



EXECUTIVE STAFF REPORTS

March 16, 2023 Commission Hearing

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I. ENFORCEMENT DIVISION

STAFF: CHRISTOPHER BURTON, ACTING CHIEF OF ENFORCEMENT

A. Overview

During the period of February 1, 2023 through February 28, 2023 the Enforcement Division received 64 complaints, opened 2 for investigation, and rejected 17. Enforcement Division received 107 referrals during this time. The Enforcement Division closed a total of 87 cases including:

- 52 warning letters – advertisement violations (5), campaign violations (17), behested payment violation (1), conflict of interest violation (1), lobbying reporting violations (2), and statement of economic interests violations (26);
- 5 no action closure letters: PREP completed – statement of economic interests violations
- 5 no action closure letters alleging – advertisement violation (1), lobbying reporting violation (1), and statement of economic interests violations (3);
- 1 advisory letter alleging – lobbying reporting violation;
- 20 approved stipulations from the January and February Commission meetings; and
- 4 committees were administratively terminated.

The Division had 1,449 cases in various stages of resolution at the time of the February Monthly Report and currently has approximately 1,403 cases in various stages of resolution, including the 11 cases before the Commission as listed in the March Agenda.

B. 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 2021, in which the Enforcement Division had a 16% increase in Streamline Penalties compared to 2020 after the Commission updated the Streamline Program regulations with the goal of making the Streamline Program more inclusive. 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	2018	2019	2020	2021	2022
1	Complaints Received	1,352	744	1,390	606	1,379
2	Referrals Received	1,529	1,950	1,518	1,751	1,724
3	Total Complaint and Referrals Received	2,881	2,694	2,908	2,357	3,103
4	Cases opened	1,561	1,820	1,155	1,185	990
5	Cases closed ³	1,243	1,465	1,526	1,058	1,075
6	Cases with penalties ¹	235	343	278	269	161
	a Streamline cases	173	263	194	234	142
	b Mainline cases	56	73	77	32	14
	c Default cases	6	7	7	3	5
7	Total fines imposed	\$499,606	\$797,384	\$1,940,107	\$472,248	\$617,548
8	Warning letters issued	554	584	777	475	681
9	Administrative terminations	177	104	62	59	53
10	Cases closed with violations found ²	966	1,031	1,117	803	895
1	Advisory letters issued	20	9	7	16	8
12	No action closure letters	252	423	402	237	217

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.

C. Prior Year's Workload – 2022 Quarterly Summary

3/31/2022		6/30/2022	
Year Opened	Existing Case Workload	Year Opened	Existing Case Workload
2016	10	2016	7
2017	19	2017	12
2018	174	2018	154
2019	268	2019	253
2020	361	2020	335
2021	476	2021	451

9/30/2022		12/31/2022		
Year Opened	Existing Case Workload	Year Opened	Existing Case Workload	Difference in Case Workload
2016	5	2016	3	-2
2017	7	2017	5	-2
2018	119	2018	105	-14
2019	223	2019	208	-15
2020	322	2020	311	-11
2021	425	2021	402	-23

D. Presentations

None to report.

E. 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 the Chief's discretion per Regulation 18360.2.

Since the last Monthly Report, the Enforcement Chief has not used discretion to increase the penalties for Tier Two advertising violations resulting in public confusion, under Regulation 18360.3(d)(7)(B)(i)(b), or 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.

The Enforcement Chief used discretion under Regulation 18360.3 to include violations in the following streamline cases presented with this report: In the Matter of Travis Allen For Governor

2018, Travis Allen, and Lysa Ray; FPPC No. 2017-00916 [The Chief of Enforcement may include or exclude any filer from receiving a Tier Two streamline penalty based upon mitigating or aggravating circumstances and the totality of the circumstances, including situations where an exclusion may apply.]

