



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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EXECUTIVE STAFF REPORTS

January 21, 2021 Commission Hearing

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I. ENFORCEMENT DIVISION

STAFF: ANGELA BRERETON, CHIEF OF ENFORCEMENT

I. Overview

During the period of December 1, 2020 through December 31, 2020 the Enforcement Division received 36 complaints, opened 6 for investigation, and rejected 15. The Enforcement Division received 79 referrals during this time. The Enforcement Division closed a total of 123 cases including:

- 73 warning letters – advertisement violations (1), campaign violations (56), conflict of interest violations (2), and statement of economic interests violations (14);
- 18 no action closure letters alleging – advertisement violations (1), campaign violations (10), conflict of interest violations (1), and statement of economic interests violations (6);
- 18 approved stipulations from the August, September, November and December Commission meetings; and
- 14 committees were administratively terminated.

The Division had 1,421 cases in various stages of resolution at the time of the November Monthly Report and currently has approximately 1,376 cases in various stages of resolution, including the 17 cases before the Commission as listed in the January 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.

Campaign Late Filer

In the Matter of Olsen for Senate 2018, Kristin M. Olsen, and Sally Olsen; FPPC No. 20/405. Staff: Angela Brereton, Chief of Enforcement and Dominika Wojenska, Associate Governmental Program Analyst. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Kristin M. Olsen was a successful candidate for Stanislaus County Supervisor in the June 7, 2016 Primary Election. Olsen for Senate 2018 was her candidate-controlled committee. Sally Olsen was the Committee's treasurer. The Committee, Kristin M. Olsen, and Sally Olsen failed to timely file two preelection campaign statements, in violation of Government Code Section 84200.5 (2 counts). **Total Proposed Penalty: \$1,358.**

In the Matter of Rick Jennings for City Council 2018, Rick Jennings, and Shawnda Deane; FPPC No. 20/766. Staff: Angela Brereton, Chief of Enforcement and Dominika Wojenska, Associate Governmental Program Analyst. Rick Jennings was a successful candidate for Sacramento City Council in the June 5, 2018 Primary Election. Rick Jennings for City Council 2018 was his candidate-controlled committee. Shawnda Deane was the Committee's treasurer. The Committee, Jennings, and Deane failed to timely file five 24-hour reports, in violation of Government Code Section 84203 (5 counts). **Total Proposed Penalty: \$1,101.**

In the Matter of Roman A. Reyna for City Council 2018, Roman Reyna, and Sandra Perez; FPPC No. 18/1280. Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Roman Reyna was a successful candidate for Santa Ana City Council in the November 6, 2018 General Election. Roman A. Reyna for City Council 2018 was his candidate-controlled committee. Sandra Perez was the Committee's treasurer. The Committee, Reyna, and Perez failed to timely file two preelection campaign statements, in violation of Government Code Section 84200.5 (2 counts); failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200 (1 count); and failed to file a 24-hour report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$1,042.**

In the Matter of Scott Alvord for Roseville City Council 2016, Scott Alvord, and Karen Alvord; FPPC No. 20/1056. Staff: Angela Brereton, Chief of Enforcement and Ginny Lambing, Political Reform Consultant. Scott Alvord was a successful candidate for Roseville City Council in the November 8, 2016 General Election. Scott Alvord for Roseville City Council 2016 was his candidate-controlled committee. The Committee and Alvord failed to timely file three semi-annual campaign statements, in violation of Government Code Section 84200 (3 counts). **Total Proposed Penalty: \$611.**

In the Matter of Sierra for California State Senate 2018, Ruben Sierra, and Albertina

Maribel Nolasco; FPPC No. 18/577. Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Ruben Sierra was an unsuccessful candidate for California State Senate in the June 5, 2018 Primary Election. Sierra for California State Senate 2018 was his candidate-controlled committee. Albertina Maribel Nolasco was the Committee's treasurer. The Committee, Sierra, and Nolasco failed to timely file two preelection campaign statements, in violation of Government Code Section 84200.5 (2 counts). **Total Proposed Penalty: \$473.**

In the Matter of Steve Bird for Mayor 2020 and Steve Bird; FPPC No. 20/1052. Staff:

Angela Brereton, Chief of Enforcement and Chloe Hackert, Political Reform Consultant. Steve Bird was a successful candidate for Mayor of Dixon in the November 3, 2020 General Election. Steve Bird for Mayor 2020 was his candidate-controlled committee. The Committee and Bird failed to timely file a 24-hour report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$230.**

In the Matter of Vikki Chavez for County Board of Education Nov 2020, Vikki Chavez,

and Jane Emanuel; FPPC No. 20/1125. Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Vikki Chavez was an unsuccessful candidate for Contra Costa County Board of Education in the November 3, 2020 General Election. Vikki Chavez for County Board of Education Nov 2020 is her candidate-controlled committee. Jane Emanuel is the Committee's treasurer. The Committee, Chavez, and Emanuel failed to timely file a preelection campaign statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$223.**

Statement of Economic Interests Late Filer

In the Matter of Armando Espinoza; FPPC No. 18/519. Staff: Jenna C. Rinehart, Commission

Counsel. The respondent was represented by Gary Winuk of Kaufman Legal Group. Armando Espinoza, as a Commission Member for the Green Vernon Commission, failed to timely file a 2016 Annual, 2017 Annual, and a Leaving Office Statement of Economic Interests, in violation of Government Code Section 87300 (3 counts). **Total Proposed Penalty: \$1,200.**

