



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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EXECUTIVE STAFF REPORTS

March 18, 2021 Commission Hearing

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I. ENFORCEMENT DIVISION

STAFF: ANGELA BRERETON, CHIEF OF ENFORCEMENT

I. Overview

During the period of February 1, 2020 through February 28, 2020 the Enforcement Division received 59 complaints, opened 16 for investigation, and rejected 23. The Enforcement Division received 107 referrals during this time. The Enforcement Division closed a total of 86 cases including:

- 43 warning letters – advertisement violations (2), campaign violations (20), conflict of interest code violations (1), lobbying violations (1), and statement of economic interests violations (19);
- 7 no action closure letters alleging – advertisement violations (1), campaign violations (5), and statement of economic interests violations (1);
- 30 approved stipulations from the January and February Commission meetings;
- 3 defaults from the October and November 2020 Commission meetings; and
- 3 cases used as placeholders for system testing.

The Division had 1,453 cases in various stages of resolution at the time of the January Monthly Report and currently has approximately 1,429 cases in various stages of resolution, including the 14 cases before the Commission as listed in the March Agenda.

II. Annual Statistics

On the next page, you will find a chart that details the annual statistics for enforcement complaints, referrals and cases. This chart includes the data from 2020, where Enforcement had a highly efficient and effective year, receiving over 2,900 complaints and referrals and closing 1,117 cases with violations found. The information in the chart has been gathered from public reports, information from the defunct and inactive database, and data that has been converted into current form, so the numbers are close estimates in some instances.

	Year	2016	2017	2018	2019	2020
1	Complaints Received	1,180	564	1,352	744	1,390
2	Referrals Received	350	1,616	1,529	1,950	1,518
3	Total Complaint and Referrals Received	1,530	2,180	2,881	2,694	2,908
4	Cases opened	1,315	1,480	1,561	1,820	1,155
5	Cases closed ³	1,803	1,477	1,243	1,465	1,526
6	Cases with resolutions approved by the Commission ¹	311	340	235	343	278
	a Streamline cases approved by Commission	234	262	173	263	194
	b Mainline cases approved by Commission	70	66	56	73	77
	c Default cases approved by Commission	7	12	6	7	7
7	Total fines imposed by the Commission	\$894,257	\$1,126,933	\$499,606	\$797,384	\$1,940,107
8	Warning letters issued	489	505	554	584	777
9	Administrative terminations	668	297	177	104	62
10	Cases closed with violations found ²	1,468	1,142	966	1,031	1,117
11	Advisory letters issued	14	17	20	9	7
12	No action closure letters	321	318	252	423	402

¹ Total for lines 6a, 6b, and 6c.

² Total for lines 6, 8, and 9.

³ Total cases closed includes Commission approved cases from the previous year and Commission approved administrative judgements. It does not include Commission approved cases not yet closed.

III. Unexecuted Streamline Stipulations

Streamline penalty stipulations are approved by the Chief of Enforcement and reported to the Commission for discussion only before they are executed. The following streamline stipulations are presented for that purpose. After the close of the hearing, the Chief of Enforcement may execute all or any of the streamline penalty stipulations, at her discretion per Regulation 18360.2.

Regulation 18360.2 adopted by the Commission on January 21, 2021, grants the Enforcement Chief discretion to increase the penalties for Tier Two advertising violations resulting in public confusion, under Regulation 18360.3(d)(7)(B)(i)(b), and to increase the penalties for Tier Two violations involving the same candidate, committee, or principal officer who has paid a Tier One penalty to the Commission or received a Warning Letter from the Commission for the same type of violation occurring within the last five years, based on the resulting public harm. This new provision is not yet in effect as of the date of this writing, but future Enforcement Executive Monthly Reports will include information regarding whether the Enforcement Chief exercised this discretion since the last Monthly Report.

Advertisements

In the Matter of Jose Navarro for SCUSD School Board 2020 and Jose Navarro; FPPC No. 20/915. Staff: Angela J. Brereton, Chief of Enforcement and Dominika Wojenska, Associate Governmental Program Analyst. The respondents were represented by James C. Harrison of Olson Remcho, LLP. Jose Navarro was an unsuccessful candidate for Sacramento City Unified School District Board in the November 3, 2020 General Election. Jose Navarro for SCUSD School Board 2020 is his candidate-controlled committee. The Committee and Navarro failed to include the proper advertisement disclosure on four mailers paid for by the Committee prior to the election, in violation of Government Code Section 84305 (4 counts). **Total Proposed Penalty: \$452.**

Campaign Late Filer

In the Matter of Fernando Sandoval for 2020 Contra Costa College Board, Fernando Sandoval, and Laura Albert; FPPC No. 21/017. Staff: Angela J. Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Fernando Sandoval was a successful candidate for Contra Costa Community College District Board in the November 3, 2020 General Election. Fernando Sandoval for 2020 Contra Costa College Board is his candidate-controlled committee. Laura Albert is the Committee's treasurer. The Committee, Sandoval, and Albert failed to timely file a preelection campaign statement, in violation of Government Code Section 84200.5 (1 count) and failed to timely file a 24-hour report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$510.**

