agenda.** During this comment period, any person is invited to speak on any topic that is not listed on this agenda. Action may not be taken on any matter raised during this public comment period until the matter is specifically listed on a future agenda. Those who wish to comment on an item that has been listed on this agenda may comment when that item has been opened for consideration by the Commission and before any action is taken.

Approval of Commission Minutes

2. **Approval of October 2018 Commission Hearing Minutes.**

Enforcement Consent Calendar 3-16

Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be removed from consent, in which case it will be discussed separately in the meeting.

Conflict of Interest

3. **In the Matter of Kevork N. “George” Ashkharian; FPPC No. 14/876.** Staff: Senior Commission Counsel Angela Brereton, Senior Commission Counsel Christopher Burton and Special Investigator Marshall Miller. Kevork N. “George” Ashkharian was employed by the State Compensation Insurance Fund (SCIF) from February 5, 2001 to April 13, 2014, as a Workers’ Compensation Insurance Supervisor II at SCIF’s Los Angeles Claims Services. This case is presented as a proposed settlement agreement resulting from a settlement conference held by the Office of Administrative Hearings. Ashkharian violated the Act by negotiating and settling lien claims with Global Holdings, a source of income to him of \$500 or more in the 12 months preceding each settlement because Global Holdings was his wife’s employer, in violation of Government Code Section 87100. (1 count). **Total Proposed Penalty: \$5,000.**
4. **In the Matter of Phil Rath; FPPC No. 18/1230.** Staff: Commission Counsel Theresa Gilbertson. The respondent is represented by attorneys Gil Cabrera of the Cabrera Firm and James Harrison of Remcho Johansen & Purcell, LLP. Phil Rath assumed office as a member of the Civic San Diego Board of Directors on July 28, 2015, where he presently serves. On August 9, 2018, Rath and the City of the San Diego Ethics Commission entered into a Stipulation, Decision, and Order regarding four violations of the City of San Diego Ethics Ordinance and paid a fine of \$11,000. While serving on the Board of Civic San Diego, Rath failed to disclose a source of income on an Assuming Office Statement of Economic Interests and his Annual 2015 Statement of Economic Interests,

in violation of Government Code Section 87300 (1 count). While serving on the Board, Rath voted on June 8, 2016 and June 22, 2016, in favor of applications submitted by a source of income, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$5,000.**

Campaign Non- Filer

5. In the Matter of Alejo for Assembly 2014 and Luis Alejo; FPPC No. 16/188.

Staff: Commission Counsel Michael W. Hamilton and Program Specialist Bob Perna. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. The respondent was represented by Gary Winuk of Kaufman Legal Group. Luis Alejo was a successful candidate in the 2014 Primary and General Elections in California's 30th Assembly District. Alejo for Assembly 2014 was his candidate-controlled committee. The Committee and Alejo failed to timely file four 10-day reports, in violation of Government Code Section 85309, subdivision (c) (1 count). The Committee and Alejo also failed to timely file three 24-hour reports, in violation of Government Code Section 84203 (1 count); and failed to timely file eight 24-hour reports, in violation of Government Code Sections 84203 and 85309, subdivision (a) (1 count). **Total Proposed Penalty: \$8,000.**

6. In the Matter of Sallings for Santa Clara School Board 2014 and Noelani Sallings; FPPC No. 16/009 (Streamline Settlement). Staff: Commission Counsel Ruth Yang and Associate Governmental Program Analyst Dominika Wojenska. Noelani Sallings was a successful candidate for the Santa Clara Unified School District Board in 2014 and served as a member of the Santa Clara Unified School District's Measure J Oversight Committee from 2009 through 2014. Sallings for Santa Clara School Board 2014 was her candidate-controlled committee. The Committee and Sallings failed to timely file four semi-annual campaign statements for the reporting period of July 1, 2015 through June 30, 2017, in violation of Government Code Section 84200 (4 counts). Additionally, Sallings failed to timely file four Annual Statements of Economic Interests for 2012 through 2015, in violation of Government Code Section 87300 (4 counts). **Total Proposed Penalty: \$5,600.**

7. In the Matter of Siemens Mobility, Inc.; FPPC No. 17/102. Staff: Commission Counsel Ruth Yang. The respondent is represented by Tyler Hagenbuch of Perkins Coie, LLC. Siemens Mobility, Inc. made contributions totaling \$10,000 or more in 2015 and 2016. Siemens Mobility, Inc. failed to timely file a major donor campaign statement for the reporting period of, January 1, 2015 through June 30, 2015 and July 1, 2016 through December 31, 2016, in violation of Government Code section 84200, subdivision (b) (1 count). Siemens Mobility also failed to timely file two 24-hour reports, in violation of Government Code Section 84203, subdivision (b) (1 count). **Total Proposed Penalty: \$4,000.**

