



## FAIR POLITICAL PRACTICES COMMISSION

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**To:** Chair Ravel; Commissioners Eskovitz, Garrett, Montgomery and Rotunda

**From:** Gary S. Winuk, Chief of Enforcement  
Neal P. Bucknell, Senior Commission Counsel

**Subject:** In the Matter of Glen Gerson and Malibu Conference Center, Inc.  
Fair Political Practices Commission Case No. 11/803

**Date:** July 20, 2012

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This matter is submitted for informational purposes only. No action is required by the Commission.

On May 17, 2012, the Fair Political Practices Commission ("Commission") approved agenda item number eight, *In the Matter of Glen Gerson and Malibu Conference Center, Inc.*, FPPC No. 11/803 (Default Decision), imposing a penalty in the amount of \$25,000 for five counts of laundering money into the campaign account of Barbra Williamson, who was seeking reelection to the Simi Valley City Council in 2008. (Ms. Williamson prevailed in the election.) Attached hereto as Exhibit A is a copy of the Commission's Default Decision and Order in that case. The total amount laundered in that case was \$5,000.

Exhibit 1 to the Default Decision and Order noted, at page 3, that Ms. Williamson was not named as a respondent in the laundering case because the contributors maintained that they did not inform Ms. Williamson about the true source of the contributions, and no information was revealed

to suggest otherwise. However, the Default Decision and Order went on to note that if the Default Decision and Order were approved by the Commission, Ms. Williamson's campaign would be required to disgorge the laundered funds. This is required by Government Code section 85701, which provides: "Any candidate or committee that receives a contribution in violation of Section 84301 shall pay to the General Fund of the state the amount of the contribution."

Following the Commission's approval of the Default Decision and Order, the Enforcement Division sent a letter to Ms. Williamson regarding her duty to return the laundered funds, totaling \$5,000, to the General Fund of the State of California. On July 20, 2012, the Enforcement Division received full payment from Ms. Williamson. As required by law, the disgorgement payment will be turned over to the General Fund of the State of California in connection with the complete resolution of this matter.

\* \* \* \* \*

# Exhibit A

1 GARY S. WINUK  
Chief of Enforcement  
2 NEAL P. BUCKNELL  
Senior Commission Counsel  
3 FAIR POLITICAL PRACTICES COMMISSION  
428 J Street, Suite 620  
4 Sacramento, CA 95814  
Telephone: (916) 322-5660

5 Attorneys for Complainant  
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7

8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
9 STATE OF CALIFORNIA  
10

11 In the Matter of

12 GLEN GERSON and MALIBU  
CONFERENCE CENTER, INC.,

13 Respondents.  
14

FPPC No. 11/803

DEFAULT DECISION AND ORDER

(Gov. Code, §§ 11506 and 11520)

15 Complainant, the Fair Political Practices Commission, hereby submits this Default Decision and  
16 Order for consideration at its next regularly scheduled meeting.

17 Respondents Glen Gerson and Malibu Conference Center, Inc. have been provided advice by an  
18 attorney of their choosing as to their rights to a probable cause hearing and administrative hearing under  
19 the Political Reform Act, Administrative Procedure Act, and all other relevant laws, and they have  
20 chosen to waive all such rights to a probable cause hearing and administrative hearing and to allow this  
21 matter to proceed to a default decision.

22 In this case, Respondents Glen Gerson and Malibu Conference Center, Inc. violated the Political  
23 Reform Act as described in Exhibit 1, which is incorporated by reference as though fully set forth herein.  
24 Exhibit 1 is a true and accurate summary of the law and evidence in this matter.

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1 This Default Decision and Order is submitted to the Commission to obtain a final disposition of  
2 this case.

3  
4 Dated: 5/15/12

  
5 Gary S. Winuk, Chief of Enforcement  
6 Fair Political Practices Commission

7 **ORDER**

8 The Commission issues this Default Decision and Order and imposes an administrative penalty of  
9 \$25,000 against Respondents Glen Gerson and Malibu Conference Center, Inc. This penalty is payable  
10 to the "General Fund of the State of California."

11 IT IS SO ORDERED, effective upon execution below by the Chairman of the Fair Political  
12 Practices Commission at Sacramento, California.

