

1 GARY S. WINUK  
Chief of Enforcement  
2 BRIDGETTE CASTILLO  
Commission Counsel  
3 FAIR POLITICAL PRACTICES COMMISSION  
428 J Street, Suite 620  
4 Sacramento, CA 95814  
Telephone: (916) 322-5660  
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6 Attorneys for Complainant  
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9 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
10 STATE OF CALIFORNIA

11  
12 In the Matter of ) FPPC No. 11/1168  
13 )  
14 KAMMERER AND COMPANY AND LORI ) STIPULATION, DECISION and  
KAMMERER, ) ORDER  
15 Respondents. )  
16 )  
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18 Complainant, the Fair Political Practices Commission, and Respondents Kammerer and  
19 Company (“Respondent Firm”) and Lori Kammerer (“Respondent Kammerer”), hereby agree that this  
20 Stipulation will be submitted for consideration by the Fair Political Practices Commission at its next  
21 regularly scheduled meeting.

22 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised in this  
23 matter, and to reach a final disposition without the necessity of holding an administrative hearing to  
24 determine the liability of Respondents.

25 Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural  
26 rights set forth in Sections 83115.5, 11503, and 11523 of the Government Code, and in Section 18361.1  
27 through 18361.9 of Title 2 of the California Code of Regulations. This includes, but is not limited to,  
28 the right to personally appear at any administrative hearing held in this matter, to be represented by an

1 attorney at Respondents' own expense, to confront and cross-examine all witnesses testifying at the  
2 hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge  
3 preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

4 It is further stipulated and agreed that Respondents violated the Political Reform Act by causing  
5 a communication to be sent on behalf of a fictitious coalition, named the Coalition of Small and  
6 Disabled Veteran Businesses, to the California Legislature, in violation of Government Code section  
7 86205, subdivision (d) (1 Count), as described in Exhibit 1, which is attached hereto and incorporated by  
8 reference, as though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this  
9 matter.

10 Respondents agree to the issuance of the Decision and Order, which is attached hereto.  
11 Respondents also agree to the Commission imposing upon it an administrative penalty in the amount of  
12 Two Thousand Dollars (\$2,000). A cashier's check or money order from Respondents in said amount,  
13 made payable to the "General Fund of the State of California," is submitted with this Stipulation as full  
14 payment of the administrative penalty, and shall be held by the State of California until the Commission  
15 issues its decision and order regarding this matter. The parties agree that in the event the Commission  
16 refuses to accept this Stipulation, it shall become null and void, and within fifteen (15) business days  
17 after the Commission meeting at which the Stipulation is rejected, all payments tendered by  
18 Respondents in connection with this Stipulation shall be reimbursed to Respondents. Respondents  
19 further stipulate and agree that in the event the Commission rejects the Stipulation, and a full evidentiary  
20 hearing before the Commission becomes necessary, neither any member of the Commission, nor the  
21 Executive Director, shall be disqualified because of prior consideration of this Stipulation.

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23 Dated: \_\_\_\_\_

\_\_\_\_\_  
Gary Winuk, Enforcement Chief, on behalf of the  
Fair Political Practices Commission

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26 Dated: \_\_\_\_\_

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Lori Kammerer, individually and on behalf of Kammerer  
and Company, Respondents

**DECISION AND ORDER**

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The foregoing Stipulation of the parties “In the Matter of Kammerer and Company and Lori Kammerer, FPPC No. 11/1168,” including all attached exhibits, is hereby accepted as the final Decision and Order of the Fair Political Practices Commission, effective upon execution below by the Chair.

IT IS SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Ann Ravel, Chair  
Fair Political Practices Commission

**EXHIBIT 1**

**INTRODUCTION**

Respondent Kammerer and Company (“Respondent Firm”) is a registered lobbying firm located in Sacramento. Respondent Lori Kammerer (“Respondent Kammerer”) is a registered lobbyist and the owner of Respondent Firm. The lobbying provisions of the Political Reform Act (the “Act”)<sup>1</sup> include specific prohibitions related to lobbyist and lobbying firms. In this matter, Respondent Firm and Respondent Kammerer violated one of the prohibitions by causing a communication to be sent on behalf of a fictitious coalition named the Coalition of Small and Disabled Veteran Businesses to the California Legislature.

For the purposes of this Stipulation, Respondent’s violation of the Act is stated as follows:

**COUNT 1:** On or about August 26, 2011, Respondents Kammerer and Company and Lori Kammerer caused a communication to be sent on behalf of a fictitious coalition, named the Coalition of Small and Disabled Veteran Businesses, to the California Legislature, in violation of Government Code section 86205, subdivision (d).

**SUMMARY OF THE LAW**

The Fair Political Practices Commission is charged with the duty to administer, implement, and enforce the provisions of the Political Reform Act of 1974. By enacting the Act, California voters specifically found and declared that previous laws regulating political practices had suffered from inadequate enforcement, and that it was their purpose to ensure that the Act be vigorously enforced. (Sections 81001, subdivision (h), and 81002, subdivision (f).)

