



## FAIR POLITICAL PRACTICES COMMISSION

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**(Unapproved and subject to change)**

### **CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION**

#### **MINUTES OF MEETING, Public Session**

**Thursday, July 12, 2012**

#### **CALL TO ORDER**

Chair Ann Ravel called the meeting to order at 10:00 AM at 428 J Street, Eighth Floor, Sacramento, California. Chair Ravel and Commissioners Lynn Montgomery, Sean Eskovitz, and Ronald Rotunda were present. Commissioners Eskovitz and Rotunda attended by telephone. Commissioner Garret was absent.

#### **WELCOME AND CHAIR'S REPORT**

Ann Ravel, FPPC Chair

Chair Ann Ravel provided an update on commission sponsored legislation relating to independent expenditures – Assembly Bill 481. This bill received letters of support from Common Cause and Maplight and passed unanimously out of the Senate Elections Committee after testimony by Commission General Counsel Zack Morazzini. AB 481 is now with the Senate Appropriations Committee with a recommendation that it passes with consent.

She further noted that, the Conflicts of Interest regulation will be dealt with this fall. The Commission intends to address foreseeability issues first and the materiality issues thereafter, in separate meetings. This regulation may be delayed given its complexity and the interest of the Commission that proposed regulations are understandable and clear so that all who will be affected are able to comply.

On June 3, 2012, the New York Times ran an article titled, *Text for Your Candidate*, in the Sunday Review. The article was authored by Chair Ann Ravel, Commission Counsel Hyla Wagner, and Jared DeMarinis, Director of Maryland State Board of Elections. Maryland and California are the only two states in the country that has enacted regulations related to text message contributions during political campaigns. Subsequent to this article, the Federal Elections Commission decided text message contributions was permissible under federal law as well.

## **PUBLIC COMMENT**

### **1. Public Comment.**

**This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.**

Chair Ravel opened the floor for public comment. There were no members of the public wishing to speak on this Agenda item.

The Chair announced that Item 4 with the approval of the Commissioners was to be continued to the next meeting. Commissioner Montgomery made a motion to remove Item 4 from the consent calendar. The motion was seconded by Commissioner Rotunda.

Ayes: Commissioners Eskovitz, Montgomery, Rotunda, and Chair Ravel.

The motion passed 4 to 0.

## **PROPOSED CONSENT CALENDAR ITEMS 2-16**

### **2. Approval of May 2012 Commission Meeting Minutes.**

Chair Ravel opened the floor to approve the minutes from the May 17, 2012, Commission meeting.

Commissioner Montgomery made a motion to approve the May 2012 Commission Meeting Minutes. The motion was seconded by Commissioner Eskovitz.

Ayes: Commissioners Eskovitz, Montgomery, Rotunda, and Chair Ravel.

The motion passed 4 to 0.

## **Advertisement Violation**

**3. In the Matter of Yes on Proposition A, FPPC No. 12/301.** Staff: Chief of Enforcement Gary Winuk, Political Reform Consultant Adrienne Korchmaros and Executive Fellow Emiko Burchill. Respondent Yes on Proposition A was formed

in 2012 as a primarily formed ballot measure committee supporting Proposition A, which was placed on the June 5, 2012, ballot in the City of San Diego. Respondent failed to provide written disclosure for a period of at least five seconds with a reasonable degree of color contrast between the background and text of the disclosure statement on a television advertisement, in violation of Government Code Section 84503 (1 count). **Total Proposed Penalty: \$2,500.**

Chair Ravel explained that this advertising violation is a significant matter for the Commission. This is a good first step in our enforcement measures, as this matter arises from a self-initiated evaluation of political advertising. The Commission intends to scrutinize all political ads for compliance with the disclosure rules during this campaign season.

#### **Campaign Reporting Violations**

- 4. In the Matter of Committee for Measure G – Loomis and Paul I. Mineer, FPPC No. 09/0702 (Default Decision). Total Proposed Penalty: \$6,000.**
- 5. In the Matter of Joe Moreno and the Committee to Re-elect Joe Moreno, FPPC No. 11/1054. Total Proposed Penalty: \$1,500.**

#### **Campaign Reporting Violations – Streamline**

- 6. In the Matter of Lady Cage-Barile, and Cage for Assembly 2010, FPPC No. 11/101. Total Proposed Penalty: \$400.**
- 7. In the Matter of Desley Brooks, Friends of Desley Brooks, and Darleen Brooks, Treasurer, FPPC No. 12/209. Total Proposed Penalty: \$400.**
- 8. In the Matter of Kasey Cotulla for Sacramento City Council 2010, and Kasey Cotulla, Treasurer, FPPC No. 12/107. Total Proposed Penalty: \$800.**
- 9. In the Matter of Malibu Democratic Club, and Jean Goodman, Treasurer, FPPC No. 12/241. Total Proposed Penalty: \$400.**

