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

10  
11 In the Matter of:

12 **DAVID EASTHAM**

13 Respondent.

FPPC No. 14/873

14 **STIPULATION, DECISION, AND ORDER**

15  
16 **STIPULATION**

17 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
18 Respondent David Eastham agree that this Stipulation will be submitted for consideration by the Fair  
19 Political Practices Commission (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 David Eastham understands, and hereby knowingly and voluntarily waives, any and all  
24 procedural rights set forth in Government Code sections 11503, 11523, and 83115.5, and in California  
25 Code of Regulations, title 2, sections 18361.1 through 18361.9. This includes, but is not limited to, the  
26 right to personally appear at any administrative hearing held in this matter, to be represented by an  
27 attorney at Respondent's own expense, to confront and cross-examine all witnesses testifying at the  
28 hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge

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

2 It is further stipulated and agreed that David Eastham violated the Political Reform Act by  
3 failing to timely disclose his income from all sources on his Annual Statement of Economic Interests, in  
4 violation of Government Code sections 87300 and 87302 (two counts), all as described in Exhibit 1.  
5 Exhibit 1 is attached hereto and incorporated by reference as though fully set forth herein. Exhibit 1 is a  
6 true and accurate summary of the facts in this matter.

7 David Eastham agrees to the issuance of the Decision and Order, which is attached hereto.  
8 Eastham also agrees to the Commission imposing an administrative penalty in the total amount of  
9 \$2,500. Respondent submitted with this Stipulation a cashier's check in said amount, made payable to  
10 the "General Fund of the State of California," as full payment of the administrative penalty that shall be  
11 held by the State of California until the Commission issues its Decision and Order regarding this matter.  
12 The parties agree that in the event the Commission refuses to accept this Stipulation, it shall become null  
13 and void, and within fifteen (15) business days after the Commission meeting at which the Stipulation is  
14 rejected, all payments tendered by Respondent in connection with this Stipulation shall be reimbursed to  
15 Respondent. David Eastham further stipulates and agrees that in the event the Commission rejects the  
16 Stipulation, and a full evidentiary hearing before the Commission becomes necessary, neither any  
17 member of the Commission, nor the Executive Director, shall be disqualified because of prior  
18 consideration of this Stipulation.

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20  
21 Dated: \_\_\_\_\_  
22 Galena West, Chief, on behalf of the Enforcement  
23 Division, Fair Political Practices Commission

24 Dated: \_\_\_\_\_  
25 David Eastham  
26  
27  
28

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties "In the Matter of David Eastham," FPPC No. 14/873,  
3 including all attached exhibits, is hereby accepted as the final decision and order of the Fair Political  
4 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 David Eastham (“Eastham”) has served as a helicopter maintenance chief for the Los Angeles County Fire Department since 2006. As a helicopter maintenance chief, Eastham is a “designated employee” under the Los Angeles County Fire Department Conflict of Interest Code.

Under the Political Reform Act (the “Act”)<sup>1</sup>, a designated employee must file an Annual Statement of Economic Interests (“SEI”) by April 1 of the following year, disclosing the designated employee’s economic interests. Eastham violated the Act by failing to timely disclose all reportable income on his 2010, 2011, 2012, 2013, and 2014 Annual SEIs.

### **SUMMARY OF THE LAW**

An express purpose of the Act is to ensure that the assets and income of public officials and designated employees that may be materially affected by their official actions be disclosed, so that conflicts of interests may be avoided.<sup>2</sup> In furtherance of this purpose, the Act requires every state agency to adopt and promulgate a conflict of interest code, and any violation of such a code is deemed a violation of the Act.<sup>3</sup>

An agency’s conflict of interest code must specifically designate the positions within the agency that are required to file SEIs that disclose reportable investments, business positions, interests in real property, and sources of income.<sup>4</sup> The persons who are to be designated in an agency’s conflict of interest code are the officers, employees, members, and consultants of the agency whose position with the agency entails making, or participating in making, governmental decisions that may foreseeably have a material effect on one or more of the person’s economic interests.<sup>5</sup> An agency’s conflict of interest code must require designated employees to file an Annual SEI by April 1 of the following year.<sup>6</sup>

The applicable Conflict of Interest Code for the Los Angeles County Fire Department requires that the helicopter maintenance chief disclose all business positions or income received from business entities that manufacture, provide, or sell service and/or supplies of a type utilized by the Fire Department and associated with the job of helicopter maintenance chief.