In the Matter of Siva Gunda; FPPC No. 20/723. Staff: Angela Brereton, Chief of Enforcement

and Amber Burnside, Assistant Political Reform Consultant. Siva Gunda, a Deputy Director for the California Energy Commission, failed to timely file a 2019 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**

In the Matter of Reid Milanovich; FPPC No. 20/688. Staff: Angela Brereton, Chief of

Enforcement and Amber Burnside, Assistant Political Reform Consultant. Reid Milanovich, a Board Member for the Coachella Valley Mountains Conservancy, failed to timely file an Assuming Office Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Late Reporter

In the Matter of Phil Brock; FPPC No. 20/882. Staff: Angela Brereton, Chief of Enforcement and Political Reform Consultant, Chloe Hackert. The respondent was represented by Beverly Grossman Palmer of Strumwasser Woocher, LLP. Phil Brock, as a Candidate for Santa Monica City Council in the November 3, 2020 General Election, failed to timely report an interest in real property and two business positions on his Candidate Statement of Economic Interests, in violation of Government Code Sections 87206 and 87207 (3 counts). **Total Proposed Penalty: \$300.**

In the Matter of Ronald Smith; FPPC No. 20/603. Staff: Jenna C. Rinehart, Commission Counsel, and Lance M. Hachigian, Special Investigator. Ronald Smith, as a member of the City Council for California City, failed to timely report two interests in real property on his 2019 Annual Statement of Economic Interests, in violation of Government Code Section 87206 (2 counts). **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. FPCC
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.

Plaintiffs filed a third amended complaint, and the Commission has filed an answer. The trial originally set for November 6, 2020, was held on December 4, 2020. On December 14, 2020, the court issued an order denying the writ.

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

- December 8th, the FPPC hosted a Statement of Economic Interest Filers webinar. Political Reform Consultants Katie Trumbly and Adam Ramirez presented. 6 people attended.
- December 10th, the FPPC hosted a Statement of Economic Interests Filing Officer webinar. Political Reform Consultants Katie Trumbly and Stephen Hernandez presented. 30 people attended.
- December 18th, Staff Services Manager, Alana Jeydel, presented on new laws and regulations at the City Clerks Annual Conference. 312 people attended.

Scheduled Webinars

- January 6th, the FPPC is hosting a Candidate/Treasurer webinar.
- Jan 12th, the FPPC is hosting a Statement of Economic Interest Filers webinar.
- Jan 14th, the FPPC is hosting a Statement of Economic Interests Filing Officer webinar.
- Jan 20th, the FPPC is presenting an SEI Filers webinar to Cal STRS.
- January 26th, the FPPC is conducting an SEI Filer webinar for the Port of San Diego.
- January 29th, the FPPC is presenting an SEI Filers webinar to the State Personnel Board.
- February 23rd, the FPPC is presenting a Candidate Treasurer webinar to the League of Cities Inland Empire Chapter.
- February 25th, the FPPC is presenting a Campaign Filing Officer webinar to the League of Cities Inland Empire Chapter.

Video Tutorials

- Commission video tutorials were accessed a total of 368 times in December. Form 700 videos were accessed 256 times, the Candidate/Treasurer video was accessed 62 times, and the filing officer videos were accessed 50 times.

C. Advice

The December 2020, Advice Letter Report is available at <http://fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/advice-letter-reports/2020/Advice%20Letter%20Report%20December%202020.pdf>

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

- **Education Program:** The Education Program responded to 443 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 676 e-mail and telephone requests for advice, 80 of which were not responded to within 24 hours.
- **Advice Letters:** The Legal Division received five advice letter requests under the Political Reform Act and completed six.
- **Section 1090 Letters:** The Legal Division received seven advice letter request concerning Section 1090 and completed three. The FPPC received 48 advice requests regarding Section 1090 in 2020.

D. Miscellaneous Decisions

None to report.

E. Potential Upcoming Regulations

February 18th, 2021

- **Local Contribution Limits.** (Amending Regulations 18404.1, 18421.4, 18421.8, 18521, 18521.5, 18523.1, 18530.2, 18530.8, 18531.2, 18531.5, 18531.61, 18535, 18536, 18537.1, 18545, and 18951; and adopting new regulations.) Update existing regulations and adopt new regulations in response to Assembly Bill 571 (2019), which imposes campaign contribution limits on county and city elected offices if a jurisdiction has not adopted its own limit. The legislation also authorizes the Commission to enforce local contribution limits imposed by state law. (Prenotice Discussion.)

March 18th, 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. (Prenotice Discussion.)
- **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.)

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.)

F. Conflict of Interest Codes

Adoptions and Amendments

State Agency Conflict of Interest Codes

- CA Community Colleges
- Hastings College of Law

Multi-County Agency Conflict of Interest Codes

- Desert Community College District
- Solano County Water Agency
- Yucaipa Valley Water District

Exemptions

- Healthy California for All Commission

Extensions

- CA Child Welfare Council

G. Probable Cause Hearings

None to report.

III. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF OF ADMINISTRATION

New Employee Report

Legal Division

Amanda Apostol, Associate Governmental Program Analyst (Promotion)

Enforcement Division

Christopher B. Burton, Assistant Chief of Enforcement (Promotion)

Statement of Economic Interest (Form 700)

As of January 8, 2021, there were 200 Form 700 non-filers of the 2019/2020 Annual Form 700 filing. The Statement of Economic Interest Unit has made 174 non-filer referrals to the Enforcement Division.