- 8. In the Matter of KCRW Foundation; FPPC No. 18/352.** Staff: Commission Counsel Theresa Gilbertson. KCRW is a major donor committee. The Committee failed to timely file one semiannual major donor campaign statement for the reporting period of January 1, 2016 through June 30, 2016, in violation of Government Code Section 84200, subdivision (b) (1 count). **Total Proposed Penalty: \$2,500.**
- 9. In the Matter of American Association of Chinese Medicine and Acupuncture Political Action Committee, Philip Yang, and Fanjin Li; FPPC No. 17/1014 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Associate Governmental Program Analyst Dominika Wojenska. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. American Association of Chinese Medicine and Acupuncture Political Action Committee is a state general purpose committee. Philip Yang is the Committee's treasurer. Fanjin Li was the Committee's treasurer until January 15, 2015. The Committee, Yang, and Li failed to timely file three pre-election campaign statements for the reporting periods of January 1, 2014 through May 17, 2014, and July 1, 2014 through September 30, 2014, in violation of Government Code Section 84200.5 (3 counts). The committee also failed to timely file six 24-hour reports for late contributions, amounting to \$8,000, received between September 24, 2014 and October 29, 2014, in violation of Government Code Section 84203 (6 counts). **Total Proposed Penalty: \$2,222.**
- 10. In the Matter of Mister Phillips for School Board 2016 and Mister Phillips; FPPC No. 17/944.** Staff: Senior Commission Counsel Christopher Burton and Program Specialist Patricia Ballantyne. Mister Phillips was a successful candidate for the West Contra Costa Unified School District Board of Education in the November 8, 2016 General Election. Mister Phillips for School Board 2016 was his controlled committee. The Committee and Phillips failed to timely file semiannual campaign statements for the reporting periods of October 23, 2016 to December 31, 2016, and January 1, 2017 to June 30, 2017, in violation of Government Code Section 84200, subdivision (a) (1 count). **Total Proposed Penalty: \$2,000.**
- 11. In the Matter of Cupertino Education Association Political Action Committee, Steven A. Greenfield, and Kai Brown, FPPC No. 18/077 (Streamline Settlement).** Staff: Commission Counsel Theresa Gilbertson and Law Clerk Savannah Weil-Dye. The Cupertino Education Association Political Action Committee is a local general purpose committee. Kai Brown is the committee's principal officer and Steven Greenfield is the committee's treasurer. The Committee, Greenfield, and Brown failed to timely file four 24-hour reports during the 2016 General Election, in violation of Government Code Section 84203 (4 counts); and failed to timely file a pre-election statement for the reporting period of July 1, 2016 through September 24, 2016, in violation of Government Code Section 84200.5 and 84200.8 (1 count). The committee also failed to timely file a semiannual campaign statement for the reporting period of July 1, 2017 through December 31, 2017, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$1,940.**

- 12. In the Matter of Protect Chino – No on H, Larry Walker, and Ed Layaye; FPPC No. 17/537 (Streamline Settlement).** Staff: Senior Commission Counsel Christopher Burton and Special Investigator Garrett Micheels. Protect Chino – No on H is a local primarily formed committee opposing Measure H, which appeared on the ballot in the City of Chino’s July 11, 2017 Special Election. Larry Walker was the committee’s treasurer and Ed Layaye was the committee’s principle officer. The Committee, Walker, and Layaye failed to timely file two 24-hour contribution reports for nonmonetary contributions received by the committee during the late reporting period, in violation of Government Code Section 84203 (2 counts). **Total Proposed Penalty: \$426.**
- 13. In the Matter of Friends of Will D. Martinez for Supervisor 2018, Will D. Martinez, and Leticia Martinez; FPPC No. 18/645 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Political Reform Consultant Chris Holm. Will Martinez was an unsuccessful candidate for Supervisor of Riverside County in the June 5, 2018 Primary Election. Friends of Will D. Martinez for Supervisor 2018 is his candidate-controlled committee. The Committee and Martinez failed to timely file one pre-election campaign statement for the reporting period of January 1, 2018 through April 21, 2018, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$272.**

Statement of Economic Interest Non-Filer

- 14. In the Matter of Robert Camargo; FPPC No. 17/1023 (Streamline Settlement).** Staff: Commission Counsel Megan Van Arsdale. Robert Camargo, a Senior Transportation Engineer for the Department of Transportation, failed to timely file a 2016 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Non-Reporter