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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.

<sup>2</sup> Section 81002, subdivision (c)

<sup>3</sup> Section 87300

<sup>4</sup> Section 87302, subdivision (a)

<sup>5</sup> Sections 82019, subdivision (a) and 87302

<sup>6</sup> Section 87302, subdivision (b)

## SUMMARY OF THE FACTS & VIOLATIONS

Eastham was a helicopter maintenance chief, which is a designated employee position under the Conflict of Interest Code for the Los Angeles County Fire Department. Eastham assumed office on December 16, 2005 and timely filed a combined Assuming Office SEI and Annual SEI on March 31, 2006. From 2007 through 2014, Eastham timely filed his annual SEIs, reporting no income. Eastham was referred to the Fair Political Practices Commission (the "Commission") by the Los Angeles County Auditor-Controller, who investigated Eastham's outside income during the period from 2006 through 2014. After LA County's investigation, Eastham filed a combined Annual SEI and Leaving Office SEI on March 16, 2015. At the same time, Eastham amended his SEIs due in 2010, 2011, 2012, 2013, and 2014 to reflect additional sources of income.

Eastham failed to timely disclose all sources of reportable income earned during 2009 through 2013 by the April 1 deadline of 2010, 2011, 2012, 2013, and 2014, respectively. Eastham filed amended SEIs due in 2010, 2011, 2012, 2013, and 2014 with his filing officer in conjunction with this settlement.

### Count 1: Failure to Timely Disclose Sources of Income on Statement of Economic Interests

As a helicopter maintenance chief with the Los Angeles County Fire Department, Eastham failed to timely disclose, on his 2010 through 2012 annual statement of economic interests, his outside income and economic interests in Guardian Helicopters, Inc. and Rotary Wing Services, Inc., in violation of Sections 87300 and 87302.

### Count 2: Failure to Timely Disclose Sources of Income on Statement of Economic Interests

As a helicopter maintenance chief with the Los Angeles County Fire Department, Eastham failed to timely disclose, on his 2013 and 2014 annual statement of economic interests, his outside income and economic interests in Guardian Helicopters, Inc. and Rotary Wing Services, Inc., in violation of Sections 87300 and 87302.

## CONCLUSION

This matter consists of two counts of violating the Act, which carries a maximum administrative penalty of \$5,000 per violation, or \$10,000 total.

In determining the appropriate penalty for a particular violation of the Act, the 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; whether there was a pattern of violations; and whether the violator, upon learning of the violations, voluntarily filed amendments.

The Commission also considers penalties in prior cases involving similar violations. Similar cases include the following:

- *In the Matter of Victor Uno*. FPPC No. 14/031. A commissioner with the Oakland Port Authority failed to report the International Brotherhood of Electrical Workers, Local 595 and the Alameda Labor Council as sources of income on his 2009 through 2014 Statements of Economic Interests. On May 21, 2015, the Commission approved a penalty of \$2,500 for the violations.
- *In the Matter of Frank Lopez, Jr.* FPPC No. 11/1042. A member of the Vista City Council failed to report Cameron Glenn Estates, LLC as a source of income on his 2007 and 2008 Statements of Economic Interests. On August 16, 2012, the Commission approved a penalty of \$1,000 for the violations.

Comparable cases approved by the Commission have combined up to two years for SEI nondisclosure of economic interests with a fine of \$1,000. We propose to combine three years in Count 1 and two years in Count 2 for a total fine of \$2,500 to account for the additional year.

The failure to timely file statements of economic interest violates one of the Act's central purposes: that the assets and income of public officials and designated employees that may materially affect their official decisions should be disclosed in order to avoid conflicts of interest. Eastham's violations deprived the public of important and timely information regarding his economic interests. However, there is no evidence of intent to conceal, and Eastham cooperated with the Enforcement Division to reach this stipulated settlement.

### **PROPOSED PENALTY**

After considering the factors of Regulation 18361.5, the penalties imposed in prior cases, and other relevant information, we propose a total penalty of \$2,500.