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8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**
9 **STATE OF CALIFORNIA**

10
11 In the Matter of:

12 STEVEN DETRICK,

13 Respondent.

FPPC No. 14/130

14 STIPULATION, DECISION, AND ORDER

15
16 **STIPULATION**

17 Complainant, the Fair Political Practices Commission (Commission), and respondent Steven
18 Detrick (Respondent) hereby agree that this Stipulation will be submitted for consideration by the Fair
19 Political Practices Commission at its next regularly scheduled meeting.

20 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised by this
21 matter and to reach a final disposition without the necessity of holding an additional administrative
22 hearing to determine the liability of Respondent.

23 Respondent understands, and hereby knowingly and voluntarily waives, any and all procedural
24 rights set forth in Government Code sections 83115.5, 11503 and 11523, and in California Code of
25 Regulations, title 2, sections 18361.1 through 18361.9. This includes, but is not limited to the right to
26 personally appear at any administrative hearing held in this matter, to be represented by an attorney at
27 Respondent's own expense, to confront and cross-examine all witnesses testifying at the hearing, to
28 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over

1 the hearing as a hearing officer, and to have the matter judicially reviewed.

2 It is further stipulated and agreed that Respondent violated the Political Reform Act by spending
3 campaign funds that conferred a substantial personal benefit and did not directly relate to a political,
4 legislative, governmental purpose in violation of Government Code sections 89512 and 89514 as
5 described in Exhibit 1. Exhibit 1 is attached hereto and incorporated by reference as though fully set
6 forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

7 Respondent agrees to the issuance of the Decision and Order, which is attached hereto.
8 Respondent also agrees to the Commission imposing an administrative penalty in the total amount of
9 Three Thousand Five Hundred Dollars (\$3,500). Respondent submitted with this Stipulation a cashier's
10 check from Respondent in said amount, made payable to the "General Fund of the State of California,"
11 as full payment of the administrative penalty that shall be held by the State of California until the
12 Commission issues its Decision and Order regarding this matter. The parties agree that in the event the
13 Commission refuses to accept this Stipulation, it shall become null and void, and within fifteen (15)
14 business days after the Commission meeting at which the Stipulation is rejected, all payments tendered
15 by Respondent in connection with this Stipulation shall be reimbursed to Respondent. Respondent
16 further stipulates and agrees that in the event the Commission rejects the Stipulation, and a full
17 evidentiary hearing before the Commission becomes necessary, neither any member of the Commission,
18 nor the Executive Director, shall be disqualified because of prior consideration of this Stipulation.

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21 Dated: _____
22 Gary S. Winuk, on behalf of the Enforcement Division
23 Fair Political Practices Commission

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25 Dated: _____
26 Steven Detrick

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DECISION AND ORDER

The foregoing Stipulation of the parties “In the Matter of Steven Detrick,” FPPC No. 14/130, 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: _____
Joann Remke, Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

Respondent Steven Detrick (“Respondent”) is a City Councilmember for the City of Elk Grove. Detrick for Council 2012 is his candidate-controlled recipient committee (hereafter “Committee”). The Political Reform Act¹ prohibits candidates and elected officials from spending campaign funds for matters not related to a political, legislative, or governmental purpose. Respondent violated the Act by using campaign funds from the Committee to pay attorney’s fees and costs incurred by Respondent’s adult son.

For purposes of this Stipulation, the proposed violations of the Act are as follows:

COUNT 1: Respondent spent campaign funds to pay attorney’s fees and costs incurred by his son that did not directly relate to a political, legislative, or governmental purpose in violation of Sections 89512 and 89514.

SUMMARY OF THE LAW

Prohibition Against Personal Use of Campaign Funds

The Act prohibits elected officials and candidates for elected office from spending campaign funds on items that confer a substantial personal benefit on the elected official unless the expenditure is directly related to a political, legislative, or governmental purpose. (Section 89512.) A “substantial personal benefit” means an expenditure that results in a direct personal benefit with a value of more than \$200 to the candidate/elected officer. (Section 89511, subd. (b)(3).) An expenditure results in a direct personal benefit when the candidate/elected officer, or a member of his/her immediate family, realizes an increase in income or assets, or a decrease in expenses or liabilities of more than \$200 from the expenditure. (Regulation 18960, subd.(a)(1).)

Attorney’s Fees as Prohibited Personal Use

The use of campaign funds for attorney’s fees and other costs related to administrative, civil, or criminal litigation are not directly related to a political, legislative, or governmental purpose except where the litigation arises directly out of a candidate’s or elected officer’s activities, duties, or status as a candidate or elected officer. (Section 89514.)

SUMMARY OF THE FACTS

This case resulted from a complaint alleging that Respondent spent Committee funds to pay his son’s attorney’s fees and related costs.