### **Conflict of Interest**

- 10. In the Matter of Theodore Park, FPPC No. 11/058. Total Proposed Penalty: \$3,500.**

### **Late Contribution Reporting Violation**

- 11. In the Matter of Putting Riverside First – Bill Emmerson for Senate 2010, funded by California Dental Association Independent Expenditure PAC and California Real Estate Independent Expenditure Committee; Thomas W. Hiltachk, Treasurer, FPPC No. 12/212. Total Proposed Penalty: \$1,500.**

### **Slate Mailer Reporting Violation**

- 12. In the Matter of Election Education Guide and Tracey Pomerance-Poirier, FPPC No. 10/980. Total Proposed Penalty: \$2,000.**

### **Statement of Economic Interests – Failure to Report – Streamline**

- 13. In the Matter of Gary Townsend, FPPC No. 12/291. Total Proposed Penalty: \$200.**

### **Statement of Economic Interests – Non-Filer – Streamline**

- 14. In the Matter of Ivan Altamirano, FPPC No. 11/927. Total Proposed Penalty: \$200.**
- 15. In the Matter of Chad Anderson, FPPC No. 11/1107. Total Proposed Penalty: \$200.**
- 16. In the Matter of Inez Rozar, FPPC No. 11/036. Total Proposed Penalty: \$200.**

Commissioner Eskovitz confirmed that Item 4 has been removed from the proposed consent calendar. Item 2 passed 4 to 0. Commissioner Eskovitz made a motion to approve consent calendar Items 2 through 16 with the exception of Item 2 and Item 4. The motion was seconded by Commissioner Rotunda.

Ayes: Commissioners Eskovitz, Montgomery, Rotunda, and Chair Ravel.  
The motion passed 4 to 0.

## **GENERAL ITEM**

- 17. Adoption of Amendment to Regulation 18640:** Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel Jack Woodside. Staff proposes to amend the Regulation 18640, subdivision (b), to make the valuation of an official's "drop-in" visit to an invitation-only event sponsored by a lobbyist or lobbying firm consistent with the valuation of a "drop-in" visit by an official under the recently amended Regulation 18946.2, subdivision (e).

Senior Commission Counsel Woodside addressed the Commission and provided an overview of the amendment to Regulation 18640.

Commissioner Rotunda expressed concern with the language, specifically in subsection (F). Mr. Woodside explained that the intent behind subsection (F) was to carryover the provisions of Regulation 18946.2 to the lobbyist end of the transaction. Commissioner Rotunda explained that the Commission is trying to move towards rules that are clearer and requested to carryover this regulation to the next commission meeting so that the language could be further refined.

Ellie Abdolie addressed the Commission. She stated that with an invitation-only event, time is spent on figuring the costs of podiums and stages, as this information must be included in the lobbyist report, whereas similar information is not included on the Form 700 submitted by public officials. Therefore, there is a discrepancy between the valuation of the donor versus the recipient and that is what this amended regulation addresses. She requested that the Commission address this matter during this meeting.

Commissioner Montgomery made a motion to approve the adoption of the amendment to Regulation 18640. The motion was seconded by Commissioner Eskovitz.

Ayes: Commissioners Eskovitz, Montgomery, and Chair Ravel.  
Nos: Commissioner Rotunda  
The motion passed 3 to 1.

## **EXECUTIVE STAFF REPORTS ITEM 18**

**Executive Director's Report.** Staff: Executive Director, John Wallace

**Legislative Report.** Staff: Legislative Coordinator, Tara Stock

**Litigation Report.** Staff: General Counsel, Zackery P. Morazzini

**Legal Division Report.** Staff: General Counsel, Zackery P. Morazzini

**Enforcement Division Report.** Staff: Chief of Enforcement, Gary Winuk

**Technical Assistance Division Report.** Staff: Chief of T.A.D., Lynda Cassady

**Administrative Division Report.** Staff: Chief of Administration, Tina Bass

Executive Director addressed the commission and declared Item 18 "as submitted."

Commissioner Montgomery made a motion to adjourn. The motion was seconded by Commissioner Eskovitz.

Ayes: Commissioners Eskovitz, Montgomery, Rotunda, and Chair Ravel.

The motion passed 4 to 0.

Chair Ravel adjourned the meeting.