Campaign Bank Account

In the Matter of Travis Allen, Travis Allen For Governor 2018, and Lysa Ray; FPPC No. 17/916. Staff: Christopher B. Burton, Acting Chief of Enforcement and Paul Rasey, Special Investigator. This matter arose, in part, from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Travis Allen was an unsuccessful candidate for Governor in the June 5, 2018 Primary Election. Travis Allen For Governor 2018 was Allen's candidate-controlled committee. Lysa Ray served as the Committee's treasurer. The Committee, Allen, and Ray failed to maintain adequate records and documentation to fully substantiate the campaign reporting during four different reporting periods, in violation of Government Code Section 84104 (4 counts). The Committee, Allen, and Ray failed to pay certain expenditures from the designated campaign bank account during two different reporting periods, in violation of Government Code Section 85201 (2 counts). The Committee, Allen, and Ray failed to timely report certain activity on campaign statements covering five different reporting periods, in violation of Government Code Section 84211 (5 counts). **Total Penalty: \$5,508 (Tiers One & Two).**

Advertisements

In the Matter of Buena Park Teachers Association Political Action Committee, Karen Musurlian; FPPC No. 18/1475. Staff: Alex Rose, Commission Counsel and Roone Petersen, Special Investigator. Buena Park Teachers Association PAC is a local primarily formed committee. Karen Musurlian is the Committee's principal officer. The Committee and Musurlian failed to include the proper advertising disclosures on yard signs, postcards, and doorhangers distributed prior to the November 6, 2018 General Election, in violation of Government Code Section 84502 (3 counts). **Total Penalty: \$1,215 (Tier Two).**

In the Matter of Khalid Chaudhry; FPPC No. 18/1275. Staff: Alex Rose, Commission Counsel. Khalid Chaudhry was a local independent expenditure committee in the November 6, 2018 General Election. The Committee failed to timely file a 24-hour independent expenditure report, in violation of Government Code Section 84204 (1 count); and failed to include the proper advertising disclosure on an advertisement distributed prior to the November 6, 2018 General Election, in violation of Government Code Section 84502 (1 count). **Total Penalty: \$546 (Tier One).**

Lobbying Reporting

In the Matter of CALinnovates; FPPC No. 19/386. Staff: Alex Rose, Commission Counsel. The respondent is represented by James Sutton of the Sutton Law Firm. CALinnovates, a \$5,000 filer, failed to timely file two Reports of Persons Spending \$5,000 or More to Influence

Legislative or Administrative Action (Form 645), in violation of Government Code Section 86116 (2 counts). **Total Penalty: \$4,815 (Tier Two).**

Campaign Late Filer

[In the Matter of Joseph W Brady for Victor Valley College Board of Trustees 2022, Joseph W. Brady, and Cheryl L. Bluy; FPPC No. 22/1058.](#) Staff: Christopher Burton, Acting Chief of Enforcement and Vanessa Greer, Staff Services Analyst. Joseph W. Brady was a successful candidate for Victor Valley Community College District Member, Governing Board Area 2 in the November 8, 2022 General Election. Joseph W Brady for Victor Valley College Board of Trustees 2022 was Brady's candidate-controlled committee and Cheryl L. Bluy served as the Committee's treasurer. The Committee, Brady, and Bluy failed to timely file eight 24-hour contribution reports, in violation of Government Code Section 84203 (8 counts). **Total Penalty: \$1,695 (Tier One).**

[In the Matter of Kassandra Wilson and Kassandra Wilson Trustee of Chaffey Joint Union High School District for Area 4 – 2022; FPPC No. 23/028.](#) Staff: Christopher Burton, Acting Chief of Enforcement and Vanessa Greer, Staff Services Analyst. Kassandra Wilson was an unsuccessful candidate for Chaffey Joint Union High School District Member, Governing Board Area 4 in the November 8, 2022 General Election. Kassandra Wilson Trustee of Chaffey Joint Union High School District for Area 4 – 2022 was Wilson's candidate-controlled committee. Wilson served as the Committee's treasurer. The Committee and Wilson failed to timely file two 24-hour contribution reports, in violation of Government Code Section 84203 (2 counts). **Total Penalty: \$435 (Tier One).**

[In the Matter of Danny Tillman and Tillman for San Bernardino School Board 2022; FPPC No. 22/1069.](#) Staff: Christopher Burton, Acting Chief of Enforcement and Vanessa Greer, Staff Services Analyst. Danny Tillman was a successful candidate for San Bernardino City Unified School District Member, Governing Board in the November 8, 2022 General Election. Tillman for San Bernardino School Board 2022 was Tillman's candidate-controlled committee, and they served as the Committee's treasurer. Tillman and the Committee failed to timely file a 24-hour contribution report, in violation of Government Code Section 84203 (1 count). **Total Penalty: \$250 (Tier One).**

