



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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Second Quarter Update

Campaign Reporting and Advertising Disclosure

Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning campaign reporting or advertising disclosure. To receive updates for all regulations before the Commission, please sign up for our [mailing list here](#).

None.

Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about campaign reporting or advertising disclosure. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#).

Campaign

Kelly Lawler

[A-22-020](#)

The Act does not prohibit a committee from providing a vendor with its candidate's logo for use on merchandise or from receiving a commission on the sales of merchandise. However, due to the coordination between the committee and the vendor to create and sell the merchandise at no cost to the committee, the vendor is making a contribution to the committee. Because the committee has an agreement for the vendor to sell campaign merchandise to its benefit, the vendor is an agent or independent contractor of the committee and the committee must report expenditures of \$500 or more made by the vendor as specified by Section 84303. Additionally, the Act does not prohibit the committee from promoting the vendor on the committee's official website and social media and charging a fee. However, the vendor's payment for the space is a contribution unless the committee can establish that the vendor is paying a fair market value for the advertising space.

Russell Creighton

[I-22-030](#)

The actions of a local democratic club in endorsing candidates, distributing communications containing express advocacy, and conducting partisan get-out-the-vote efforts will qualify it as an independent expenditure or recipient committee subject to registration and reporting should it meet the requisite monetary thresholds as established by the Act.

Behested Payments

Helen Homes Peak

[A-22-062](#)

Where a city council issued letters of support to federal officeholders to secure federal funding for a state university, no behested payment reports will be required if the funding is ultimately awarded because the payments would be made by a federal government agency for a governmental purpose.

Commission Opinions

None.

Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's campaign reporting and advertising disclosure provisions. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

Campaign Late Filer

In the Matter of Nick for Lake Forest City Council 2016, Adam Nick, individually, Bryan Burch, and Adam Nick, as major donor committee; FPPC No. 16/20096. Staff: Christopher B. Burton, Assistant Chief of Enforcement. The respondents were represented by Bill Baber. Adam Nick was an unsuccessful candidate for Lake Forest City Council in the November 8, 2016 General Election. Nick for Lake Forest City Council 2016 (the "Candidate Committee") is Nick's candidate-controlled committee in conjunction with their campaign. Bryan Burch is the Committee's treasurer. Nick also qualified as a major donor committee (the "Major Donor Committee") in 2016. The Candidate Committee, Nick, and Burch failed to timely report certain nonmonetary contributions on one pre-election and one semi-annual campaign statement, in violation of Government Code Section 84211 (1 count). The Candidate Committee and Nick failed to utilize the designated campaign bank account for certain contributions and expenditures, in violation of Government Code Section 85201 (1 count). The Major Donor Committee failed to timely report certain nonmonetary contributions on a major donor campaign statement, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$5,000.**

Default

In the Matter of Friends of H. Fangary for Hermosa Beach City Council 2013, H. S. Fangary for City Council 2017, Dina Fangary, and Hany S. Fangary; FPPC No. 18/005. Staff: Theresa Gilbertson, Senior Commission Counsel. Hany S. Fangary was a successful candidate for the 2013 and 2017 elections for City Council. H. Fangary for Hermosa Beach City Council 2013 and H. S. Fangary for City Council 2017 were Fangary's candidate-controlled committees. Dina Fangary served as the Committee's treasurer. The 2013 Committee, Fangary, and Fangary failed to timely file eight semi-annual campaign statements, in violation of Government Code Section 84200 (1 count) and failed to timely file two pre-election campaign statements, in violation of Government Code Sections 84200.5 and 84200.8 (2 counts). The 2017 Committee, Fangary, and Fangary failed to timely file a pre-election campaign statement, in violation of Government Code Sections 84200.5 and 84200.8 (2 counts), failed to timely file six semi-annual campaign statements, in violation of Government Code Section 84200 (1 count), failed to utilize a single, designated campaign bank account for all contributions, in violation of Government Code Section 85201 (1 count), and failed to include complete disclosure on a mass mailing, in violation of Government Code Section 84305 (1 count). **Total Proposed Penalty: \$24,000.**

In the Matter of Committee to Oppose Measure E, and James R. Nyman; FPPC No. 18/206. Staff: Christopher B. Burton, Assistant Chief of Enforcement and Lance Hachigian, Special Investigator. Committee to Oppose Measure E was a committee primarily formed to oppose Palos Verdes Estates Measure E, which appeared on the ballot in the April 10, 2018 Special Municipal Election. James R. Nyman served as the principal officer and treasurer of the Committee. The Committee and Nyman failed to timely file a pre-election campaign statement, in violation of Government Code Sections 84200.5 and 84200.8 (1 count), failed to timely report contributions, loans, expenditures, and subvendor payments on a semi-annual campaign statement, in violation of Government Code Section 84211 (1 count), and failed to timely file an amendment to the Committee's statement of organization after the Committee qualified, in violation of Government Code Section 84103 (1 count). **Total Proposed Penalty: \$9,500.**