In the Matter of Rhonda Taylor Lakeside Union School Board 2020, Rhonda Taylor, and Michelle McPhail; FPPC No. 20/1005. Staff: Angela J. Brereton, Chief of Enforcement and Amber Burnside, Assistant Political Reform Consultant. Rhonda Taylor was a successful candidate for Lakeside Union School Board of Trustees in the November 3, 2020 General Election. Rhonda Taylor Lakeside Union School Board 2020 was her candidate-controlled committee. Michelle McPhail was the Committee's treasurer. The Committee, Taylor, and

McPhail failed to timely file a preelection campaign statement, in violation of Government Code Section 84200.5 (1 count) and failed to file a 24-hour report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$430.**

In the Matter of Loren Steck for Monterey Peninsula College Trustee 2020, Loren Steck, and Sidney Slade; FPPC No. 20/994. Staff: Angela J. Brereton, Chief of Enforcement and Amber Burnside, Assistant Political Reform Consultant. Loren Steck was a successful candidate for Monterey Peninsula College Board of Trustees in the November 3, 2020 General Election. Loren Steck for Monterey Peninsula College Trustee 2020 was his candidate-controlled committee. Sidney Slade was the Committee's treasurer. The Committee, Steck, and Slade failed to timely file a preelection campaign statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$400.**

In the Matter of Stone for Council 2020, Randall Stone, and Krista Stone; FPPC No. 20/955. Staff: Angela J. Brereton, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Randall Stone was an unsuccessful candidate for Chico City Council in the November 3, 2020 General Election. Stone for Council 2020 was his candidate-controlled committee. Krista Stone was the Committee's treasurer. The Committee, Stone, and Stone failed to timely file a 24-hour report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$254.**

In the Matter of Santa Clara County Park Rangers Association PAC and Jacob Waltemeyer; FPPC No. 21/111. Staff: Angela J. Brereton, Chief of Enforcement and Chloe Hackert, Political Reform Consultant. Santa Clara County Park Rangers Association PAC is a local general purpose committee. Jacob Waltemeyer is the Committee's treasurer. The Committee and Waltemeyer failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

In the Matter of Jody Johnson for School Board 2018, Jody Johnson, and Stacey Ault; FPPC No. 20/758. Staff: Angela J. Brereton, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Jody Johnson was an unsuccessful candidate for Sacramento City Unified Board of Education Trustee in the November 6, 2018 General Election. Jody Johnson for School Board 2018 was his candidate-controlled committee. Stacey Ault was the Committee's treasurer. The Committee, Johnson, and Ault failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Late Filer

In the Matter of James Morris; FPPC No. 19/865. Staff: Angela J. Brereton, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. James Morris, a Governing Board Member of Scott Valley Irrigation District in Siskiyou County, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

In the Matter of Paul McCoy: FPPC No. 19/862. Staff: Angela J. Brereton, Chief of Enforcement and Shaina Elkin, Staff Services Analyst. Paul McCoy, a member of the Regional Solid Waste Joint Powers Authority in Siskiyou County, failed to timely file an Assuming Office Statement of Economic Interests, in violation of Government Code Section 87300 (1 count).

Total Proposed Penalty: \$200.

II. LEGAL DIVISION

STAFF: DAVE BAINBRIDGE, GENERAL COUNSEL

A. Pending Litigation

California State Association of Counties and California School Boards Association v. FPPC
County of Los Angeles Superior Court, Central District
Case No. BS174653

On September 11, 2018, petitioners served a first amended petition for writ of mandate and complaint for declaratory relief. Petitioners allege that Regulations 18420.1 and 18901.1 are invalid as a matter of law, that the Commission has exceeded its jurisdiction in adopting these Regulations, and that the Regulations are unenforceable.

On March 29, 2019, the Commission's Motion for Judgment on the Pleadings was granted with leave to amend. The court vacated all hearing dates and set a new trial setting conference. Plaintiffs timely filed a second amended complaint on June 27, 2019.

The Commission filed a demurrer and the hearing occurred on November 22, 2019. In its ruling, the court: (1) sustained the demurrer to the first cause of action without leave to amend; (2) sustained the demurrer with leave to amend on plaintiff CSBA's standing on all cause of action and plaintiff CSAC's standing on all causes of actions challenging Regulation 18901.1; and (3) overruled the remaining grounds for demurrer.

Petitioners filed a third amended complaint, and the Commission filed an answer. The parties submitted pretrial briefs and after hearing on December 4, 2020, the court issued an order denying the writ. Notice of entry of the court's judgment was served on January 12, 2021. Petitioners' deadline to file a notice of appeal is March 15, 2021.