13  
14  
15 Dated: 5/17/2012

  
16 Ann Ravel, Chair  
17 Fair Political Practices Commission

## EXHIBIT 1

### INTRODUCTION

Respondent Glen Gerson is the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc.

In this case, Respondents violated the Political Reform Act (the "Act")<sup>1</sup> as follows:

- Count 1: In approximately July 2008, Respondents Glen Gerson and Malibu Conference Center, Inc. made a contribution in the amount of \$1,000 to the Committee to Reelect Barbra Williamson, but the contribution was made in the name of Morris Gerson Family Company, Inc., in violation of Section 84301.
- Count 2: In approximately July 2008, Respondents Glen Gerson and Malibu Conference Center, Inc. made a contribution in the amount of \$1,000 to the Committee to Reelect Barbra Williamson, but the contribution was made in the name of Carlos Camara, in violation of Section 84301.
- Count 3: In approximately October 2008, Respondents Glen Gerson and Malibu Conference Center, Inc. made a contribution in the amount of \$1,000 to the Committee to Reelect Barbra Williamson, but the contribution was made in the name of Jereme Hall, in violation of Section 84301.
- Count 4: In approximately October 2008, Respondents Glen Gerson and Malibu Conference Center, Inc. made a contribution in the amount of \$1,000 to the Committee to Reelect Barbra Williamson, but the contribution was made in the name of Alejandro Jair Neciosuz Paz, in violation of Section 84301.
- Count 5: In approximately October 2008, Respondents Glen Gerson and Malibu Conference Center, Inc. made a contribution in the amount of \$1,000 to the Committee to Reelect Barbra Williamson, but the contribution was made in the name of Sharon Sigourney Campbell-Schettiny, in violation of Section 84301.

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<sup>1</sup> The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

## **PROCEDURAL HISTORY**

Respondents have been informed of the charges set forth herein. Also, they have consulted with an attorney of their choosing about their rights to a probable cause hearing and an administrative hearing under the Political Reform Act, the Administrative Procedure Act, and all other relevant laws. However, Respondents have agreed to waive these rights, and they are aware that by doing so, the Enforcement Division will proceed with this default recommendation to the Commission, which, if approved by the Commission, will result in Respondents being held jointly and severally liable for the full penalty amount of \$25,000.

A certified copy of Respondents' written waiver in this regard is submitted herewith as Exhibit A and incorporated herein by reference as if in full.

## **NATURE OF DEFAULT PROCEEDINGS**

In this situation, where Respondents have waived their rights to a probable cause conference and an administrative hearing, the Commission may take action based upon the Respondents' express admissions or upon other evidence, and affidavits may be used as evidence without any notice to the Respondents. (Section 11520, subd. (a).)

## **SUMMARY OF THE LAW**

All statutory references and discussions of law pertain to the Act's provisions as they existed at the time of the violations in question.

### **Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act**

When the Political Reform Act was enacted, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities. (Section 81001, subd. (h).) To that end, Section 81003 requires that the Act be liberally construed to achieve its purposes.

One of the purposes of the Act is to ensure that receipts in election campaigns are fully and truthfully disclosed so that voters may be fully informed and improper practices may be inhibited. (Section 81002, subd. (a).) Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced." (Section 81002, subd. (f).)

### **Prohibition Against Money Laundering**

Under the Act, no contribution may be made, directly or indirectly, in the name of another. (Section 84301.)

## SUMMARY OF THE FACTS

At all relevant times, Respondent Glen Gerson was the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc.

In 2008, a contribution limit in the amount of \$1,000 was in effect for all candidates for Simi Valley City Council. (Simi Valley Ordinance No. 1001; Simi Valley Muni. Code, tit. 2, § 2-5.04.)

At that time, Barbra Williamson was seeking reelection to the Simi Valley City Council. (She prevailed in the election.)

With respect to the counts set forth below, the contributions in question total approximately 10.6% of all contributions that the Committee to Reelect Barbra Williamson reported receiving in 2008. Respondents maintain that they did not inform Barbra Williamson about the true source of the contributions, and no information has been revealed to suggest otherwise. Accordingly, Barbra Williamson and her committee are not named respondents in this case. However, if this Default Decision and Order is approved by the Commission, the Committee to Reelect Barbra Williamson will be required to disgorge the laundered funds pursuant to Section 85301, which provides: "Any candidate or committee that receives a contribution in violation of Section 84301 shall pay to the General Fund of the state the amount of the contribution."

