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7 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

8 STATE OF CALIFORNIA

10 In the Matter of:

FPPC Case No. 15/124

11 YES ON PROP. 30 – TO PROTECT OUR  
SCHOOLS AND PUBLIC SAFETY, A  
12 BROAD COALITION OF TEACHERS,  
LABOR, BUSINESS, LAW  
13 ENFORCEMENT, AND GOVERNOR  
BROWN AND RUBEENA SINGH,

STIPULATION, DECISION AND ORDER

14 Respondents.

16 INTRODUCTION

17 Respondent Yes on Prop. 30 – to Protect our Schools and Public Safety, a broad coalition of  
18 teachers, labor, business, law enforcement, and Governor Brown (“Committee”) is a primarily formed  
19 ballot measure committee. At all relevant times, Respondent Rubeena Singh was the treasurer and  
20 Governor Edmund G. Brown, Jr. was the controlling candidate.

21 This case arose from the Franchise Tax Board’s (“FTB”) audit of the Committee for the period  
22 January 1, 2011 through December 31, 2012. During this period, the total contributions received were  
23 \$42,243,644 and the total expenditures made were \$39,641,034.

24 The Committee and Singh had a duty to timely file campaign statements and reports. The  
25 Committee and Singh violated the Political Reform Act (the “Act”)<sup>1</sup> requirements by failing to timely

26  
27 <sup>1</sup> The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the  
28 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.

1 file two 10-day reports.

## 2 **SUMMARY OF THE LAW**

3 An express purpose of the Act is to ensure that receipts and expenditures in election campaigns  
4 are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be  
5 inhibited.<sup>2</sup> The Act, therefore, establishes a campaign reporting system designed to accomplish this  
6 purpose of disclosure. Another purpose of the Act is to provide adequate enforcement mechanisms so  
7 that the Act will be “vigorously enforced.”<sup>3</sup>

8 Under the Act, a recipient committee must file various campaign statements and reports that  
9 timely and accurately disclose contributions the committee receives.<sup>4</sup> There are different types of  
10 recipient committees, defined by the type of election activity in which they engage. A recipient  
11 committee that is formed or exists primarily to support or oppose two or more measures being voted on  
12 in the same state election is a primarily formed ballot measure committee.<sup>5</sup>

13 A committee must file a 24-Hour Contribution Report within 24 hours of receiving a contribution  
14 of \$1,000 or more during the 90 days prior to an election.<sup>6</sup> Outside of those 90 days, a primarily formed  
15 state ballot measure committee that is required to file reports electronically with the Secretary of State,<sup>7</sup>  
16 must file a report disclosing the same information within 10 business days of receiving a contribution of  
17 \$5,000 or more (“10-day reports”).<sup>8</sup>

### 18 **Liability of Committee Treasurers**

19 It is the duty of a committee’s treasurer to ensure that the committee complies with all of the  
20 requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such  
21 funds.<sup>9</sup> A committee’s treasurer and candidate may be held jointly and severally liable, along with the  
22 committee, for any reporting violations committed by the committee.<sup>10</sup>

23 <sup>2</sup> Section 81002, subdivision (a).

24 <sup>3</sup> Section 81002, subdivision (f).

25 <sup>4</sup> Section 82013, subdivision (a) and 84200 et seq.

26 <sup>5</sup> Section 82047.5, subdivision (d).

27 <sup>6</sup> Sections 82036 and 84203.

28 <sup>7</sup> Sections 84605, 85309(d).

<sup>8</sup> Section 85309, subd. (d).

<sup>9</sup> Sections 81004, subdivision (b), 84100, and 84213, and Regulation 18427, subdivisions (a), (b) and (c).

<sup>10</sup> Sections 83116.5 and 91006; Regulation 18316.6.

1 **SUMMARY OF THE FACTS**

2 The Committee failed to timely report receiving contributions of \$5,000 or more on two 10-day  
3 reports which are required outside of the 90-day election cycle (beginning August 8, 2012) as follows:

Name of Contributor	Date Rec'd	Amount
Californians Working Together to Restore and Protect Public Schools, Universities and Public Safety	July 16, 2012	\$1,531,427
California State Council of Service Employees Issues Committee (SEIU)	July 20, 2012	\$15,000

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9 However, the contributions were reported on the pre-election campaign statement for the  
10 reporting period ending September 30, 2012. The Committee timely filed 10-day reports for 164 other  
11 contributions.

12 **VIOLATION**

13 **Failure to Timely Report Contributions of \$5,000 or More**

14 The Committee and Singh failed to timely report two contributions of \$5,000 or more, in  
15 violation of Section 85309, subdivision (d).

