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8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**
9 **STATE OF CALIFORNIA**
10

11 In the Matter of) FPPC No. 12/205
12)
13)
14 HECTOR CHACON and CALIFORNIA) STIPULATION, DECISION and ORDER
CITIZENS FOR GOOD)
GOVERNMENT,)
15)
16 Respondents.)

17 **STIPULATION**

18 Complainant, the Fair Political Practices Commission, and Respondents Hector Chacon and
19 California Citizens For Good Government, hereby agree that this Stipulation will be submitted for
20 consideration by the Fair Political Practices Commission at its next regularly scheduled meeting.

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

24 Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural
25 rights set forth in Government Code sections 83115.5, 11503 and 11523, and in California Code of
26 Regulations, title 2, sections 18361.1 through 18361.9. This includes, but is not limited to the right to
27 personally appear at any administrative hearing held in this matter, to be represented by an attorney at
28 Respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to

1 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over
2 the hearing as a hearing officer, and to have the matter judicially reviewed.

3 It is further stipulated and agreed that Respondents violated the Political Reform Act by using
4 campaign funds totaling approximately \$75,000, to compensate Respondent Hector Chacon for the
5 performance of political, legislative, or governmental activities, in violation of Government Code
6 Section 89518 (2 counts); and that Respondent Hector Chacon violated the Political Reform Act by
7 failing to disclose income from and his business position with Quantum Management Services on his
8 2008 and 2009 annual Statements of Economic Interests, in violation of Government Code Section
9 87300 (2 counts), as described in Exhibit 1. Exhibit 1 is attached hereto and incorporated by reference
10 as though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

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

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Dated: _____

Gary S. Winuk, on Behalf of the Enforcement Division
Fair Political Practices Commission

Dated: _____

Hector Chacon, Respondent, individually and on behalf of
California Citizens For Good Government, Respondent

DECISION AND ORDER

The foregoing Stipulation of the parties “In the Matter of Hector Chacon and California Citizens For Good Government,” FPPC Case No. 12/205, 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 Vice Chair.

IT IS SO ORDERED.

Dated: _____

Sean Eskovitz, Vice Chair
Fair Political Practices Commission

EXHIBIT 1

INTRODUCTION

Respondent Hector Chacon has been a member of the Board of Education for the Montebello Unified School District (MUSD) since 1993. He is currently president of the MUSD Board, and was elected in November 2013 election for his 6th four-year term. MUSD primarily encompasses public schools in the cities of Commerce, and Montebello, but the district also includes portions of Bell, Bell Gardens, Downey, East Los Angeles, Monterey Park, Pico Rivera, Rosemead and South San Gabriel.

As a board member of the MUSD, Respondent Chacon is a “designated employee,” as defined in Section 82019, subdivision (a), of the Political Reform Act (the “Act”)¹ and in the Conflict of Interest Code for the MUSD. As a designated employee, Respondent is required to file annual statements of economic interests (“SEI”) disclosing all required economic interests that he held during the preceding calendar year with the Los Angeles County Board of Supervisors.

In his private capacity, Respondent Chacon, at all relevant times, owned and operated Quantum Management Services, a political consulting firm located in Commerce, CA.

At all relevant times, Respondent California Citizens for Good Government (Respondent Committee) was Respondent Chacon’s candidate controlled committee.

The Act prohibits a candidate or elected officer from receiving compensation for providing professional campaign services from the campaign funds of a committee controlled by the candidate or elected officer. Additionally, the Act requires certain public officials to file annual statements of economic interests (“SEI”) disclosing the economic interests held during the preceding calendar year.

In this matter, Respondents violated multiple provisions of the Act by paying Respondent Chacon’s political consulting firm with Respondent Committee campaign funds. Additionally, Respondent Chacon failed to disclose his income from and business position with his political consulting firm in his 2008 and 2009 annual SEIs.

For the purposes of this Stipulation, Respondents’ violations of the Act are stated as follows:

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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.

- COUNT 1:** Respondents Hector Chacon and California Citizens for Good Government, in or during calendar year 2008, used campaign funds totaling approximately \$56,914.03, to compensate Respondent Hector Chacon for the performance of political, legislative, or governmental activities, in violation of Government Code Section 89518.
- COUNT 2:** Respondents Hector Chacon and California Citizens for Good Government, in or during calendar year 2009, used campaign funds totaling approximately \$17,726.35, to compensate Respondent Hector Chacon for the performance of political, legislative, or governmental activities, in violation of Government Code Section 89518.
- COUNT 3:** Respondent Hector Chacon, on or about March 19, 2009, failed to disclose income from and his business position with Quantum Management Services on his 2008 annual Statement of Economic Interests, in violation of Government Code Section 87300.
- COUNT 4:** Respondent Hector Chacon, on or about March 25, 2010, failed to disclose income from and his business position with Quantum Management Services on his 2009 annual Statement of Economic Interests, in violation of Government Code Section 87300.

