



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811
(916) 322-5660 • Fax (916) 322-0886

Third 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

Peter Bagatelos

[A-22-081](#)

A candidate may use separate campaign committees simultaneously while running for two separate terms of office. Pursuant to the Act, expenditures must be made from the account set up for a specific term of office. To the extent there are expenditures made which benefit both campaigns, these costs must be allocated between the committees using a reasonable method and documented in the committees' files.

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](#).

Advertisements

In the Matter of Americans for Safe Neighborhoods and Candice Pressley, FPPC No. 18/314. Staff: Theresa Gilbertson, Senior Commission Counsel and Paul Rasey, Special Investigator. Americans for Safe Neighborhoods is a state general purpose committee and Candice Pressley serves as treasurer and principal officer. The Committee and Pressley failed to include correct disclosure statements on advertisements, including videos disseminated on a social media page and the landing page of a social media page, in violation of Government Code Sections 84502, 84504, and 84506.5 (1 count.) The Committee and Pressley failed to timely file campaign statements for the reporting periods ending May

19, 2018 and June 30, 2018, in violation of Government Code Sections 84200.5 and 84200 (1 count.)
Fine: \$3,500.

In the Matter of Committee for a Strong Siskiyou Economy, No on Measure H Sponsored by Crystal Geysers Water Company, Kelly Lawler, Jill Harris, and Crystal Geysers Water Company; FPPC No. 17/123. Staff: Theresa Gilbertson, Senior Commission Counsel and Ann Flaherty, Special Investigator. Respondent Committee and Kelly Lawler were represented by Steve Churchwell of Buchalter Law Firm. Respondent Jill Harris and Crystal Geysers Water Company were represented by Nicholas Sanders, and Jim Sutton of the Sutton Law Firm. Committee for a Strong Siskiyou Economy, No on Measure H Sponsored by Crystal Geysers Water Company was a primarily formed ballot measure committee active in Siskiyou County during the 2016 General Election. Kelly Lawler served as the treasurer. Jill Harris served as a principal officer. Crystal Geysers Water Company was the sponsor of the Committee. Respondents Committee and Harris failed to include an accurate disclosure statement on mass mailings and advertisements, in violation of Government Code Sections 84106, 84504, subdivision (c), and 84305 (1 count). Respondents Committee and Lawler failed to accurately disclose activity on campaign statements and failed to timely file 24-Hour Reports, in violation of Government Code Sections 84211 and 84203 (3 counts). Crystal Geysers Water Company, qualifying as a major donor, failed to timely file a campaign statement and failed to timely file 24-Hour Reports, in violation of Government Code Sections 84200 (1 count) and 84203 (1 count). **Fine: \$67,508.**

Campaign Late Filer

In the Matter of Friends of Maricela Cruz for Trustee 2018, Maricela Cruz, and Daisy S. Martinez; FPPC No. 19/764. Staff: Theresa Gilbertson, Senior Commission Counsel. Maricela Cruz ran unsuccessfully for re-election to the Alisal Union School District Governing Board Trustee, Area 2 in the November 6, 2018 General Election. The Friends of Maricela Cruz for Trustee 2018 was their candidate-controlled committee. Daisy S. Martinez served as treasurer. The Committee, Cruz, and Martinez failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). **Fine: \$2,000.**

Laundered Campaign Contributions

In the Matter of Andrew M. Stein, Andrew Stein for Superior Court Judge 2014, and Yolanda Miranda; FPPC Case No. 17/075. Staff: Jenna C. Rinehart, Commission Counsel and Lance M. Hachigian, Special Investigator. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Andrew Stein was a successful candidate for Los Angeles County Superior Court Judge in the June 3, 2014 Primary Election, but was defeated in the November 4, 2014 General Election. Andrew Stein for Superior Court Judge 2014 was Stein's controlled committee. Yolanda Miranda served as the Committee's treasurer. In this matter, Stein, the Committee, and Miranda caused a third party to make a \$100,000 contribution to the Committee in the name of Stein, in violation of Government Code Section 84301 (1 count). Further, Stein, while acting as the intermediary of the third party, failed to disclose both the intermediary and the original contributor information for the \$100,000 contribution from the third party to the Committee, in violation of Government Code Section 84302 (1 count). Finally, Stein, the Committee, and Miranda filed a campaign statement with inaccurate contributor information regarding the \$100,000 contribution, in violation of Government Code Section 84211 (1 count). **Fine: \$15,000.**