16 **PROPOSED PENALTY**

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

19 In determining the appropriate penalty for a particular violation of the Act, the Commission  
20 considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis  
21 on serving the purposes and intent of the Act. Additionally, the Commission considers the facts and  
22 circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d):  
23 1) the seriousness of the violations; 2) the presence or lack of intent to deceive the voting public; 3)  
24 whether the violation was deliberate, negligent, or inadvertent; 4) whether the Respondent demonstrated  
25 good faith in consulting with Commission staff; 5) whether there was a pattern of violations; and 6)  
26 whether, upon learning of the violation, the violator voluntarily provided amendments to provide full  
27 disclosure.

28 *In the Matter of SAM Action, Inc., A Committee Against Proposition 64 with Help from Citizens*

1 (*Nonprofit 501(c)(4)*); *Kevin Sabet-Sharghi*; and *David Bauer*; FPPC No. 16/19641. (The Commission  
2 approved a stipulated decision on April 20, 2017.) In that case, the respondents failed to timely report  
3 five contributions of \$5,000 or more for contributions totaling \$1,350,000. The Commission imposed a  
4 penalty of \$1,500. In this case, the required reports were also due outside the election cycle, the  
5 contributions were disclosed prior to the election, and the amounts unreported are very similar to the  
6 prior case (\$1,350,000 in *SAM Action* and \$1,546,427 in the current case). In addition, other than the two  
7 contributions at issue here, the FTB audit found the Committee substantially complied with the Act's  
8 disclosure and recordkeeping provisions. Therefore, an administrative penalty \$1,500 is recommended  
9 for this violation.

### 10 CONCLUSION

11 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
12 Respondents Yes on Prop. 30 – to Protect our Schools and Public Safety, a broad coalition of teachers,  
13 labor, business, law enforcement, and Governor Brown and Rubeena Singh hereby agree as follows:

- 14 1. Respondents violated the Act as described in the foregoing pages, which are a true and  
15 accurate summary of the facts in this matter.
- 16 2. This stipulation will be submitted for consideration by the Fair Political Practices  
17 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.
- 18 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose  
19 of reaching a final disposition without the necessity of holding an administrative hearing to determine the  
20 liability of Respondents pursuant to Section 83116.
- 21 4. Respondents understand, and hereby knowingly and voluntarily waive, any and all  
22 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9.  
23 This includes, but is not limited to the right to appear personally at any administrative hearing held in this  
24 matter, to be represented by an attorney at Respondents' own expense, to confront and cross-examine all  
25 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial  
26 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially  
27 reviewed.
- 28 5. Respondents agree to the issuance of the decision and order set forth below. Also,

1 Respondents agree to the Commission imposing against it an administrative penalty in the amount of  
2 \$1,500. One or more cashier's checks or money orders totaling said amount—to be paid to the General  
3 Fund of the State of California—is/are submitted with this stipulation as full payment of the  
4 administrative penalty described above, and same shall be held by the State of California until the  
5 Commission issues its decision and order regarding this matter.

6 6. If the Commission refuses to approve this stipulation—then this stipulation shall become  
7 null and void, and within fifteen business days after the Commission meeting at which the stipulation is  
8 rejected, all payments tendered by Respondents in connection with this stipulation shall be reimbursed to  
9 Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing  
10 before the Commission becomes necessary, neither any member of the Commission, nor the Executive  
11 Director, shall be disqualified because of prior consideration of this Stipulation.

12 7. The parties to this agreement may execute their respective signature pages separately. A  
13 copy of any party's executed signature page including a hardcopy of a signature page transmitted via fax  
14 or as a PDF email attachment is as effective and binding as the original.

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

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Galena West, Chief of Enforcement  
Fair Political Practices Commission

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

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Rubeena Singh, individually and on behalf of Yes on  
Prop. 30 – to Protect our Schools and Public Safety, a  
broad coalition of teachers, labor, business, law  
enforcement, and Governor Brown, Respondent

1 The foregoing stipulation of the parties “In the Matter of Yes on Prop. 30 – to Protect our Schools and  
2 Public Safety, a broad coalition of teachers, labor, business, law enforcement, and Governor Brown and  
3 Rubeena Singh,” FPPC Case No. 15/124 is hereby accepted as the final decision and order of the Fair  
4 Political Practices Commission, effective upon execution below by the Chair.

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6 IT IS SO ORDERED.

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

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10 Joann Remke, Chair  
11 Fair Political Practices Commission  
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