Statement of Economic Interests Late Filer

[In the Matter of Beau Diedrich; FPPC No. 20/702.](#) Staff: Christopher Burton, Acting Chief of Enforcement and Taylor Culberson, Assistant Political Reform Consultant. Beau Diedrich, Director, Silver Creek Drainage District, failed to timely file the 2019 and 2020 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Penalty: \$400 (Tier One).**

[In the Matter of Arif Mansuri; FPPC No. 20/053.](#) Staff: Christopher Burton, Acting Chief of Enforcement and Taylor Culberson, Assistant Political Reform Consultant. Arif Mansuri, Board Member with the Library Board of Trustees, City of Fullerton, failed to timely file the Assuming

Office Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Penalty: \$200 (Tier One).**

Statement of Economic Interests Late Reporter

In the Matter of Sarkis Nazerian; FPPC No. 21/653. Staff: Alex Rose, Commission Counsel and Katelin Angeloni, Special Investigator. The respondent is represented by Raffi G. Naljian of Naljian Law Offices. Sarkis Nazerian, Building Official for the City of Pasadena, failed to timely report one source of income on their 2019 and 2020 Annual Statement of Economic Interests, in violation of Government Code Section 87302 (2 counts). **Total Penalty: \$200 (Tier One).**

II. AUDITS AND ASSISTANCE DIVISION

STAFF: SHRDHA SHAH, CHIEF

Audits are conducted per Government Code sections 90000 - 90008 of the Political Reform Act (the Act). The Act requires full disclosure of receipts and expenditures of candidates and committees and disclosure of the finances of lobbyists. The purpose of the audits is to determine the level of compliance of the auditees with the Act. The opinions expressed in the audit report reflect the level of compliance with the Act. The FPPC is not responsible for the contents of the candidate's documents. Audit reports are then submitted to the Enforcement Division for further review.

A. Overview

The audit reports prepared by the FPPC summarize findings with respect to the filer's conformity with the disclosure and recordkeeping requirements of the Political Reform Act. Copies of audit reports are always sent to the auditees and those included in the audit report (such as the prior treasurer, current treasurer and/or their representatives). These reports are public documents.

B. Current Period Updates

During the period of February 1, 2023, through February 28, 2023, the Audits and Assistance Division adopted 2 audit reports, both with no findings. Currently the team has 27 audits in progress at various stages, including fieldwork, post-fieldwork, and quality review.

Details of the audit report adopted during the period are as follows:

- **Vazquez for State Board of Equalization (ID#1393498)**
 - No findings noted.

- **Carrillo for Supervisor 2020 (ID#1415180)**
 - Candidate for San Bernardino Board of Supervisors, District 3.
 - No findings noted.

III. LEGAL DIVISION

STAFF: DAVE BAINBRIDGE, GENERAL COUNSEL

A. Pending Litigation

Family Business Association of California, et. al. v. FPPC, et. al., (Superior Court County of Sacramento, Case No. 34-2023-00335169-CU-MC-GDS). Plaintiffs filed a civil complaint on February 22, 2023 in Sacramento County Superior Court seeking a court order: (1) declaring Government Code section 84308 as amended by SB 1439 (effective January 1, 2023) unconstitutional on grounds that it unlawfully amends the Political Reform Act and violates state and Federal right of free speech; and (2) enjoining the FPPC from enforcing Section 84308 on the same basis. The FPPC has 30 days to file a responsive pleading.

B. Outreach and Training

Webinars & Workshops

- February 2, the FPPC presented a Statement of Economic Interests Filers workshop requested by the California Department of Food and Agriculture. Education and External Affairs Unit Manager, Chloe Hackert, presented. 36 people attended.
- February 8, the FPPC presented a Statement of Economic Interests Filers webinar requested by the County of Los Angeles Department of Parks and Recreation. Political Reform Consultants, Alex Castillo and Stephen Hernandez, presented. 121 people attended.
- February 9, the FPPC presented a Statement of Economic Interests Fling Officer webinar. Political Reform Consultants, Katie Trumbly and Adam Ramirez, presented. 50 people attended.
- February 14, the FPPC presented a Statement of Economic Interests Filers webinar requested by the County of San Diego Sheriff's Department. Education and External Affairs Unit Manager, Chloe Hackert, presented. 45 people attended.
- February 17, the FPPC presented a Candidate/Treasurer Getting Started workshop requested by Hispanas Organized for Political Equality (HOPE). Political Reform Consultant, Katie Trumbly, presented. 32 people attended.
- February 21, the FPPC presented a Candidate/Treasurer workshop requested by Katz Compliance. Political Reform Consultant, Adam Ramirez, presented. 3 people attended.
- February 23, the FPPC presented a Statement of Economic Interests Filers webinar. Political Reform Consultants, Stephen Hernandez and Alex Castillo, presented. 24 people attended.
- February 28, the FPPC presented a Behested Payments webinar. Education and External Affairs Unit Manager, Chloe Hackert, presented. 12 people attended.

