



(Approved November 16, 2023)
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF HEARING, Public Session
Thursday, October 19, 2023
10:00 a.m.

Present: Chair Miadich, Commissioner Baker, Commissioner Ortiz, Commissioner Wilson, and Commissioner Wood

Staff Present: Galena West, Executive Director
James M. Lindsay, Chief of Enforcement
Dave Bainbridge, General Counsel
Shrdha Shah, Chief of Audits and Assistance
Loressa Hon, Chief of Administration
Lindsey Nakano, Senior FPPC Legislative Counsel
Julianna Contreras, Commission Assistant

Call to Order.

Chair Miadich called the meeting to order at 10:30 a.m.

1. Public Comments for items not on the agenda.

Steve Petzold inquired about making sworn or anonymous complaints and the progress of a complaint.

2. Approval of Commission Minutes.

MOTION: To approve the September 2023 meeting minutes. Moved by Commissioner Wilson; seconded by Commissioner Wood. The motion passed 4-0. Commissioner Ortiz abstained from voting on the minutes.

3 – 5. Consent Calendar.

Commissioner Baker requested agenda item #3 be removed for discussion. Commissioner Ortiz requested agenda item #5 be removed for discussion.

MOTION: To approve item 4 In the Matter of City Grove, Scott Stiles; FPPC No. 18/1357. Moved by Chair Miadich; seconded by Commissioner Wood. The motion passed 5-0.

3. In the Matter of Kellie Schneider, FPPC No. 19/1775.

James M. Lindsay, Chief of Enforcement, presented to the Commission the stipulation regarding Kellie Schneider. Commissioner Baker raised concerns regarding the counts since the stipulated agreement

doesn't include all the late SEI disclosures. She asked if the Form 700 is ambiguous about when you need to include your spouse's income. Chief Lindsay stated that the instructions were not ambiguous. Commissioner Wilson agreed with Commissioner Baker about the penalty, stating that it should be higher. Commissioner Wood asked if Enforcement considers there to be high public harm for violations after leaving office. Mr. Lindsay responded that there was no ongoing harm because she was out of office. If the previous harm was significant enough then it would be enforced separately. The Chair and Commissioners disagreed with this settlement and requested Enforcement to return with renegotiated language. The Commission made a Motion to reject the stipulation with instructions that staff add additional counts for violations of the SEIs to the extent that there are SEIs for which the information regarding the spouse's income was not included, if there are counts of SEIs for which the information regarding the spouse's income was not included but it is not being charged because of statute of limitations then that will be stated clearly in the stipulation, lastly, add language specifically identifying the facts and basis for staff's conclusion that there was no intent to violate the conflict of interests rules.

MOTION: To approve the rejection of the stipulation with instructions to renegotiate the stipulation. Moved by Chair Miadich; seconded by Commissioner Baker. The motion passed 5-0.

5. Updates to Campaign Form 410, Statement of Organization.

Chloe Hackert, Education & External Affairs Unit Manager, presented an overview of the updates and additional changes in response to public comments on Form 410, Statement of Organization.

Commissioner Ortiz asked for clarification on the changes, the effective date, and if participants would need to amend their previously submitted forms. Dave Bainbridge, General Counsel, clarified they do not need to resubmit the form, and it will take effect moving forward upon approval of the Commission.

Chair Miadich added that the Commission acknowledged the number of public comments received regarding privacy issues. The FPPC has gone to the Legislature twice and tried to change that law to allow for the redaction of bank accounts. Unfortunately, the bills did not pass. Commissioner Ortiz suggested continuing to pursue the legislation to tackle this concern raised by the public.

MOTION: To approve Campaign Form 410, Statement of Organization. Moved by Chair Miadich; seconded by Commissioner Ortiz. The motion passed 5-0.

6. Update on Section 84308 (Levine Act) advice and educational efforts since the enactment of SB 1439 and adoption of amended regulations.

Dave Bainbridge, General Counsel, presented an update requested by the Commission back in May when the regulation was adopted. Through September, the Legal Division has issued 8 advice letters in 2023 concerning Section 84308. Staff has seen a significant increase in email advice requests concerning Section 84308 this year. Through September 30, we've received 96 email advice requests. Kevin Cornwall, the attorney who drafted the regulations, provided staff training, and it will be available to the public via an online Webinar on November 1, 2023. This training will contain an overview of the Section 84308 requirements and the perspective of both the official and the party or participant. Training guides are also provided on the FPPC website under Training and Outreach.

7. Adoption: Proposed Regulation 18318, Collections. Executive Director's Authority for the Settlement of an Order for Monetary Penalties.

Karen Harrison, Senior Commission Counsel, presented an overview of the adoption of proposed Regulation 18318, which gives the authority to the Executive Director into a settlement agreement in full satisfaction of an order for monetary penalties and report the executed settlement to the Commission after staff's efforts for collections have been reached. Chair Miadich suggested that the Executive Director report the settlements in the monthly report to the Commissioners since the regulation does not specify when the reports are due. Line 8, after the word "Execution," the following sentence should be added: "That report shall be made at the next Commission meeting." Galena West, Executive Director, agreed with the Chair's suggestion. Commissioner Ortiz asked for clarification when an individual who has been served the violation and their ability to pay the fine. Ms. West clarified that the Enforcement Division has criteria, and in the settlements presented to the Commission, Respondents have already paid their fines.

Therefore, this regulation won't apply to these individuals. Regulation 18318 will apply to the default cases when someone has decided not to participate in the process or completely disagrees and can't be reached. This regulation is based on the Commission's focus on efficient and effective collection procedures.

Motion: To approve Regulation 18318 following the change to subdivision b, line 8, "that report shall be made at the next Commission meeting," seconded by Commissioner Wilson. The motion passed 4-0.

8. Legislative Update.

Lindsey Nakano, Senior FPPC Legislative Counsel, presented an update on legislative outcomes and will be presenting ideas for the new legislative calendar at the November Commission meeting.

9. Executive Staff Reports.

The Executive Staff Reports were accepted as submitted.

10. Commissioner Comments and Proposed Future Agenda Items.

Chair Miadich requested that Mr. Bainbridge and the Legal Division report back in January 2024 about Regulation 18537.1 and the rationale or basis for the decision to define a subsequent election the way it is currently defined in our regulations and the alternatives that have been proposed or considered during that time and why they were rejected.

MOTION: To Adjourn the meeting. Moved by Chair Miadich; seconded by Commissioner Ortiz. The motion passed 4-0.

Commissioner Baker left the meeting at 11:20 a.m. The meeting adjourned at 12:10 p.m.

Respectfully Submitted,
Julianna Contreras
Commission Assistant
Approved

Richard C. Miadich, Chair
Fair Political Practices Commission