Default

In the Matter of Isaac Galvan, and Galvan for Compton City Council 2013/2017; FPPC Case No. 16/207. Staff: Neal Bucknell, Senior Commission Counsel and Soni Mangat, Program Specialist II. Galvan first was elected to the Compton City Council, District 2, in June 2013. He was re-elected in April

2017. In 2021, he was re-elected again, and he remained in office until May 2022 when his 2021 re-election was invalidated. Galvan for Compton City Council 2013/2017 was Galvan's candidate-controlled committee. Galvan served as the Committee's treasurer. Galvan and the Committee failed to timely file semi-annual and pre-election campaign statements, in violation of Government Code Sections 84200, 84200.5, and 84200.8 (13 counts); failed to properly report committee activity on campaign statements, in violation of Government Code Section 84211 (6 counts); failed to timely file 24-Hour Reports, in violation of Government Code Section 84203 (8 counts); accepted a money order of \$100 or more, in violation of Government Code Section 84300, subdivision (a) (1 count); made unlawful cash expenditures of campaign funds, in violation of Government Code Section 84300, subdivision (b) (4 counts); and failed to keep required committee records, in violation of Government Code Section 84104 and Regulation 18401 (4 counts). Also, Galvan unlawfully used campaign funds for personal purposes, in violation of Government Code Sections 89510, subdivision (b), 89512, 89513, and 89517 (17 counts). **Fine: \$240,000.**

Legislation

AB 1798 (Bryan) – Campaign disclosure: advertisements.

Status: Approved by the Governor and chaptered on 9/22/22.

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 2172 (Cervantes) – Paper filings with SOS.

Status: Approved by the Governor and chaptered on 9/15/22.

Summary:

AB 2172 allows a person to file the paper copy of their report or statement with the SOS instead by email with a digital signature. For a person that opts to file by paper, the bill eliminates the requirement that the person must submit two duplicate paper copies to the SOS, and instead requires only one paper copy.

FPPC Cost: \$124,825 (first year) and \$117,825 (ongoing annually)

1 Political Reform Consultant (Legal)

FPPC Position: Support (Sponsor)

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

Status: Approved by the Governor and chaptered on 9/23/22.

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 SOS to file with 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 SOS, by the January 1st after 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 SOS to consult with the FPPC and the Department of Technology in preparing this report.

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

FPPC Cost: Minor and absorbable

FPPC Position: Support

SB 1360 (Umberg and Allen) – Advertisement disclosures.

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

Coauthors: Senator Becker and Assembly Member Gabriel

Status: Approved by the Governor and chaptered on 9/30/22.

Summary:

SB 1360 makes 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 also makes 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

SB 1439 (Glazer) – Contributions to local government agency officers: disqualification.
Coauthor: Senators Gonzalez, Portantino, and Wilk
Status: Approved by the Governor and chaptered on 9/29/22.

Summary:

Existing law under the Act prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reasons to know that the participant has financial interest, as defined. The Act also prohibits a party, participant, or participant's agent from making a contribution of more than \$250 to an officer of the agency during the proceeding and 3 months following the date of the final decision. The Act exempts certain entities from these requirements, including local government agencies whose members are directly elected by the voters.

SB 1439 removes that exception for local government agencies, thereby subjecting them to the prohibition described above.

The bill additionally:

- Extends the prohibition on contributions from 3 to 12 months following the date a final decision is rendered in the proceeding.
- Allows an officer to cure a violation for an improper contribution accepted after the proceeding by returning the contribution within 14 days, if the acceptance was not knowing and willful.

FPPC Cost: \$465,681 (first year); \$444,681 (ongoing annually)

- 2 Commission Counsels (Legal and Enforcement), and 1 Political Reform Consultant (Enforcement)

FPPC Position: Support