Mat Wahlstrom v. California Fair Political Practices Commission and Steven J. Kaufman
San Diego County Superior Court, Central Division
Case No. 37-2020-00030654-CU-WM-CTL

Petitioner filed a petition for writ of mandate on August 31, 2020. The petition seeks to set aside a streamline stipulation, decision and order against Todd Gloria adopted by the Commission in November 2019. The Attorney General is representing the Commission. The Commission filed an answer to the complaint on October 22, 2020.

B. Outreach and Training

Webinars

- February 9th, the FPPC hosted an SEI Filing Officer webinar. Staff Services Manager Alana Jeydel and Political Reform Consultant Adam Ramirez presented. 51 people attended.
- February 17th, the FPPC hosted an SEI Filer webinar. Political Reform Consultants Katie Trumbly and Stephen Hernandez presented. 47 people attended.
- February 23rd, the FPPC presented a Candidate Treasurer webinar to the League of Cities Inland Empire Chapter. Political Reform Consultants Adam Ramirez and Stephen Hernandez presented. Eight people attended.
- February 25th, the FPPC presented a Campaign Filing Officer webinar to the League of Cities Inland Empire Chapter. Political Reform Consultants Adam Ramirez and Stephen Hernandez presented. Five people attended.

Scheduled Webinars

- March 2nd, the FPPC is hosting a Campaign Filing Officer webinar.
- March 10th, the FPPC is hosting a Candidate/Treasurer webinar.
- March 16th, the FPPC is presenting an SEI Filers webinar requested by the city of Santa Clarita, but open to the public.
- March 24th, the FPPC is presenting an SEI Filing Officer webinar.

Video Tutorials

- Commission video tutorials were accessed a total of 756 times in February. Form 700 videos were accessed 561 times, the Candidate/Treasurer video was accessed 72 times, and the filing officer videos were accessed 123 times.

C. Advice

The February 26, 2021, Advice Letter Report is available at <https://fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2021-advice-letter-reports/FPPC-advice-letter-report-feb-2021.html>.

In February, the Legal Division responded to the following requests for advice:

- **Education Program:** The Education Program responded to 528 requests for technical assistance via phone.
- **Requests for Advice:** The Email Advice and Conflict of Interest Code Program and Legal Division attorneys collectively responded to more than 792 email and telephone requests for advice, 107 of which were not responded to within 24 hours.
- **Advice Letters:** The Legal Division received 10 advice letter requests under the Political Reform Act and completed 10.
- **Section 1090 Letters:** The Legal Division received three advice letter request concerning Section 1090 and completed 11.

D. Miscellaneous Decisions

None to report.

E. Potential Upcoming Regulations

April 15th, 2021

- Campaign Ads and Media. (Regulation 18421.5.) Update existing regulation requiring advertising disclosure for online content paid for by a committee and adopt a new regulation interpreting when a communication made in the style of a media report qualifies as an advertisement under the Act. (Prenotice.)
- Cal-Access Replacement System (CARS). (Regulations 18402.1, 18406, 18410, 18422.5, 18465, 18465.1, 18601, 18611, 18616, and 18616.4.) The Secretary of State's new electronic campaign and lobbyist reporting system, CARS, is scheduled to begin operating in February 2021. Numerous minor updates to existing regulations will be required as a result of CARS and its implementing legislation. (Adoption.)

May 20th, 2021

- Permissible Campaign Expenditures. (New Regulation.) Provide guidance on whether an expenditure of campaign funds has a sufficient political, legislative, or governmental purpose under Article 4 of the Act. Provisions may include specific items previously addressed through the advice or opinion process, and/or generally applicable guidelines. (Adoption.)
- Disclose Act. (Regulations 18421.5, 18435.5, 18450.1, and 18450.11.) Various regulatory additions and amendments to interpret and clarify provisions of the Disclose Act including disclosures on advertisements in multiple languages, disclosures on electronic slate mailers, disclosures on various forms of social media, and paid spokesperson disclosure. (Prenotice.)

June 17th, 2021

- Campaign Ads and Media. (Regulation 18421.5.) Update existing regulation requiring advertising disclosure for online content paid for by a committee and adopt a new regulation interpreting when a communication made in the style of a media report qualifies as an advertisement under the Act. (Adoption.)

F. Conflict of Interest Codes

Adoptions and Amendments

State Agency Conflict of Interest Codes

- Department of Motor Vehicles

Multi-County Agency Conflict of Interest Codes

- Aromas Water District
- Fire Agencies Self-Insurance System
- Opportunities for Learning-CA Inc
- Options for Youth-San Gabriel
- Propel Charter School Management, Inc
- Truckee Fire Protection District

Exemptions

- None to Report.

Extensions

- None to Report.

G. Probable Cause Hearings

None to Report.

III. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF OF ADMINISTRATION

New Employee Report

No New Staff to Report

Statement of Economic Interest (Form 700)

As of March 5, 2021, there were 176 Form 700 non-filers of the 2019/2020 Annual Form 700 filing. The Statement of Economic Interest Unit has made 201 non-filer referrals to the Enforcement Division.