**Lobbyist**

Section 82039, subdivision (a), defines a lobbyist as any individual who receives two thousand dollars or more in economic consideration in a calendar month, other than reimbursement for reasonable travel expenses, or whose principal duties as an employee are, to

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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 18109 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.

communicate directly or through his or her agents with any elective state official, agency official, or legislative official for the purpose of influencing legislative or administrative action.

### Lobbying Firm

Section 82038.5, subdivision (a)(1) defines a “lobbying firm” as a business entity that “receives or becomes entitled to receive any compensation . . . for the purpose of influencing legislative or administrative action on behalf of any other person, and any partner, owner, officer, or employee of the business entity.” Section 86100, subdivision (b) states that lobbying firms shall register with the Secretary of State.

### Definition of a Coalition

Regulation section 18616.4 defines a lobbying coalition as a group of ten or more persons formed primarily to influence legislative or administrative action, whose members make payments to the coalition for the purpose of sharing the expenses of employing a lobbyist or contracting for the services of a lobbying firm.

### Prohibition of a Lobbyist or Lobbying Firm

Section 86205, in part, states: “No lobbyist or lobbying firm shall: (d) ...cause any communication to be sent to any elected state officer, legislative official, agency official, or state candidate in the name of any fictitious person...”

## **SUMMARY OF THE EVIDENCE**

Respondent Firm is a registered lobbying firm located in Sacramento. Respondent Kammerer is a registered lobbyist and the owner of Respondent Firm.

According to the Secretary of State, Respondent Firm has been a registered lobbying firm since 2002 and Respondent Kammerer has been a registered lobbyist since 2002. According to the Secretary of State and an interview of Respondent Kammerer, San Joaquin Distributors, Inc. has been a client of Respondent Firm since 2008. According to Respondent Kammerer, San Joaquin Distributors, Inc. approached Respondent Kammerer to help create a coalition. In the middle of 2009, the Coalition of Small and Disabled Veteran Businesses began filing quarterly coalition lobbyist reports. However, each report failed to list the ten coalition members or the payments made by each member, as required by Regulation 18616.4.

According to an interview with Respondent Kammerer, she had worked with coalitions before, but had never formed a coalition previously. She stated that she relied on advice from her CPA regarding the requirements to create a coalition and believed that she was in compliance

with the law. While there were over ten businesses interested in the Coalition of Small and Disabled Veteran Businesses, only payments from two businesses were received. Therefore, the Coalition of Small and Disabled Veteran Businesses never formed a coalition.

On or about August 26, 2011, Respondent Firm sent a letter, on Respondent Firm letterhead, from the Coalition of Small and Disabled Veteran Businesses, to the California Legislature, urging support for the “Governor to issue an Executive Order that would stop the California Prison Industry Authority (PIA) from its intention to expand its Food Enterprise into areas where contracts have already been awarded to small and disabled veteran businesses.” Respondent Kammerer and Respondent Firm were listed as the contacts on behalf of the Coalition of Small and Disabled Veteran Businesses.

According to an interview with Respondent Kammerer, she stated that she suggested the Coalition of Small and Disabled Veteran Businesses send the letter dated August 26, 2011. Further, Respondent Kammerer wrote and sent this letter.

By causing a communication to be sent on behalf of a fictitious coalition, named the Coalition of Small and Disabled Veteran Businesses, to the California Legislature, Respondents Firm and Kammerer violated Government Code section 86205, subdivision (d).

### **CONCLUSION**

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000).

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. The Enforcement Division considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the Respondent demonstrated good faith in consulting with Commission staff; whether there was a pattern of violations; and whether upon learning of the violation the Respondent voluntarily filed amendments to provide full disclosure.

One of the purposes of the Act is that the activities of lobbyist should be regulated and their finances disclosed in order that improper influences will not be directed at public officials. (Section 81002, subd. (b).) There are no comparable cases for a violation of Section 86205, subdivision (d).

In this matter, Respondents violated the Act by causing a communication to be sent on behalf of a fictitious coalition, named the Coalition of Small and Disabled Veteran Businesses, to

the California Legislature. In aggravation, under the direction of Respondents, the Coalition of Small and Disabled Veteran Businesses falsely filed as a coalition for approximately two years.

In mitigation, Respondent Kammerer cooperated with the investigation, had not previously formed a coalition, and made changes to comply with the law once contacted by the Enforcement Division. Further, the Coalition of Small and Disabled Veteran Businesses timely filed the quarterly statements to disclose the financial activity.

### **PROPOSED PENALTY**

The facts of this case, including consideration of the factors of Regulation 18361.5, and the factors discussed above, justify imposition of an agreed upon penalty of Two Thousand Dollars (\$2,000).