PROCEDURAL HISTORY

The parties entered into a tolling agreement regarding the applicable statutes of limitations, which was effective through December 31, 2013. The parties agreed to extend the tolling agreement twice, initially to January 31, 2014, and again to February 28, 2014. On February 27, 2014, the Enforcement Division served a Report in Support of a Finding of Probable Cause (“probable cause report”) upon all Respondents, thereby permanently tolling the applicable statutes of limitations.

SUMMARY OF THE LAW

All statutory references and discussions of law pertain to the Act’s provisions as they existed at the time of the violation in question.

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that contributions and expenditures effecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be

inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose.

Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act

When the Political Reform Act was enacted, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities. (Section 81001, subd. (h).) To that end, Section 81003 requires that the Act be liberally construed to achieve its purposes.

One of the purposes of the Act is to prevent conflicts of interest by public officials. (Section 81002, subd. (c).) Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.” (Section 81002, subd. (f).)

Candidate Controlled Committees

Section 82013, subdivision (a), defines a “committee” to include any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year. This type of committee is commonly referred to as a “recipient committee.” Under Section 82016, a recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.” A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee. (Section 82016, subd. (a).)

Under the Act, all elected officeholders are candidates until they leave office. (Sections 82007 and 82014; Regulation 18404, subd. (d); See also *In re Lui* (1987) 10 FPPC Ops. 10, 11-12.)

Duty to Disclose Income, Business Positions, and Sources of Income

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed so that conflicts of interests may be avoided.

Section 82019, subdivision (a), defines “designated employee” to include any member of any agency whose position is “designated in a Conflict of Interest Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest.” Additionally, Section 87302, subdivision (a), provides that an agency’s Conflict of Interest Code must specifically designate the positions within the agency that are required to file statements of economic interests, disclosing reportable investments, business positions, interests in real property, and sources of income. Thus, designated employees must file an annual statement of economic interests (“SEI”) under the Act. The SEI must include all required economic interests the filer held during the preceding calendar year, whether or not they are still held at the time of filing.

The Conflict of Interest Code for the Montebello Unified School District requires all Members of the Board of Education to disclose: 1) all interests in real property within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction; 2) all investments and business positions; and 3) all income and business positions. Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

Prohibition Against Use of Campaign Funds for Candidate Compensation

Under the Act, all contributions deposited in a candidate's campaign account are deemed to be held in trust, and therefore, the Act restricts the uses of campaign funds. (See Sections 89510 et seq.) Section 89518, subdivision (a) prohibits candidate controlled committees from using campaign funds to compensate their controlling candidates or elected officers for the performance of political, legislative, or governmental activities, including professional campaign services. (See *Arroyo* Advice Letter, No. I-09-263.)

Treasurer and Candidate Liability

Under Sections 81004, subdivision (b), 84100, and 84213, and Regulation 18427, subdivisions (a), (b) and (c), it is the duty of a committee's treasurer and candidate to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer and candidate may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Sections 83116.5 and 91006; Regulation 18316.6.)

SUMMARY OF THE FACTS

Respondent Hector Chacon has been a member of the Board of Education for the Montebello Unified School District (MUSD) since 1993. He is currently president of the MUSD Board, and was elected in November 2013 election for his 6th four-year term. MUSD primarily encompasses public schools in the cities of Commerce, and Montebello, but the district also includes portions of Bell, Bell Gardens, Downey, East Los Angeles, Monterey Park, Pico Rivera, Rosemead and South San Gabriel.

In his private capacity, Respondent Chacon, at all relevant times, solely owned and operated Quantum Management Services (QMS), a political consulting firm located in Commerce, CA. QMS has no employees. In 1999, Respondent Chacon filed Articles of Incorporation for Quantum Management Services, Inc. with the CA Secretary of State, in which he was named CEO, CFO and secretary. In 2002, QMS' status as a corporation was suspended for failing to file required statements. In 2004, Respondent Chacon filed a Fictitious Business Name Statement for QMS with the Los Angeles County Registrar-Recorder/County Clerk. Respondent Chacon identified that he was doing business as QMS, and signed the document under penalty of perjury.

At all relevant times, Respondent California Citizens for Good Government (Respondent Committee) was Respondent Chacon's candidate controlled committee.

