

#### 14. Adoption of Proposed Regulation to Authorize the Making of Contributions via Cryptocurrency.

Staff: Zachary W. Norton, Senior Commission Counsel. This proposed item would repeal the existing prohibition on cryptocurrency campaign contributions contained in Regulation 18215.4, and adopt a new regulation permitting the making of contributions with cryptocurrency through a payment processor. The issue was presented for prenotice discussion and direction by the Commission at the May 2022 hearing and is now presented for Commission adoption.

Staff Memo

Repeal of Regulation 18215.5

Adoption of Regulation 18421.2

Comment Letter – Emily Andrews, CPAA

1. **TBrown** says:

July 21, 2022 at 1:03 pm

Cryptocurrencies are incredibly volatile and subject to threats that are much different to those of funds sitting in traditional bank accounts. Campaigns who accept contributions may find themselves in violation of contribution limits at a moments notice, since the price of many cryptocurrencies are at the whim of even celebrity tweets. Wallets of cryptocurrencies are also susceptible to hacks or having funds be locked out at the loss of a password/passkey/usb hardware key. In those circumstances, funds are trapped without any ability to recover them. The FPPC should keep the prohibition on cryptocurrencies from being used for campaign contributions.

0. **Anonymous** says:

July 21, 2022 at 12:23 pm

Our firm will be able to assist the education group if needed. We are well versed in the space.

-Joe Cameron

-1. **Anonymous** says:

July 21, 2022 at 12:09 pm

The cryptocurrency “wallet” would owned by the committee and then the “committee” would need to transfer cryptocurrency to the committee bank account as outline in the regulation.. It’s the same as PayPal. PayPal doesn’t transfer the money to your bank account, the user does.

-2. **Anonymous** says:

July 21, 2022 at 9:59 am

I wanted to go on record and thank the FPPC for their innovative views on NFTs and Cryptocurrency in California political elections. As a consultant in the political arena and an experienced Web3 creator, your recent approval of NFTs within the “Leiderman Opinion” and today’s proposed repeal of Regulation 18215.5 and adoption of Regulation 18421.2 will set regulations to ensure security and accountability in the Web3 political process here in California. As a consultant in both the Political and NFT/Cryptocurrency spaces, I wanted to personally commend General Counsel Bainbidge and Senior Counsel Norton on a tremendous “Staff Memo.” This document took hours of dedication and incredible research in a rapidly changing, innovative space. I applaud Chairman Miadich for taking these tremendous steps, and I urge the Commission to repeal Regulation 18215.5 and adopt Regulation 18421.2.  
Joe Cameron, Political Consultant/Digital Strategist