¹ The Political Reform 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 18110 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.

Respondent's son, Brian Detrick, filed a lawsuit in June 2013 against Elk Grove resident Constance Conley. The civil complaint in that case alleged causes of action for libel and interference with prospective economic advantage, and sought damages as well as injunctive relief. The complaint alleges that Ms. Conley falsely accused Brian Detrick of violating California law in connection with his occupation as an event planner. Brian Detrick alleges that Ms. Conley made the allegations to an organization that had retained his services, causing the organization to discontinue its business relationship with him. Neither Respondent nor the Committee are parties to the litigation. Brian Detrick's legal action is ongoing.

Sacramento law firm Boutin Jones, Inc. represents Brian Detrick in his civil action against Ms. Conley. Between the beginning of July 2013 and the end of July 2014, Respondent spent \$93,484.27 in Committee funds to pay for attorneys' fees and costs incurred by Brian Detrick for his lawsuit against Ms. Conley. The Committee's semi-annual campaign statements show that the Committee made payments to Boutin Jones, Inc. totaling \$37,295.52 in the second half of 2013 and \$56,188.75 for the first half of 2014.

Respondent acknowledges directing the use of Committee funds to pay Brian Detrick's attorneys' fees and costs. Respondent contends that at the time he directed the payments he mistakenly believed they were lawful expenditures of the Committee's funds because Constance Conley is a political rival of Respondent and former employee and he believed her allegedly libelous statements about Brian Detrick were motivated by her political and personal rivalry with Respondent.

Count 1
Personal Use of Campaign Funds

Respondent caused campaign funds from the Committee to be spent to pay attorneys' fees and costs associated with his son's civil litigation that was not directly related to a political, legislative, or governmental purpose in violation of Sections 89512 and 89514 .

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of five thousand dollars (\$5,000) per count.

In determining the appropriate penalty for a particular violation of the Act, the Fair Political Practices Commission ("Commission") 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. Additionally, the Commission 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 conceal, deceive or mislead; whether the violation was deliberate, negligent, or inadvertent; whether the Respondents demonstrated good faith in consulting with Commission staff; and whether there was a pattern of violations.

Recent cases decided by the Commission involving similar violations of the Act include:

- *In the Matter of Dean Florez, Dean Florez for Lt. Governor 2010, and Dean Florez for State Controller 2014*, FPPC No.12/213: Respondent Dean Florez spent \$26,541.80 in campaign funds from two candidate-controlled committees to purchase personal items not related to a governmental, legislative, or political purposes. On November 14, 2013, the Commission approved a stipulated decision whereby Florez admitted to eleven counts of personal use of campaign funds and agreed to pay a penalty of \$5,000 per count.
- *In the Matter of Martin Bertram*, FPPC No. 14/130: Respondent Martin Bertram was an unsuccessful candidate for the Bakersfield City Council in the November 2, 2010 election. Before the election, Kern County prosecutors alleged that Bertram accessed personal and campaign documents of Ken Mettler in connection with Mettler's campaign for Assembly in 2010. Bertram paid some of his legal fees with funds from his city council campaign committee. This was an unauthorized personal use of campaign funds because the legal fees did not directly relate to Bertram's candidacy for city council. On December 13, 2012, the Commission approved a penalty against Bertram of \$3,000 per count for two counts of personal use of campaign funds.
- *In the Matter of Steven Detrick*, FPPC No. 13/195: Steven Detrick, the respondent in the present case, spent \$425 of his campaign committee funds to purchase a "Sonoma Getaway" package that included a night stay at a resort and wine tasting. Respondent made personal use of the items purchased with campaign funds in violation of Section 89515. On June 19, 2014, the Commission imposed a \$1,500 penalty on Respondent for one count of violating the Act.

The Act's prohibition on using campaign funds for purposes not related to a political, legislative, or governmental purpose serves the essential purpose of helping to prevent bribery of elected officials. By using campaign funds to pay his son's legal bills, Respondent violated this important provision of the Act. Further, Respondent violated the Act in a similar manner on a prior occasion by using campaign funds at a charitable auction and making personal use of the items purchased.

Respondent contends he believed in good faith that his use of campaign funds for his son's legal bills was permitted but he was mistaken in this belief. In acknowledgment of his mistake, Respondent personally reimbursed his Committee for all payments made by the Committee to Boutin Jones, Inc. related to Brian Detrick's pending litigation. Respondent's corrective action justifies a stipulated decision with a reduced number of counts from that which he would otherwise be held liable under the Act.

PROPOSED PENALTY

In consideration of the above factors including Respondent's prior violation, consideration of penalties in prior enforcement actions, as well as Respondent's reimbursement of the Committee funds, the imposition of a penalty of \$3,500 for one count of violating the Act is recommended.