### Count 1

On or about July 7, 2008, a contribution in the amount of \$1,000 was made to the Committee to Reelect Barbra Williamson from the checking account of (and in the name of) Morris Gerson Family Company, Inc.

On or about July 15, 2008, Respondent Malibu Conference Center, Inc. reimbursed Morris Gerson Family Company, Inc. for the full amount of the contribution. The reimbursement check was drawn on the Candlelight Kitchen and Bar account of Respondent Malibu Conference Center, Inc. It was signed by Garner Gerson, General Manager of Respondent Malibu Conference Center, Inc. However, the reimbursement was directed and controlled by Garner Gerson's father, Respondent Glen Gerson.

At the time, Respondent Glen Gerson was the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc. Also, he was President and part-owner of Morris Gerson Family Company, Inc.

The making of this contribution in the name of another was a circumvention of the local contribution limit of \$1,000 because Respondent Malibu Conference Center, Inc. already had contributed the maximum allowable amount to the Committee to Reelect Barbra Williamson. (Simi Valley Ordinance No. 1001; Simi Valley Muni. Code, tit. 2, § 2-5.04.)



In acting as described above, Respondents Glen Gerson and Malibu Conference Center, Inc. committed one violation of Section 84301.

### Count 2

On or about July 7, 2008, a contribution in the amount of \$1,000 was made to the Committee to Reelect Barbra Williamson from the joint checking account of Carlos and Skye Camara. (Ultimately, the recipient reported that the contribution was made by Carlos Camara.)

On or about July 8, 2008, Respondent Malibu Conference Center, Inc. reimbursed Skye Camara for the full amount of the contribution. The reimbursement check was drawn on the Candlelight Kitchen and Bar account of Respondent Malibu Conference Center, Inc. It was signed by Garner Gerson, General Manager of Respondent Malibu Conference Center, Inc. However, the reimbursement was directed and controlled by Garner Gerson's father, Respondent Glen Gerson.

At the time, Respondent Glen Gerson was the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc. Also, at the time, Skye Camara was a management level employee of Respondents Glen Gerson and Malibu Conference Center, Inc.

The making of this contribution in the name of another was a circumvention of the local contribution limit of \$1,000 because Respondent Malibu Conference Center, Inc. already had contributed the maximum allowable amount to the Committee to Reelect Barbra Williamson. (Simi Valley Ordinance No. 1001; Simi Valley Muni. Code, tit. 2, § 2-5.04.)

In acting as described above, Respondents Glen Gerson and Malibu Conference Center, Inc. committed one violation of Section 84301.

### Count 3

On or about October 16, 2008, a contribution in the amount of \$1,000 was made to the Committee to Reelect Barbra Williamson from the joint checking account of Jereme Hall and Monica Bennett. (Ultimately, the recipient reported that the contribution was made by Jereme Hall.)

On or about that same day, Respondent Malibu Conference Center, Inc. reimbursed Monica Bennett for the full amount of the contribution. The reimbursement check was drawn on the Candlelight Kitchen and Bar account of Respondent Malibu Conference Center, Inc. It was signed by Garner Gerson, General Manager of Respondent Malibu Conference Center, Inc. However, the reimbursement was directed and controlled by Garner Gerson's father, Respondent Glen Gerson.

At the time, Respondent Glen Gerson was the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc.

Also, at the time, Monica Bennett was a management level employee of Respondents Glen Gerson and Malibu Conference Center, Inc.

The making of this contribution in the name of another was a circumvention of the local contribution limit of \$1,000 because Respondent Malibu Conference Center, Inc. already had contributed the maximum allowable amount to the Committee to Reelect Barbra Williamson. (Simi Valley Ordinance No. 1001; Simi Valley Muni. Code, tit. 2, § 2-5.04.)

In acting as described above, Respondents Glen Gerson and Malibu Conference Center, Inc. committed one violation of Section 84301.