In 2008, Respondent Chacon contacted Yolanda Miranda, a professional campaign treasurer, and asked her to help with a new political action committee he was forming. Respondent Chacon told her it would be called California Citizens for Good Government, and he provided the description for its activity.

Based upon the information received from Respondent Chacon, Ms. Miranda drafted Respondent Committee's original statement of organization, and filed it on August 11, 2008. Its stated description of activity was "To distribute educational and policy making literature throughout the state by informing voters to support ballot measures, local city, school board, county and statewide candidates." The statement identified Ms. Miranda as its treasurer, and Respondent Chacon as its principal officer. Ms. Miranda and Respondent Chacon signed the statement, with Respondent Chacon's signature in the space provided for "controlling officeholder, candidate, or state measure proponent."² Respondent Committee filed an amended statement of organization on September 22, 2008, stating that it qualified as a committee under the Act on September 2, 2008. John Wilson was identified as the principal officer, and no controlling candidate was identified. At Respondent Chacon's direction, Ms. Miranda filed a terminating statement for Respondent Committee on July 30, 2009. Respondent Committee reported receiving \$102,446 in total contributions, and reported making \$107,108 in total expenditures during the ten months it existed.

The evidence shows that Respondent Chacon had a significant influence on the actions and decisions of Respondent Committee. Specifically, Respondent Chacon significantly influenced actions and decisions regarding contributions to Respondent Committee. After Respondent Committee was formed, Respondent Chacon solicited contributions, obtained checks from contributors and delivered the checks to Ms. Miranda to deposit into Respondent Committee's bank account. He often included detailed handwritten or typed instructions with the checks. Additionally, he frequently thanked Ms. Miranda and her staff for all of their good work regarding Respondent Committee.

Respondent Chacon was also involved in expenditures made by Respondent Committee. Ms. Miranda received emails from Leticia Chacon, Respondent Chacon's sister, with instructions to use Respondent Committee funds to pay invoices from vendors, including QMS, who did work for Respondent Committee, and Respondent Chacon was cc'd on most, if not all, of these vendor invoice emails. John Wilson, the stated principal officer, was not cc'd on these emails. Respondent Chacon frequently discussed expenditure matters with his sister to determine which of Respondent Committee's bills could and should be paid. Additionally, several of Respondent Committee's subvendor invoices were addressed to "Hector Chacon, California Citizens for Good Government."

² The official paper filing with the CA Secretary of State for Respondent Committee's original statement of organization date stamped August 11, 2008, does not include an original or a copy of page 2 of the Form 410. Page 2 of the Form 410 includes the section for information regarding the committee's controlling candidate(s) and regarding the committee's bank account. Respondent Committee's subsequent Form 410 filings include page 2, which does not identify any controlling candidates.

Respondent Chacon also significantly influenced actions and decisions regarding which candidates, committees, and ballot measures Respondent Committee would support and oppose. For example, on November 24, 2008, Respondent Chacon and his sister had the following email exchange, which was forwarded to Ms. Miranda:

Leticia Chacon to Respondent Chacon: What are the names of the candidates we are supporting in Maywood, Yolanda needs to know?

Respondent Chacon to Leticia Chacon: We are supporting Yes on Recall and opposing: Felipe Aguirre, Ana Rizo, Veronica Guardado.

Leticia Chacon then forwarded the email exchange to Ms. Miranda.

VIOLATIONS

In this matter, Respondents violated multiple provisions of the Act by paying Respondent Chacon’s political consulting firm with Respondent Committee campaign funds. Additionally, Respondent Chacon failed to disclose his income from and business position with his political consulting firm in his 2008 and 2009 annual statements of economic interests.

Accordingly, Respondents committed four (4) violations of the Act, as follows:

Counts 1 and 2

(Using Campaign Funds to Compensate Controlling Candidate for Political, Legislative or Governmental Activities)

Respondent Chacon was the controlling candidate of Respondent Committee. Additionally, Respondent Chacon owned and operated QMS, a political consulting firm. The Act prohibits candidate controlled committees from using campaign funds to compensate their controlling candidates or elected officers for the performance of political, legislative, or governmental activities, including professional campaign services. Despite this prohibition, Respondent Committee hired QMS to provide campaign consulting and to perform other political activities. Between or about October 2008 through April 2009, Respondent Committee’s bank records, campaign records and campaign statements show that Respondent Committee used campaign funds to pay QMS as follows:

Count	Reporting Period	Date	Amount	Description
1	01/01 – 10/18/2008	10/08/2008	\$6,000.00	Consulting Fees
1	01/01 – 10/18/2008	10/10/2008	\$6,000.00	Consulting Fees
1	01/01 – 10/18/2008	10/10/2008	\$1,000.00	Consulting Fees
1	01/01 – 10/18/2008	10/10/2008	\$1,000.00	Consulting Fees
1	01/01 – 10/18/2008	10/10/2008	\$4,661.29	Consulting Fees
1	01/01 – 10/18/2008	10/17/2008	\$5,000.00	Consulting Fees

