

Sasha Linker

From: Stephen Petzold <[REDACTED]>
Sent: Wednesday, March 17, 2021 12:04 PM
To: CommAsst
Cc: Stephen Petzold
Subject: Fountain Valley Stipulation March 2021 Meeting Agenda Item 3-8 (3)

EXTERNAL EMAIL

Dear FPPC Commissioners,

I respectfully suggest that you decline to approve Stipulation 16/20109 Fountain Valley for the following reasons.

First, while the stip affirms the the city qualified as a campaign committee, there was no allegation or penalty for failure to register as a committee with the Secretary of State. This form is meant to provide important public information as to who is the Principal Officer and the Treasurer. Without this information no person is accountable and without enforcing this regulation other public agencies may see non filing as a means to hide the responsible parties.

The fact that there is no allegation, penalty, or fine for failure to file a Statement of Organization reduces the amount of penalty that the Respondent may be required to pay.

I note that there have been no questions raised whether the City as a non-profit may have qualified as a Multipurpose Organization.

Second, the Enforcement Division did not file or include an allegation , Failure to File and Independent Expenditure Verification in violation of Government Code Section 84213 subdivision b. This item was mentioned in a FPPC staff memo dated 1/3/2020 but does not appear in this Stipulation.

Thus, city escapes another fine/penalty for non compliance with FPPC regulations resulting in an underpayment of monies for their non compliance.

On the Proposed Penalty Stip Page 8 Line 9, it is not understandable whether the FPPC could add a fine of three times the cost of the October 2016 magazine advertisement or just assess the penalty of \$5,000. is it the the penalty or the fine or could both be assessed.

I do not accept that allowing a City Attorney to review the ads as a good faith effort to comply. Was the attorney versed in reviewing campaign documents for FPPC compliance? It is common for City Attorneys to do the bidding of their employer. Assuming this happened, it should not qualify as a mitigating circumstance.

I believe that the FPPC commissioners should review the original complaint which I believe was sent anonymously. The person may have been an insider at the City who feared retaliation if their identity was known. What were the actual allegations and does the Stipulation reflect those concerns ?

There were two Recipient Committees established to support Measure HH, one was the Fountain Valley Firefighters PAC to Support HH (1391278) and the other was Yes on HH to Save Fountain Valley (1390509). Did the Enforcement Division investigate whether there was any cooperation between the city and these committees such as Republication that would constitute an aggravating circumstance.

Why weren't all the original Respondents on this Complaint included in the Stipulation? Bob Hall the city manager left shortly after Measure HH passed and he was an original Respondent. Why is he not a party to this Stipulation. What did the original complaint say about Bob Hall?

It is too bad that not a single person is being held accountable for the misdeeds of the city using public resource to support a tax measure.

Finally (almost) there is no indication in the Stipulation whether a referral was made to the State or Orange County District Attorney per your direction at the February meeting.

I find the penalties Stipulation inadequate relative to the harm caused to the community by employees of the City. It is the employees (not just the Firefighters) who are benefitting from the largess resulting from the tax increase. The last report of the oversight committee indicated that the tax increase was adding \$13,000,000 per year to the coffers of Fountain Valley. What does the City really care? They got the \$13,000,000 and the city will use taxpayers money to pay the fine and penalty. The fine and penalty are a mere pittance.

I suggest that when an agreement is reached that the Commissioners instruct the FPPC staff to use part of the fine to buy ads or public notices to make the public aware of the terms of the Stipulation. A good public shaming may help alleviate some of the damage done.

I urge you NOT to approve the Stipulation and take this to an administrative hearing or refer it back to the Enforcement Division to add the allegations Failure to File a Statement of Organization and Failure to File an Independent Expenditure Verification. The assessed penalties and fines should be adjusted higher all the way to the maximum amount allowable.

Sincerely yours,

Steve Petzold
Open Government Advocate
Santa Clarita, CA