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7  
8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**  
9 **STATE OF CALIFORNIA**

10  
11 In the Matter of

FPPC No. 14/356

12 **FAMILIAS POR MAYWOOD,**  
13 **VERONICA GUARDADO, and ANA**  
14 **ROSA RIZO,**

**STIPULATION, DECISION, AND ORDER**

Respondents.

15  
16 **STIPULATION**

17 Complainant, the Fair Political Practices Commission (Commission), and respondents Familias  
18 Por Maywood, Veronica Guardado, and Ana Rosa Rizo (Respondents) hereby agree that this Stipulation  
19 will be submitted for consideration by the Fair Political Practices Commission at its next regularly  
20 scheduled meeting.

21 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised by this  
22 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 failing  
4 to file campaign statements in violation of Government Code section 84200, subdivision (a), 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 Respondents agree to the issuance of the Decision and Order, which is attached hereto.  
8 Respondents also agree to the Commission imposing an administrative penalty in the total amount of  
9 Five Thousand Dollars (\$5,000). Respondents submitted with this Stipulation a cashier's check from  
10 Respondents in said amount, made payable to the "General Fund of the State of California," as full  
11 payment of the administrative penalty that shall be held by the State of California until the Commission  
12 issues its Decision and Order regarding this matter. The parties agree that in the event the Commission  
13 refuses to accept this Stipulation, it shall become null and void, and within fifteen (15) business days  
14 after the Commission meeting at which the Stipulation is rejected, all payments tendered by  
15 Respondents in connection with this Stipulation shall be reimbursed to Respondents. Respondents  
16 further stipulate and agree that in the event the Commission rejects the Stipulation, and a full evidentiary  
17 hearing before the Commission becomes necessary, neither any member of the Commission, nor the  
18 Executive Director, shall be disqualified because of prior consideration of this Stipulation.

19  
20 Dated: \_\_\_\_\_  
21 Gary S. Winuk, on behalf of the Enforcement Division  
22 Fair Political Practices Commission

23 Dated: \_\_\_\_\_  
24 Veronica Guardado, individually, and on behalf of  
25 Familias Por Maywood

26 Dated: \_\_\_\_\_  
27 Ana Rosa Rizo, individually, and on behalf of Familias  
28 Por Maywood

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “Familias Por Maywood, Veronica Guardado, and Ana  
3 Rosa Rizo” FPPC No. 14/356, including all attached exhibits, is hereby accepted as the final decision  
4 and order of the Fair Political Practices Commission, effective upon execution below by the Chair.

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6 IT IS SO ORDERED.

7  
8 Dated: \_\_\_\_\_

\_\_\_\_\_ JoAnn Remke, Chair  
Fair Political Practices Commission

## EXHIBIT 1

### INTRODUCTION

Respondent Familias por Maywood (“Respondent Committee”) is a campaign committee that over the years has been controlled by various candidates for city council in the City of Maywood. From 2007 through October 2009, Maywood City Council members Veronica Guardado (“Respondent Guardado”), and Ana Rosa Rizo (“Respondent Rizo”) controlled Respondent Committee. The Political Reform Act (the “Act”)<sup>1</sup> requires campaign committees to file campaign statements disclosing the committee’s contributions received and expenditures made, amongst other information. Respondents violated the Act by failing to file the required campaign statements.

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

COUNT 1: Respondents failed to timely file semi-annual campaign statements for the January 1, 2008 through June 30, 2008 and July 1, 2008 through December 31, 2008 statement periods in violation of Section 84200, subdivision (a).

COUNT 2: Respondents failed to timely file a semi-annual campaign statement for the January 1, 2009 through June 30, 2009 statement period in violation of Section 84200, subdivision (a).

### SUMMARY OF THE LAW

A stated purpose of the Act is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters may be fully informed and improper practices may be inhibited. (Section 81003, subd. (a).) The Act’s campaign reporting system is designed to accomplish this purpose.

#### Duty to File Semi-annual Campaign Statements

Candidates and committees are required to file semi-annual statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31. (Section 84200, subd. (a).) Those campaign statements must contain all information required by Section 84211, including contributions received and expenditures made by the committee during that statement period.

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<sup>1</sup> 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.

## SUMMARY OF THE FACTS AND VIOLATIONS

### Background

Respondent Guardado and Respondent Rizo ran for city council seats in Maywood in the 2007 General Election. Prior to running, Respondent Guardado had little political experience but had become involved in a community organization. Through that organization, Respondent Guardado met Felipe Aguirre, who was a city councilman in Maywood at the time. She also met political activist Hector Alvarado, who along with Felipe Aguirre, ran a non-profit organization in Maywood called "Comite Pro-Uno." Hector Alvarado convinced Respondent Guardado to run for Maywood city council.