- 15. In the Matter of Christina Gutierrez; FPPC No. 18/806 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. Christina Gutierrez, as an Assistant City Clerk of San Jose, failed to timely report her business interest and income as a realtor and spousal income on her 2017 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$100.**
- 16. In the Matter of Aaron Ralls; FPPC No. 18/769 (Streamline Settlement).** Staff: Chief of Enforcement Galena West and Political Reform Consultant Chloe Hackert. Aaron Ralls, as a Planning Commissioner of the City of Folsom, failed to timely report his economic interests with business position as a realtor and income on his 2017 Annual Statement of Economic Interests, in violation of Government Code Section 87207 (1 count). **Total Proposed Penalty: \$100.**

General Items 17-29

17. Biennial Cost of Living Adjustments (COLA) to Statutory Limits stated in the Political Reform Act. Amend Regulations 18545, 18700, 18730, and 18940.2 Staff: General Counsel Dave Bainbridge and Commission Counsel Sara Puricelli. Government Code sections 83124, 85316, and 89503 obligate the Commission to make cost of living adjustments to reflect changes in the Consumer Price Index (CPI), in January of every odd-numbered year, to the following statutory limits:

- Contribution limits and voluntary expenditure ceilings applicable to candidates for elective state office (sections 85301, 85302, 85303, and 85400; Regulation 18545),
- State Officeholder account contribution limits (section 85316(b); Regulation 18545), and
- The gift limit (section 89503; Regulations 18700, 18730 and 18940.2).

Staff proposes amendments to the above listed regulations to update the limitation amounts as required by the Act.

Staff Memo

Proposed Amendment to Regulation 18545

Proposed Amendment to Regulation 18700

Proposed Amendment to Regulation 18730

Proposed Amendment to Regulation 18940.2

18. Prenotice Discussion of Amendments to Regulation 18702.2 Staff: Dave Bainbridge, General Counsel; Brian Lau, Assistant General Counsel; and John M. Feser Jr., Senior Counsel, Legal Division. Staff proposes amendments to Regulation 18702.2 that would clarify the materiality standards in conflict of interest cases involving real property. The proposed amendments would establish a bright-line materiality standard on real property interests located more than a set distance from real property that is the subject of a governmental decision, amongst other proposed changes. The regulation is currently presented for discussion and direction by the Commission. It will be presented for adoption at a subsequent meeting.

Staff Memo

Prenotice Regulation 18702.2

19. Adoption of the 2018/2019 Statement of Economic Interests, Form 700 and related documents. Staff: Deborah Hanephin, External Affairs and Education Division Manager. Forms and related documents have been revised to reflect current dates and filing deadlines, and to clarify existing information.

Staff Memo

Form 700 – Statement of Economic Interests

Form 700 Reference Pamphlet

Form 700-A – Auditors, Claims Managers/Adjusters, and Other Eligible Filers

Form 700-U – University Principal Investigators

20. Budget and Personnel Committee Update.

21. 2018-2019 First Quarter Expenditures Report. Staff: Loressa Hon, Acting Executive Director and Jue Wang, Admin Division Manager. The Commission may review and discuss the first quarter expenditures report, which covers July 2018 through September 2018 expenditures.

2018-2019 First Quarter Expenditures Report

22. Equal Employment Opportunity. Staff: Loressa Hon, Acting Executive Director. The last updates to this policy was in 2013. Updates are being presented to match current State rules.

Equal Employment Opportunity

23. Prohibit Discrimination, Harassment, and Retaliation. Staff: Loressa Hon, Acting Executive Director. This policy was updated to include discrimination and retaliation.

Prohibit Discrimination, Harassment, and Retaliation

24. Law and Policy Committee Update.

25. Legislative Development. Legislative and External Affairs. Phillip Ung, Director. The Commission may review and discuss the Legislative Development Memorandum containing staff suggestions for potential sponsorship. The Commission may direct staff to communication with interest group and other stakeholders regarding legislative matters.

Staff Memo

26. Advice Letter Report and Commission Review. Staff: Dave Bainbridge, General Counsel and Brian Lau, Assistant General Counsel. The Commission may review and discuss advice letters that have been issued since the October Executive Staff Report. The Commission may act to withdraw the advice provided.

Advice Letter Report

27. Executive Staff Reports.

Enforcement Division. Galena West, Enforcement Chief

Legal Division. David Bainbridge, General Counsel

External Affairs and Education. Deborah Hanephin, Manager

Executive Director Update. Loressa Hon, Acting Executive Director

Executive Staff Report

28. Closed Session. Personnel Matter (Gov. Code § 11126, subs. (a) and (b); 11126(e)(1).)

29. Commissioner Comments and Proposed Future Agenda Items.

Note: While a Commissioner may identify a topic of interest, the Commission may not substantially discuss or take action on any matter raised during the meeting that is not included on this agenda, except to decide to place the matter on the agenda of a future meeting. (Government Code Sections 11125 & 11125.7(a).)