Count	Reporting Period	Date	Amount	Description
1	01/01 – 10/18/2008	10/17/2008	\$3,903.90	Consulting Fees
1	01/01 – 10/18/2008	10/17/2008	\$1,469.17	Consulting Fees
1	01/01 – 10/18/2008	10/17/2008	\$5,000.00	Consulting Fees
1	01/01 – 10/18/2008	10/17/2008	\$750.00	Consulting Fees
1	01/01 – 10/18/2008	10/17/2008	\$750.00	Consulting Fees
1	10/19 – 12/31/2008	10/27/2008	\$1,920.75	Consulting Fees
1	10/19 – 12/31/2008	10/30/2008	\$1,840.45	Consulting Fees
1	10/19 – 12/31/2008	10/30/2008	\$4,445.38	Consulting Fees
1	10/19 – 12/31/2008	10/30/2008	\$1,171.28	Consulting Fees
1	10/19 – 12/31/2008	11/05/2008	\$3,783.93	Consulting Fees
1	10/19 – 12/31/2008	11/05/2008	\$2,107.29	Consulting Fees
1	10/19 – 12/31/2008	12/04/2008	\$4,610.59	Consulting Fees
1	10/19 – 12/31/2008	12/17/2008	\$1,500.00	Consulting Fees
Total Calendar Year 2008			\$56,914.03	
2	01/01 – 06/30/2009	02/21/2009	\$3,000.00	Consulting Fees
2	01/01 – 06/30/2009	02/21/2009	\$2,294.62	Consulting Fees
2	01/01 – 06/30/2009	02/21/2009	\$500.00	Consulting Fees
2	01/01 – 06/30/2009	02/26/2009	\$4,500.00	Winning Bonus
2	01/01 – 06/30/2009	02/26/2009	\$4,500.00	Winning Bonus
2	01/01 – 06/30/2009	04/06/2009	\$2,931.73	Consulting Fees
Total Reporting Period 01/01 – 06/30/2009			\$17,726.35	
Total			\$74,640.38	

QMS, Respondent Chacon’s private, solely owned campaign consulting business, received nearly \$75,000 for political consulting work, including \$9,000 for “Winning Bonuses,” over a seven month period from Respondent Committee, his candidate controlled committee. By using campaign funds to compensate Respondent Chacon for political, legislative or governmental activities, Respondents violated Government Code Section 89518.

Counts 3 and 4

(Failure to Disclose Income and Business Positions)

As a member of the Board of Education for the MUSD, Respondent Chacon filed the following annual statements of economic interests (SEI):

SEIs	Date Statement Filed	Schedules Filed
2008 Annual	03/19/2009	No Reportable Interests
2009 Annual	03/25/2010	No Reportable Interests

MUSD’s Conflict of Interest Code requires all members of the Board of Education for MUSD to disclose all income and business positions in their SEIs. In calendar years 2008 and 2009, Respondent Chacon owned and operated QMS. However, Respondent Chacon failed to disclose any income from or his business position with QMS in his 2008 and 2009 annual SEIs.

By failing to disclose income from and his business position with QMS, in his SEIs for calendar years 2008 and 2009³, filed as indicated above, Respondent Chacon violated Government Code Section 87300.

CONCLUSION

This matter consists of five (5) counts of violating the Act, each carrying a maximum administrative penalty of \$5,000, for a total maximum administrative penalty of \$25,000.

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. Additionally, 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):

1. The seriousness of the violations;
2. The presence or lack of intent to deceive the voting public;
3. Whether the violation was deliberate, negligent, or inadvertent;
4. Whether the Respondent demonstrated good faith in consulting with Commission staff;
5. Whether there was a pattern of violations; and
6. Whether, upon learning of the violation, the violator voluntarily provided amendments to provide full disclosure.

Respondent Chacon is an experienced political consultant and public official, having served on the MUSD Board for 20 years, and most recently, running for and winning his 6th four-year term. Thus, he should have been aware of the campaign disclosure obligations and campaign funds prohibitions under the Act.

Additionally, the Act prohibited Respondent Committee from using campaign funds to compensate Respondent Chacon because Respondent Chacon was its controlling candidate. Despite the prohibition, Respondent Committee used campaign funds to pay Respondent Chacon's solely owned business, QMS, nearly \$75,000 for political consulting work, including \$9,000 for "Winning Bonuses," over a seven month period. In conjunction, Respondent Chacon failed to disclose his income and business position with QMS on his SEIs: despite owning and operating QMS since 1999, Respondent Chacon disclosed "No Reportable Interests" in his 2008 and 2009 annual SEIs.