Hector Alvarado also recruited Respondent Rizo to run for city council. He introduced Respondent Guardado and Respondent Rizo to Leonardo Vilchis, who he indicated would run their campaign. Leonardo Vilchis was the executive director of Union de Vecinos, another non-profit organization with a presence in Maywood. Leonardo Vilchis told Respondent Guardado and Respondent Rizo that they needed to walk precincts, talk to people, and raise money, and that he would take care of everything in the "background."

Respondent Guardado and Respondent Rizo formed Respondent Committee as their joint candidate-controlled committee by filing a statement of organization (Form 410) with the Secretary of State's Office on September 5, 2007. Leonardo Vilchis prepared and signed (as vice-treasurer) the statement of organization.<sup>2</sup>

Both Respondent Guardado and Respondent Rizo won city council seats. Respondent Committee filed two pre-election statements in 2007 but did not file a semi-annual statement for that year. Respondent Guardado and Respondent Rizo did not make decisions about how campaign funds were spent. Nor were they aware of what contributions came in, other than the ones they personally collected. Respondent Guardado and Respondent Rizo were not aware that the statement needed to be filed because they relied on Leonardo Vilchis to take care of all filings.

In 2008, Respondent Guardado and Respondent Rizo were subject to a recall election. Respondent Guardado, Respondent Rizo, and Felipe Aguirre, who was also a city council member subject to the recall, opened a joint candidate-controlled committee to defeat the recall effort called "Move Maywood Forward." Like with the election the previous year, Respondent Guardado and Respondent Rizo had little to no involvement in the money aspects of the campaign, other than asking for contributions. Leonardo Vilchis, Hector Alvarado and Felipe Aguirre ran the campaign. Respondent Guardado, Respondent Rizo, and Felipe Aguirre maintained their seats on the city council in the recall election.

Respondent Committee did not file any campaign statements for 2008. But Respondent Committee's bank statements indicate that it made a number of deposits and withdraws during

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<sup>2</sup> Elsa Solorio was initially listed as the treasurer for Respondent Committee on the Form 410 but she did not act as the treasurer for Respondent Committee. For all intents and purposes, Leonardo Vilchis performed the duties of the treasurer.

2008. Similarly, Respondent Committee did not file a semi-annual campaign statement for the first half of 2009 but Respondent Committee's bank statements indicate that it made a number of deposits and withdraws during 2009. Respondent Guardado stated that she assumed Leonardo Vilchis had taken care of closing Respondent Committee but she never confirmed that with him, or anyone else.

On October 19, 2009, Respondent Committee filed an amended statement of organization. The amended statement listed Felipe Aguirre as the sole controlling candidate of Respondent Committee. Respondent Guardado was re-elected in 2011 to another four year term. Respondent Guardado had a separate candidate-controlled campaign committee for her re-election campaign that year. Respondent Rizo did not run for re-election in 2011.

**Bank Account Activity**

Respondent Committee's bank records indicate the following deposits were made into Respondent Committee's campaign account during the first half of 2008:

#	Date of Check	Date Processed	Check No.	Payor/Remitter	Amount
1	01/12/2008	02/05/2008	1055	Elect Noguez Committee	\$30.00
2	02/28/2008	04/09/2008	1696	A Hernandez Santana	\$100.00
3	02/28/2008	04/09/2008	557	Express Transportation Services	\$100.00
4	02/28/2008	04/09/2008	558	Express Transportation Services	\$100.00
5	02/28/2008	04/09/2008	1088	HP Tow, Inc.	\$250.00
6	02/28/2008	04/09/2008	1089	HP Tow, Inc.	\$250.00
7	02/28/2008	04/09/2008	1085	Consulting Solutions Group, Inc.	\$200.00
8	02/28/2008	04/09/2008	237	Mario Beltran for City Council	\$200.00
9	03/07/2008	04/14/2008	10301	Advanced Infrastructure Management, Inc.	\$1,000.00
10	03/07/2008	04/14/2008	10302	Advanced Infrastructure Management, Inc.	\$1,000.00
11	04/10/2008	05/29/2008	177	Cynthia V. Fernandez	\$2,000.00
12	-	05/29/2008	(cash)	-	\$1,300.00

**Total = \$6,530.00**

Respondent Committee's bank records indicate the following withdraws were made from Respondent Committee's campaign account during the first half of 2008:

#	Date of Check / Date of Withdrawal	Form	Amount	Payee
1	01/02/2008	Debit card	\$58.00	Vonage
2	02/04/2008	Debit card	\$59.29	Vonage
3	03/03/2008	Debit card	\$58.00	Vonage
4	04/03/2008	Debit card	\$58.00	Vonage
5	04/09/2008	Check # 182	\$2,000.00	Art Chacon
6	05/05/2008	Debit card	\$58.00	Vonage
7	05/08/2008	Check # 183	\$99.00	Balbina Martinez
8	05/13/2008	Check # 184	\$2,000.00	Arturo Chacon
9	06/03/2008	Debit card	\$57.73	Vonage
				<b>Total = \$4,448.02</b>

Respondent Committee's bank records indicate the following checks were deposited into Respondent Committee's campaign account during the second half of 2008:

#	Date of Check	Date Processed	Check No.	Payor/Remitter	Amount
1	07/07/2008	09/03/2008	601	Davenport Management, Inc. Archie Davenport	\$1,000.00
2	07/07/2008	09/12/2008	1023	Alliance Service Group	\$1,000.00
3	07/09/2008	09/03/2008	1586	Joe Valdes, Jr.	\$500.00

4	07/10/2008	09/03/2008	1058	Los Angeles County Council on Political Education	\$2,000.00
5	08/28/2008	11/17/2008	21253	Fiesta Taxi Co-Op, Inc.	\$500.00
6	09/12/2008	09/18/2008	837	LA League of Conservation Voters	\$5,000.00
7	09/25/2008	09/29/2008	839	LA League of Conservation Voters	\$5,000.00
8	11/24/2008	12/01/2008	2112	Melissa Crosthwaite	\$200.00
9	11/24/2008	12/01/2008	3897	Juan Cepeda-Rizo, Gabriela E Cepeda-Rizo	\$600.00
<b>Total = \$15,800</b>					

Respondent Committee's bank records indicate the following withdraws were made from Respondent Committee's campaign account during the second half of 2008:

#	Date of Check / Date of Withdrawal	Form	Amount	Payee
1	07/03/2008	Debit card	\$58.72	Vonage
2	08/04/2008	Debit card	\$57.35	Vonage
3	09/03/2008	Debit card	\$57.35	Vonage
4	09/08/2008	Debit card	\$1,000.00	Sub qualified Rtn Ck
5	09/24/2008	Check # 202	\$132.49	Home Depot
6	10/03/2008	Debit card	\$57.35	Vonage
7	11/03/2008	Debit card	\$58.05	Vonage
8	11/13/2008	Check # 2035	\$500.00	Guadalupe Conejo
9	11/24/2008	Check # 185	\$2,995.45	Monaco Group
10	11/29/2008	Check # 186	\$994.04	Political Data Inc.



11	12/03/2008	Debit card	\$58.05	Vonage
12	12/08/2008	Check # 188	\$400.00	Martha Lopez
13	12/13/2008	Check # 187	\$400.00	Carl[-a or -os] Alcacer
14	12/13/2008	Check # 189	\$400.00	Maria Rodriguez
15	12/15/2008	Check # unknown	\$400.00	Vicky Solorio
16	12/15/2008	Check # unknown	\$5,000.00	Move Maywood Forward
17	12/15/2008	Check # 203	\$400.00	Martha Aguilera
18	12/15/2008	Check # 204	\$400.00	Miguel Alcaraz
19	12/15/2008	Check # 206	\$400.00	Ruben Bernal
20	12/15/2008	Check # 207	\$400.00	Miguel Angel Carrizales
21	12/15/2008	Check # 208	\$400.00	Maria C. Carrizales Palom
22	12/15/2008	Check # 209	\$400.00	Rafael Castro
23	12/15/2008	Check # 210	\$400.00	Guadalupe Conejo
24	12/15/2008	Check # 211	\$400.00	Luis Cuadros
25	12/15/2008	Check # 212	\$400.00	Monica Diaz
26	12/15/2008	Check # 213	\$400.00	Cynthia Enriquez
27	12/15/2008	Check # 214	\$400.00	Blanca Espinoza
28	12/15/2008	Check # 215	\$400.00	Martha Espinoza
29	12/15/2008	Check # 216	\$400.00	Claudia Fernandez
30	12/15/2008	Check # 217	\$400.00	Marco A. Flores

31	12/15/2008	Check # 218	\$400.00	Yaredia Gonzalez
32	12/15/2008	Check # 219	\$400.00	Hilda Gonzalez
33	12/15/2008	Check # 220	\$400.00	Marcelo Hernandez
<b>Total = \$19,368.85</b>				

Respondent Committee's bank records indicate the following checks were deposited into Respondent Committee's campaign account during the first half of 2009:

#	Date of Check	Date Processed	Check No.	Payor/Remitter	Amount
1	12/05/2008	01/27/2009	1265	Philip M Allen	\$100.00
2	12/15/2008	01/27/2009	3411	Gilda Susan Haas, Gary D. Phillips	\$100.00
3	06/23/2009	08/10/2009	4253	LA Popular Auto Insurance & Income Tax	\$20.00
4	06/24/2009	08/10/2009	1055	Carlos E. Ruvalcaba	\$100.00
5	06/29/2009	06/29/2009	677	Teresita Veronica Zarate, Leonardo Vilchis	\$146.75
<b>Total = \$466.75</b>					

Respondent Committee's bank records indicate the following withdraws were made from Respondent Committee's campaign account during the first half of 2009:

#	Date of Check / Date of Withdrawal	Form	Amount	Payee
1	01/02/2009	Debit card	\$60.03	Vonage
2	02/03/2009	Debit card	\$60.21	Vonage
3	03/03/2009	Debit card	\$57.56	Vonage
4	04/03/2009	Debit card	\$57.56	Vonage
5	05/04/2009	Debit card	\$58.15	Vonage

6	06/03/2009	Debit card	\$58.15	Vonage
				<b>Total = \$351.66</b>

**Counts 1 and 2**

**Failure to File Semi-annual Campaign Statements**

Respondents failed to file semi-annual campaign statements for the January 1 through June 30, 2008, July 1 through December 31, 2008, and January 1 through June 30, 2009 statement periods. These statements would have disclosed the contributions and expenditures reflected in Respondent Committee’s bank records as detailed above. By failing to timely file the semi-annual campaign statements, Respondents violated Section 84200, subdivision (a).

**CONCLUSION**

This matter consists of two counts of violating the Act, which carry a maximum administrative penalty of five thousand dollars (\$5,000) per violation.

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.

The penalty for failure to file campaign statements typically ranges from \$2,000 to \$4,000 per count depending on the circumstances of the case. For example, in the case of *In the Matter of Tina Baca Del Rio and Friends of Tina Baca Del Rio*, FPPC No. 08/423 (Commission approved stipulation on April 11, 2011) the respondents failed to file semi-annual campaign statements for three statement periods resulting in fines of \$3,500 to \$4,000 per count. Baca del Rio was a member of the Commerce City Council. Her and her committee failed to file three semi-annual and four pre-election campaign statements over a two year period. During these three semi-annual campaign statement periods, they received \$19,527 in contributions and made expenditures totaling \$19,515. Baca Del Rio and her committee ignored multiple written notifications from the city clerk reminding them of their filing obligations and requesting that they file the delinquent statements.

In *In the Matter of Michael Glover Michael G. Glover for Assembly, Glover for Assembly 2008, Committee to Elect Mike Glover for 70th AD, 2010, and Doris Neel*, FPPC No. 09/615 (Commission issued a default decision on March 15, 2012) respondents failed to timely file four semi-annual statements between 2006 and 2008 resulting in a penalty of \$3,000 per statement. Michael Glover was an unsuccessful candidate for Assembly in 2008. During the four statement periods in which Glover and his committee failed to timely file semi-annual statements, they received contributions totaling approximately \$40,000 and made expenditures totaling

approximately \$41,000. They received notices from the Orange County Registrar of Voters after each time they failed to file a statement but did not file the required statements until August of 2009.

At the lower end of the penalty range for failure to file a semi-annual statement is *In the Matter of Sandra Davis and Committee to Elect Saundra Davis*, FPPC No. 06/372 (Commission approved stipulation on September 17, 2010). In that case, respondent Sandra Davis was a candidate for the Culver City Unified School District Governing Board who failed to file a semi-annual campaign statement. Had she filed, the statement would have disclosed \$5,610 in contributions and \$7,015 in expenditures. She paid a penalty of \$2,000 for one count of failing to file a semi-annual campaign statement.

The total dollar amounts of the contributions and expenditures that Respondents failed to disclose are fairly large. But Respondents' violations were not intentional. They resulted from Respondents trusting Felipe Aguirre, Hector Alvarado, and Leonardo Vilchis to run their campaign without any oversight by Respondents. Respondents had no prior history of violating the Act and limited political experience. For these reasons, a penalty at the lower end of the range for violations for failure to file a semi-annual campaign statement is justified.

#### **PROPOSED PENALTY**

After considering the factors of Regulation 18361.5, and the penalties imposed in prior cases, the imposition of a penalty of \$2,500 per count for a total penalty of \$5,000 is recommended.