

November 12, 2024

Fair Political Practices Commission  
1102 Q Street, Suite 3000  
Sacramento, CA 95811

**RE: Comment on Item 12: In the Matter of AIDS Healthcare Foundation, etc.**

Dear Chair Silver and Commissioners Baker, Ortiz, Wilson, and Wood:

As summarized in the staff report for this item and below, for nearly a decade, AIDS Healthcare Foundation (“AHF”) has blatantly disregarded the Political Reform Act – hiding millions of dollars in campaign contributions, over a quarter million in lobby payments, concealing campaign consultants, disregarding advertising disclaimer rules, and failing to file hundreds of disclosure reports. And that’s just what the FPPC has already uncovered.

For the FPPC to now propose an inconsequential **\$27,000 fine** against a billion-dollar organization and repeat offender **for concealing \$3.3 million** in reportable campaign and lobby transactions is a gross miscarriage of justice. We therefore respectfully request the FPPC assess a penalty against AHF that reflects the gravity and extensiveness of the violations, AHF’s enforcement history, and the importance of compliance with the Act.

### **1) The Proposed Fine is Woefully Inappropriate in these Circumstances**

We encourage the Commission to review in detail the extensive summary prepared by staff covering the plethora of violations by AHF. In brief, these violations include;

- Failing to disclose \$325,849 in lobbying payments. Despite this significant amount, the staff proposes a \$6,000 fine. In contrast, earlier this year, the Los Angeles City Ethics Commission fined AHF \$22,500 for failing to register and disclose \$5,250 in lobby payments.
- Failing to disclose 136 contributions totaling \$1,054,972. AHF took nearly 3 months to correct these omissions after being contacted by Enforcement. Staff proposes a \$5,000 fine.
- Failing to disclose a campaign consultant. This is not separately being penalized.

- Failing to file 37 10-day reports disclosing contributions totaling \$1,145,509. For failing to file over three dozen reports disclosing over a million dollars, staff recommends a \$3,500 fine. This is less than the Secretary of State's \$10/day late penalty and is insufficient to encourage compliance by organization of AHF's extensive resources.
- Failing to file 58 24-hour reports disclosing contributions, amounting to just under \$800,000. A miniscule \$3,000 fine is proposed here as well. Same considerations as above.

Further, staff note a number of violations they are not even charging, including failing to timely disclose another 86 contributions and failing to timely file multiple Paid Spokesperson Reports.

AHF has acted with impunity for years, ignoring the provisions of the Act through multiple well-funded ballot measure campaigns and legislative fights, hiding the true nature of its activities from the public. In just this one case being pursued by staff, AHF failed to disclose over \$3.3 million in payments to influence and campaign contributions, and the fine is less than one percent (0.807%) of the amount AHF tried to hide from the public.

The violations outlined in the stipulation alone clearly warrant a significantly higher penalty. However, we raise the additional following circumstances for your consideration as you review the stipulation.

## **2) AHF Has an Extensive History of FPPC Violations**

Contrary to the stipulation, AHF already has three strikes against it. In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division must consider whether the violation was isolated or part of a pattern and AHF has an extensive history of violating the Act and has shown a blatant disregard for state and local ethics laws.

Strike 1: In 2018, AHF was fined \$2,500 for failing to include "Paid for by" and disclose the name of the Committee on a billboard advertisement in their Measure S campaign. (<https://www.fppc.ca.gov/enforcement/EnfDivCaseResults/stipulated-agreements/2018-sdo/december-sdo/coalition-to-preserve-la.html>)

Strike 2: Yes on Prop 61, funded by AHF, was fined \$2,500 in their Yes on Prop 61 campaign for "fail[ing] to disclose one of its two highest donors of \$50,000 or more on campaign video advertisements."  
(<https://www.fppc.ca.gov/enforcement/EnfDivCaseResults/stipulated->

agreements/2007-sdo/january-sdo/yes-on-prop-61-californians-for-lower-drug-prices-with-major-funding-by-aids-healthcare-foundation-and-california-nurses-pac.html)

Strike 3: In April 2024, the Los Angeles City Ethics Commission fined AHF and its in-house lobbyist \$22,500 for failing to register as a lobbyist and report payments totaling \$5,250. (<https://ethics.lacity.gov/news/ethics-commission-imposes-fines-totaling-70000/>)

AHF's history of violations clearly warrant a higher penalty if we have any hopes that they might finally begin complying with the Act.

### **3) AHF Failed to Disclose Politically Sensitive Payments Suggesting an Intent to Deceive**

Many of AHF's violations involve failing to disclose politically sensitive information which suggests AHF acted with intentionality in these omissions, directly contrary to the Act's objectives of ensuring public access to this information.

For example, Count 2 is a proposed \$5,000 fine for AHF's failure to disclose other payments to influence totaling \$319,401 on its lobbyist employer reports. AHF spent that **quarter of a million dollars on racist ads** ("Negro removal" flyers) attacking Senator Weiner. AHF only disclosed the amount after Senator Weiner, the NAACP, and YIMBY complained about the racist "Negro Removal" flyer from 2019. (See <https://sd11.senate.ca.gov/news/san-francisco-african-american-community-leaders-and-hiv-advocates-rally-condemn-offensive>; and <https://cayimby.org/wp-content/uploads/2020/02/AHF-Lobby-Complaint-with-Attachments-final-0221.pdf>.)

What is the message sent by the FPPC when an experienced lobby organization can conceal over \$300,000 in controversial payments and only face a \$5,000 penalty over 5 years later?

Consider also Count 3 in which AHF failed to disclose over \$30,000 in digital ads from disgraced and defeated Kevin De Leon, who is himself under an FPPC investigation: <https://www.latimes.com/california/story/2024-10-26/state-watchdog-agency-investigating-donations-to-kevin-de-leons-reelection-campaign>.

The nature of these omissions suggests AHF acted intentionally – ignoring the requirements of the Act for political advantage.

**4) AHF has Continued to Violate the Act as Evidenced by the Multiple Open Investigations**


The FPPC has multiple open investigations against AHF for additional more recent violations, which is expected if AHF receives penalties so low as to amount to a “cost of doing business” for this multi-billion dollar entity.

For Enforcement to take *five years* to address the multitude of AHF violations deprived the public of critical information ahead of voting on multiple statewide ballot measures through multiple election cycles, and allowed AHF to continue its wanton disregard of the law through the 2024 election cycle.

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We thank the Commission and staff for their work in bringing this matter to this point. We recognize and appreciate the extensive investigation required here given the sheer volume of AHF violations. However, we urge you to reconsider the appropriateness of the proposed penalty under these circumstances.

Sincerely,



Elli Abdoli