



NOTICE AND AGENDA Commission Meeting¹

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

Thursday, July 18, 2019
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.

Welcome

Richard C. Miadich, 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.

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.

Approval of Commission Minutes

2. Approval of June 2019 Commission Hearing Minutes.

Enforcement Consent Calendar 3-9

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.

Conflicts of Interest

3. **In the Matter of Juanita Perea; FPPC No. 17/1310.** Staff: Christopher Burton, Senior Commission Counsel and Marshall Miller, Special Investigator. The respondent was represented by Nimi Aviad of Crowell & Moring, LLP. Juanita Perea, as Executive Director of the Oasis Charter Public School in Salinas from 2015 to 2017, approved payments to Jimenez Gardening Maintenance and Handyman, a business in which Perea held a financial interest, in violation of Government Code Section 87100 (3 counts). **Total Proposed Penalty: \$12,000.**
4. **In the Matter of Linda Fowler; FPPC No. 15/957.** Staff: Neal Bucknell, Senior Commission Counsel and Jeffrey Kamigaki, Supervising Special Investigator. The respondent was represented by Timothy Cary and Ryan Zick of Price, Postel & Parma, LLP. Linda Fowler is a member of the Twin Rivers Unified School District (“TRUSD”) Board of Trustees, and she was TRUSD’s appointed representative on the Highlands Community Charter and Technical Schools Board of Directors in 2014. Fowler used her two positions to influence the board’s decision to enter into a contract with her consulting business, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$3,500.**
5. **In the Matter of Lyn Semeta; FPPC No. 16/756.** Staff: Michael Hamilton, Commission Counsel. Lyn Semeta, a former member of the Huntington Beach Planning Commission, made a decision involving No Ka Oi Live Entertainment, and then accepted a contribution from the company that exceeded the contribution limit within three months of making that decision, in violation of Government Code Section 84308, subdivision (b) (1 count). **Total Proposed Penalty: \$2,000.**

Advertisements

6. **In the Matter of Sampayan 4 Vallejo Mayor 2016 and Ruperto “Bob” Sampayan; FPPC No. 16/20122.** Staff: Christopher Burton, Senior Commission Counsel and Roone Petersen, Special Investigator. Ruperto “Bob” Sampayan was a successful candidate for Mayor of Vallejo in the November 8, 2016 General Election. Sampayan 4 Vallejo Mayor 2016 is his candidate-controlled committee. The Committee and Sampayan failed to include the proper advertisement disclaimers on two mass mailings distributed by the committee prior to the election, in violation of Government Code Section 84305 (1 count). **Total Proposed Penalty: \$1,500.**

Mass Mailings

- 7. In the Matter of Cupertino Union School District; FPPC Nos. 16/19863 and 17/521.** Staff: Ruth Yang, Commission Counsel. The respondent was represented by William B. Tunick of Dannis Woliver Kelley. In June 2016, October 2016, and May 2017, the District prepared and distributed three mass mailings at the public's expense that featured elected members of the District's Board of Education, in violation of Government Code Section 89001 and Regulation 18901, subdivision (a) (1 count). **Total Proposed Penalty: \$2,500.**

Campaign Late Filer

- 8. In the Matter of Elevate California: Yes on 2, Marc Levine Ballot Issue Committee, Marc Levine, and Philip Bruce Raful; FPPC No. 17/607.** Staff: Angela Brereton, Assistant Chief Counsel and Bob Perna, Program Specialist. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Marc Levine was a successful candidate for re-election to the California State Assembly District 10, in the November 4, 2014 General Election. Elevate California: Yes on 2, Marc Levine Ballot Issue Committee was his candidate-controlled general purpose committee. For the 2014 General Election, the Committee became Levine's primarily formed committee supporting Proposition 2. Philip Bruce Raful was the Committee's treasurer. The Committee, Levine and Raful failed to timely file a \$5,000 Report for two contributions received on or around July 24, 2014, in violation of Government Code Section 85309, subdivision (c) (1 count). The Committee, Levine, and Raful also made a prohibited payment for a TV advertisement featuring Levine, about Proposition 2, after receiving a contribution that exceeded the calendar year contribution limit within 45 days of the election, in violation of Government Code Section 85310, subdivision (c) (1 count). **Total Proposed Penalty: \$4,500.**

Statement of Economic Interests Late Reporter

- 9. In the Matter of Abdallah Farrukh, M.D.; FPPC No. 16/071.** Staff: Angela Brereton, Assistant Chief Counsel and Paul Rasey, Special Investigator. The respondent was represented by Brian Hildreth of Bell, McAndrews & Hiltachk, LLP. Abdallah Farrukh, M.D., a member of the Antelope Valley Healthcare District Board of Directors, failed to timely disclose investments and sources of income interests on his 2013, 2014, 2015 and 2016 Annual Statements of Economic Interests, in violation of Government Code Sections 87206, 87207, and 87300 (4 counts). **Total Proposed Penalty: \$4,000.**