#### **Count 4**

On or about October 16, 2008, a contribution in the amount of \$1,000 was made to the Committee to Reelect Barbra Williamson from the joint checking account of Alejandro Jair Neciosup Paz and Tiffany Neciosup Paz. (Ultimately, the recipient reported that the contribution was made by Alejandro Jair Neciosup Paz.)

On or about that same day, Respondent Malibu Conference Center, Inc. reimbursed Alejandro Jair Neciosup Paz for the full amount of the contribution. The reimbursement check was drawn on the Candlelight Kitchen and Bar account of Respondent Malibu Conference Center, Inc. It was signed by Garner Gerson, General Manager of Respondent Malibu Conference Center, Inc. However, the reimbursement was directed and controlled by Garner Gerson's father, Respondent Glen Gerson.

At the time, Respondent Glen Gerson was the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc. Also, at the time, Alejandro Jair Neciosup Paz was a management level employee of Respondents Glen Gerson and Malibu Conference Center, Inc.

The making of this contribution in the name of another was a circumvention of the local contribution limit of \$1,000 because Respondent Malibu Conference Center, Inc. already had contributed the maximum allowable amount to the Committee to Reelect Barbra Williamson. (Simi Valley Ordinance No. 1001; Simi Valley Muni. Code, tit. 2, § 2-5.04.)

In acting as described above, Respondents Glen Gerson and Malibu Conference Center, Inc. committed one violation of Section 84301.

#### **Count 5**

On or about October 16, 2008, a contribution in the amount of \$1,000 was made to the Committee to Reelect Barbra Williamson from the checking account of (and in the name of) Sharon Sigourney Campbell-Schettiny.

On or about that same day, Respondent Malibu Conference Center, Inc. reimbursed Ms. Campbell-Schettiny for the full amount of the contribution. The reimbursement check was drawn on the Candlelight Kitchen and Bar account of Respondent Malibu Conference Center, Inc. It was signed by Garner Gerson, General Manager of Respondent Malibu Conference Center, Inc. However, the reimbursement was directed and controlled by Garner Gerson's father, Respondent Glen Gerson.

At the time, Respondent Glen Gerson was the Chief Executive Officer, President, Chief Financial Officer, Secretary, and sole Director of Respondent Malibu Conference Center, Inc. Also, at the time, Ms. Campbell-Schettiny was a management level employee of Respondents Glen Gerson and Malibu Conference Center, Inc.

The making of this contribution in the name of another was a circumvention of the local contribution limit of \$1,000 because Respondent Malibu Conference Center, Inc. already had contributed the maximum allowable amount to the Committee to Reelect Barbra Williamson. (Simi Valley Ordinance No. 1001; Simi Valley Muni. Code, tit. 2, § 2-5.04.)

In acting as described above, Respondents Glen Gerson and Malibu Conference Center, Inc. committed one violation of Section 84301.

### CONCLUSION

This matter consists of five counts of violating the Act, which carry a maximum administrative penalty of \$5,000 per count, for a total maximum penalty of \$25,000. (Section 83116, subd. (c).)

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in the context of the following factors set forth in Regulation 18361.5, subdivision (d)(1) through (6):

- (1) The seriousness of the violation;
- (2) The presence or absence of any intention to conceal, deceive or mislead;
- (3) Whether the violation was deliberate, negligent or inadvertent;
- (4) Whether the violator demonstrated good faith by consulting the Commission staff or any other government agency in a manner not constituting a complete defense under Government Code section 83114(b);

(5) Whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and

(6) Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

Regarding Counts 1 through 5, a fairly recent default decision involving money laundering imposed the maximum penalty of \$5,000 per count even though the respondents cooperated with the Enforcement Division to a certain extent by waiving their right to a probable cause hearing and an administrative hearing. (See *In the Matter of Copelands' Properties, LLC, CP 962 Monterey, LLC, Responsible County Development, LLC, David Booker, James Copeland and Thomas Copeland*, FPPC No. 07/467, approved Oct. 14, 2010.)

Making campaign contributions in the name of another is one of the most serious violations of the act. It deceives the public as to the true source of a contribution, and in this case, it was done to circumvent contribution limits. Also, it is important to note that all of the contributions in question were made before the election.

Under these circumstances, it is respectfully submitted that imposition of the maximum penalty of \$5,000 per count is justified, for a total penalty in the amount of \$25,000.