Campaign Late Reporter and Cash Contributions and Expenditures

[In the Matter of Anthony Phan and Neighbors for Anthony Phan 2016-City Council, FPPC No. 17/054.](#)

Staff: Bridgette Castillo, Senior Commission Counsel and Rooney Petersen, Special Investigator. Anthony Phan was a successful candidate for Milpitas City Council in the November 8, 2016 General Election and was re-elected in the November 3, 2020 General Election. Phan is currently a member of the Milpitas City Council. Neighbors for Anthony Phan 2016-City Council (Committee) was Phan's candidate-controlled committee in 2016. Johnathon Le was the named treasurer through 2016. In 2017, Phan was the Committee treasurer. In this matter, Phan and the Committee failed to properly report a loan, in violation of Government Code Section 84211, subdivisions (f), (g) and (k) (1 count), impermissibly received and made expenditures of cash over \$100, in violation of Government Code Section 84300, subdivisions (a), (b) and (c) (1 count), and failed to properly disclose required contributor information on campaign statements, in violation of Government Code Section 84211, subdivisions (f)(3) and (f)(4) (1 count). **Total Proposed Penalty: \$15,000.**

Legislation

[AB 1798 \(Bryan\)](#) – Campaign disclosure: advertisements.

Status: Passed in the Assembly on 4/7/22 (65-0); referred to the Senate Elections Committee; set for hearing in the Senate Elections Committee on 6/13/22

Summary:

AB 1798 makes a minor change to an advertisement disclaimer law to allow certain committees to include the full required disclaimer on the ad itself, instead of requiring that the ad include only a hyperlink to the full disclaimer.

FPPC Cost: Minor and absorbable

FPPC Position: Support (Sponsor)

[AB 2528 \(Bigelow\)](#) – Cal-Access: local candidates and elected officers.

Status: Passed in the Assembly Appropriations Committee on 5/19/22 (16-0); passed in the Assembly on 5/23/22 (72-0)

Summary:

AB 2528 requires an elected local government officer or candidate for elective local government office who has campaign contributions of \$15,000 or more and who is not currently required to file with the SOS to file with the SOS through their online filing and disclosure system, in addition to filing with whoever the statement or document is currently filed with under the PRA, such as the elected officer's local filing officer.

The bill requires the SOS, by the January 1st after the SOS certifies the new online filing system, to submit a report to the Legislature that specifies the changes to the online filing system needed to accommodate the local filings described in the bill. The bill requires the SOS to consult with the FPPC and the Department of Technology in preparing this report.

The bill would require local candidates and officers to begin filing online with SOS on the January 1st following the date that the SOS certifies that the necessary changes to the online filing system have been made.

FPPC Cost: Minor and absorbable

FPPC Position: Support

SB 1352 (Allen) – Reporting contributions.

Status: Passed in Senate Appropriations Committee on 5/19/22 (5-1); passed in the Senate on 5/25/22 (32-2)

Summary:

SB 1352 would require a candidate for elective state office and a committee primarily formed to support or oppose such a candidate, as specified, to file a report disclosing the receipt of a contribution of \$2,500 or more at any time prior to 90 days before an election, and to do so within 5 business days of receipt. Existing law requires reporting during this period of contributions of \$5,000 or more within 10 business days of receipt.

FPPC Cost: \$170,428 (first year); \$163,428 (ongoing annually)

- 1 Commission Counsel (Enforcement)

FPPC Position: No position

SB 1360 (Umberg and Allen) – advertisement disclosures.

Status: Passed in the Senate Appropriations Committee on 5/19/22 (5-2); passed in the Senate on 5/25/22 (34-3)

Principal Coauthors: Senator Stern and Assembly Members Cervantes, Mullin, Muratsuchi, and Santiago

Coauthors: Senator Becker and Assembly Member Gabriel

Summary:

SB 1360 would make changes to the disclosure requirements for political advertisements, including changes to the required form, content, and presentation of the disclosures depending on the medium in which the advertisement appears, including:

- Formatting changes to the disclosures required on a campaign advertisement disseminated as a video.
- Changes to the disclosures required on an electronic media advertisement that is a graphic or an image.

- Permitting, for electronic media advertisements and video advertisements
- disseminated over the internet, the shortening of a committee's name, as specified.
- Prohibiting any text or images, other than text or images required by law, from being included in a campaign advertisement's disclosure area.

This bill would also make changes in the Elections Code relating to initiative, referendum, and recall petitions.

FPPC Cost: \$170,428 (first year); \$163,428 (ongoing annually)

- 1 Commission Counsel (Enforcement)

FPPC Position: Support for provisions of the bill amending the PRA, and no position on provisions amending the Elections Code