Default Proceedings

Notice of Intent to Present Default Decision and Order at August Commission Meeting

- 10. In the Matter of BFO & Associates and Berman Obaldia; FPPC No. 16/724.** Staff: Ruth Yang, Commission Counsel. BFO & Associates was a registered lobbying firm during the 2015-2016 legislative session. Berman Obaldia was the sole principal officer and lobbyist for the firm. After the Secretary of State revoked Obaldia's registration for failure to complete the required lobbying ethics course, he continued to provide lobbying services, in violation of Government Code Section 86103 (1 count). The Firm and Obaldia also failed to timely file its

quarterly reports for quarters 1 - 8, and Obaldia's lobbyist reports for quarters 2 - 8, in violation of Government Code Sections 86113, 86114, and 86117 (8 counts). **Total Proposed Penalty: \$19,000.**

General Items 11-23

11. Local Jurisdiction Contract Update. Staff: Thomas Jones, Executive Director and Karen Harrison, Commission Counsel. Approval of Draft Contract to Provide FPPC Services Pursuant to Government Code Section 83123.5.

STD 213 – Standard Agreement

Draft Contract

STD 215 – Agreement Summary

12. Approval of Commissioner Compensation Request. Staff: Loressa Hon, Chief of Administration. Consideration of Commissioner's requests for compensation exceeding 40 hours in a calendar month as required by the Commission's Compensation and Reimbursement Policy.

Staff Memo

13. Prenotice Discussion of Proposed Amendment of Regulation 18422 and Adoption of Regulation 18422.1, Multipurpose Organization Recordkeeping. Staff: Dave Bainbridge, General Counsel; Sukhi Brar, Supervising Attorney; and Toren Lewis, Commission Counsel, Legal Division. Staff proposes amendments to Regulation 18422 and adoption of new Regulation 18422.1 to clarify the recordkeeping requirements for multipurpose organizations. The proposed amendments and regulation are currently presented for discussion and direction by the Commission, and will be presented for adoption at a subsequent meeting.

Staff Memo

Proposed Amendments of Regulation 18422

Proposed Adoption of Regulation 18422.1

14. Repeal and Adoption of Regulation 18702.1. Staff: Dave Bainbridge, General Counsel; Brian Lau, Assistant General Counsel; and Matthew F. Christy, Commission Counsel, Legal Division. Staff proposes the repeal and adoption of Regulation 18702.1 regarding materiality standards for conflict of interest cases involving a public official's interest in a business entity. The proposed amendments would establish new bright-line standards for determining when a financial effect on a business entity is material. The regulation was presented for pre-notice discussion and direction by the Commission in May, and is now being presented for adoption.

Staff Memo

Proposed Repeal of Regulation 18702.1

Proposed Adoption of Regulation 18702.1

15. Repeal and Adoption of Regulation 18702.3 Staff: Dave Bainbridge, General Counsel; Brian Lau, Assistant General Counsel; and Kevin Cornwall, Counsel, Legal Division. Staff proposes the repeal and adoption of Regulation 18702.3, to clarify the materiality standards in conflict of interest cases involving sources of income. The proposed amendments would establish bright-line materiality standards pertaining to source of income interests, including nonprofit organizations, and would also broaden the “nexus” test to apply to an official’s spouse, amongst other proposed changes. The regulation was presented for pre-notice discussion and direction by the Commission in May, and is now being presented for adoption

Staff Memo

Proposed Adoption of Regulation 18702.3

Proposed Repeal of Regulation 18702.3

16. Public Generally Conflict of Interest Exception. Staff: Dave Bainbridge, General Counsel, and Brian Lau, Assistant General Counsel. The Commission will discuss the public generally exception to conflict of interest violations and consider instructing staff regarding future regulatory changes.

Staff Memo

17. Discussion of Memorandum Regarding Remote Participation in Meetings by Commissioners. Staff: Dave Bainbridge, General Counsel; and Kevin Cornwall, Counsel, Legal Division. Staff will present an informational memorandum regarding the legal requirements for conducting a Commission meeting where a Commissioner participates remotely via teleconference or video conferencing.

Staff Memo

18. Committee Updates
Budget and Personnel Committee Update.
Law and Policy Committee Update.

19. Legislative Update. Staff: Dave Bainbridge, General Counsel and Jay Wierenga, Communications Officer. The Commission will review and discuss recommendations from the Law & Policy Committee. The Commission will review and may take action on pending legislation.

Staff Memo

20. 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 June Executive Staff Report. The Commission may act to withdraw the advice provided.

Advice Letter Report

21. Executive Staff Reports.

Enforcement Division. Galena West, Chief of Enforcement

Legal Division. David Bainbridge, General Counsel

Administration & Technology Division, Loressa Hon, Chief of Administration

Executive Staff Report

22. Closed Session. Pending Litigation (Gov. Code § 11126(e)(1)). Staff: Dave Bainbridge, General Counsel. Discussion of pending litigation, updates and further handling.

23. 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).)