Scheduled Webinars & Workshops

- March 9, the FPPC is hosting a Statement of Economic Interests Filers webinar.
- March 14, the FPPC is hosting a Statement of Economic Interests Filing Officer webinar.
- March 21, the FPPC is hosting a Campaign Filing Officer webinar.

Video Tutorials

Commission video tutorials were accessed a total of 732 times in February. Form 700 videos were accessed 523 times, the Candidate/Treasurer video was accessed 81 times, and the filing officer videos were accessed 128 times.

C. New and Updated Educational Resources

- Updated Recall Elections FAQ: https://fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Documents/Recall_Elections.pdf

D. Political Reform Education Program (PREP)

During the period of February 1, 2023 through February 28, 2023, PREP received 8 referrals for the Statement of Economic Interests course. During this time, 3 learners completed PREP, and 15 learners are enrolled but have not yet completed the course.

E. Advice

The [February Advice Report](https://www.fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2023-advice-letter-reports.html) is available on the FPPC website at <https://www.fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2023-advice-letter-reports.html>.

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

- **Education:** The Education unit responded to 480 requests for technical assistance via telephone.
- **Requests for Advice:** Political Reform Consultants and Legal Division attorneys collectively responded to 719 email requests for advice, 206 of which were not responded to within 24 hours.
- **Advice Letters:** The Legal Division received 12 advice letter requests under the Political Reform Act and completed 9.
- **Section 1090 Letters:** The Legal Division received 5 advice letter request concerning Section 1090 and completed 5. This year to date, we have received 12 advice requests regarding Section 1090.

F. Miscellaneous Decisions

None

G. Upcoming Regulation Projects

April

- Advertising disclosure rules - Update regulations concerning advertising disclosure rules due to passage of SB 1360. (Pre-notice)
- Administrative subpoenas – Update Regulation 18361.1, including specifying voluntary compliance efforts required before issuing a subpoena. (Pre-notice)
- Levine Act - Update regulations interpreting and implementing Section 84308 due to passage of SB 1439. (Adoption)

May

- Return of over-the-limit contributions - Update regulation concerning returning over-the-limit contributions due to passage of SB 794. (Adoption)

June

- Collection of Enforcement Penalties – Adopt a regulation detailing the Enforcement penalty collection process and permitting the reduction and/or discharge of penalties in certain circumstances. (Pre-notice)
- Advertising disclosure rules - Update regulations concerning advertising disclosure rules due to passage of SB 1360. (Adoption)
- Administrative subpoenas – Update Regulation 18361.1, including specifying voluntary compliance efforts required before issuing a subpoena. (Adoption)

H. Conflict of Interest Codes

Adoptions and Amendments

State Agencies

- CA State Auditor's Office

Multi-County Agencies

- CA Joint Powers Insurance Authority
- California Online Public Schools (CalOPS)
- Capitol Valley Regional Service Authority for Freeways and Expressways
- Central Valley Financing Authority
- County Medical Services Program
- Las Virgenes Triunfo Joint Powers Authority
- Northern California Energy Authority
- Northern California Gas Authority Number 1
- Sacramento Area Council of Governments

- Sacramento Cogeneration Authority
- Sacramento Municipal Utility District (SMUD)
- Sacramento Municipal Utility District Finance Authority
- Sacramento Power Authority
- Springs Charter Schools
- Truckee Fire Protection District
- Truckee Tahoe Airport District

Exemptions

None

Extensions

None

I. Probable Cause Proceedings

None

IV. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF

A. New Employee Report

No new staff to report.

B. Statement of Economic Interest (Form 700)

As of March 1, 2023, 153 persons who were required under their state or local agency conflict of interest code to file a 2021/2022 Annual Form 700 had not timely done so.