In mitigation, Respondent Committee timely filed all of its campaign statements, and disclosed the payments to QMS in each. Respondents have no prior violations of the Act, and cooperated with the investigation of this matter.

³ As part of this stipulated settlement, Respondent Chacon filed amended SEIs disclosing his income from and business position with QMS.

Section 89518 (Prohibited Use of Campaign Funds to Compensate Controlling Candidate):

Using a committee's campaign funds to compensate the controlling candidate for political activities is a very serious violation of the Act because it violates the trust of the contributors giving to that committee. There are no prior Enforcement cases involving Section 89518. However, Section 89518 is included in the chapter of the Act that includes other prohibited uses of campaign funds, including prohibitions against personal use and loans, both of which have been previously prosecuted by the Commission. Violations of Section 89518 are similar to violations regarding other prohibited uses of campaign funds because such uses also violate the trust of the contributors giving to a campaign, and are therefore very serious violations of the Act. Historically, penalties have varied from middle range penalties to the maximum fine against the violator for prohibited uses of campaign funds, depending on the facts of the case.

Recent prior enforcement actions approved by the Commission for violations involving other prohibitions for use of campaign funds are as follows:

In the Matter of George Shirakawa, George Shirakawa For School Board, and Shirakawa For Supervisor, FPPC No. 12/662. Respondent Shirakawa was a member of the Santa Clara County Board of Supervisors since 2008, and previously served on a governing board of the East Side Union High School District. Respondent Committees were two of Respondent Shirakawa's controlled committees. In this matter, Respondent Shirakawa made expenditures of campaign funds totaling approximately \$131,670 over four years that were not related to a political, legislative or governmental purpose in violation of Government Code Section 89512 (10 counts). A penalty of \$5,000 per count was approved by the Commission on April 25, 2013.

In the Matter of Californians for Privacy, Luke Breit and Michael Gunter, FPPC No. 10/1119 (Default Decision). Respondent Committee was a state general purpose committee organized for the purpose of decriminalizing prostitution. Respondent Breit and Respondent Gunter were Respondent Committee's treasurers. In this matter, Respondent Gunter caused Respondent Committee to make expenditures of campaign funds totaling approximately \$11,500, which conferred a substantial personal benefit on him, for purposes other than directly related to a political, legislative, or governmental purpose, in violation of Government Code section 89512.5, subdivision (b) (1 count). Additionally, Respondent Breit made a loan of Respondent Committee campaign funds totaling approximately \$3,000, for purposes other than reasonably related to a political, legislative, or governmental purpose, in violation of Government Code sections 89513, subdivision (g) and 89515 (1 count). A penalty of \$5,000 for each of these counts was approved by the Commission on December 13, 2012.

Section 87300 (Failure to Disclose Income and Business Position in SEIs):

Failure to disclose income and business positions in statements of economic interests is a serious violation of the Act because it deprives the public of important information about a public official's economic interests which could lead to potential conflicts of interests regarding decisions they may make in his/her official capacity. The typical administrative penalty for a

failure to disclose economic interests has varied, including substantial penalties ranging up to the maximum penalty of \$5,000 per count, depending on the facts of the case.

Recent prior enforcement actions approved by the Commission involving similar violations as in this Stipulation are as follows:

In the Matter of Antoinette Renwick, FPPC No. 10/567. Respondent, the Inspection Services Manager for the City of Oakland Community and Economic Development Agency, Building Services Division, failed to disclose a source of a loan in her 2008 annual statement of economic interests. A \$3,000 penalty per count was approved by the Commission on April 25, 2013.

PROPOSED PENALTY

The facts of this case, including the aggravating and mitigating factors above, justify imposition of the agreed upon penalty of Sixteen Thousand Dollars (\$16,000), distributed as follows:

Counts	Penalty Per Count	Totals
Respondents Hector Chacon and California Citizens for Good Government		
1 and 2: Section 89518 (Prohibited Use of Campaign Funds to Compensate Controlling Candidate)	\$5,000	\$10,000
Respondent Hector Chacon		
3 and 4: Section 87300 (Failure to Disclose Income and Business Position in SEIs)	\$3,000	\$6,000
TOTAL PROPOSED PENALTY		\$16,000

A higher penalty is not being sought because Respondents cooperated with the Enforcement Division of the Fair Political Practices Commission by agreeing to an early settlement of this matter well in advance of the Probable Cause Conference that otherwise would have been held.

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