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9 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
10 STATE OF CALIFORNIA

11
12 In the Matter of:

FPPC No. 17/102

13 SIEMENS MOBILITY, INC.,

STIPULATION, DECISION, AND ORDER

14
15 Respondent.
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17 **INTRODUCTION**

18 Siemens Mobility, Inc. is a provider of intelligent mobility solutions. Siemens Mobility made
19 contributions totaling \$10,000 or more in 2015 and 2016. Siemens Mobility violated the Political Reform
20 Act (the “Act”),¹ by failing to timely file one campaign statement and two 24-hour contribution reports
21 to disclose the above mentioned contributions.

22 **SUMMARY OF THE LAW**

23 The violations in this case occurred in 2015 and 2016, and all legal references and discussions of
24 law pertain to the Act’s provisions as they existed at that time.
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28 ¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory
references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110
through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 Need for Liberal Construction and Vigorous Enforcement of the Act

2 When enacting the Act, the people of California found and declared that previous laws regulating
3 political practices suffered from inadequate enforcement by state and local authorities.² Thus, it was
4 decreed that the Act “should be liberally construed to accomplish its purposes.”³ One purpose of the Act
5 is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and
6 truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁴ Another
7 purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously
8 enforced.”⁵

9 Filing Major Donor Campaign Statements

10 Any person or persons who makes contributions totaling \$10,000 or more in a calendar year to or
11 at the behest of candidates or committees is a major donor committee.⁶ A major donor committee must
12 file campaign statements each year no later than July 31 for the period ending June 30, and no later than
13 January 31 for the period ending December 31, if it has made contributions or independent expenditures
14 during the six-month period before the closing date of the statements.⁷

15 Filing 24-Hour Contributions Reports

16 A late contribution is a contribution that totals in the aggregate \$1,000 or more that is made or
17 received by a candidate, a controlled committee, or a primarily formed committee within 90 days before
18 the date of the election.⁸

19 Each committee that makes a late contribution must report the following: the full name and street
20 address of the person to whom the late contribution has been made, the office sought or the ballot measure
21 number or letter, and the date and amount of the late contribution.⁹ A late contribution must be reported
22 within 24 hours of the time it is made and must be reported on subsequent campaign statements.¹⁰

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25 ² Section 81001, subd. (h).

26 ³ Section 81003.

27 ⁴ Section 81002, subd. (a).

28 ⁵ Section 81002, subd. (f).

⁶ Section 82013, subd. (c).

⁷ Section 84200, subd. (b).

⁸ Section 82036, subd. (a).

⁹ Section 84203, subd. (a).

¹⁰ Section 84203, subd. (b).

1 **SUMMARY OF THE FACTS**

2 Siemens Industry, Inc. is an industrial manufacturing company. Effective June 1, 2018, Siemens
3 Industry’s Mobility Division in the United States was carved out to establish “Siemens Mobility, Inc.”
4 as its own corporate entity. Respondent contends that at all relevant times to this case, the Mobility
5 Division made the contributions that are in question in this case. Respondent provided assurances that
6 all relevant documents are now in the custody, possession, and control of Siemens Mobility, as are all
7 relevant employees and decision-makers. As a result, Siemens Mobility is the appropriate party to this
8 case.

9 Siemens Mobility qualified as a major donor committee in 2015 and 2016 by making
10 contributions totaling \$10,000 or more to ballot measure committees as detailed in the following chart:

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Contribution Date	Recipient	Election Date	Amount
June 10, 2015	Yes on Measure B, a Coalition of Seniors, Neighbors and Small Businesses for Affordable Transit, City Councilmember Steve Hansen Ballot Measure Committee (#1376403)	November 8, 2016	\$10,000
September 22, 2016	Committee to Repair Our Roads & Relieve Traffic – Yes on Measure B (#1387189)	November 8, 2016	\$50,000
October 5, 2016	Citizens for a Better San Diego – Yes on A, a Coalition of Construction Professionals and Labor Organizations to Repair San Diego’s Roads, Bridges and Overpasses (#1382361)	November 8, 2016	\$50,000

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21 Siemens Mobility did not timely file a campaign statement or 24-hour contribution reports to
22 disclose these contributions. Siemens Mobility should have filed a campaign statement for the period
23 covering January 1, 2015 through June 30, 2015 by July 31, 2015 to disclose the contribution that was
24 made on June 10, 2015. Siemens Mobility also should have filed a 24-hour contribution report by
25 September 23, 2016 and October 6, 2016 to disclose the two \$50,000 contributions made during the 90
26 days prior to the election date of November 8, 2016.

27 Siemens Mobility self-reported its violations of the Act to the Enforcement Division on
28 January 30, 2017. Siemens Mobility stated that it first learned of its reporting requirements under the Act

1 in September 2016, when it received contribution confirmation communications from a ballot measure
2 committee. Siemens Mobility maintained that it reviewed records and procedures and instituted internal
3 controls to ensure future compliance. Siemens Mobility filed a campaign statement for the period
4 covering July 1, 2016 through December 31, 2016 on February 17, 2017. At the Enforcement Division's
5 request, Siemens Mobility also filed a campaign statement for the period covering January 1, 2015
6 through June 30, 2015 on June 13, 2018. While both statements were not timely filed, Siemens Mobility
7 provided the Enforcement Division with its full cooperation in disclosing its campaign activities.

8 **VIOLATIONS**

9 Count 1: Failure to Timely File a Major Donor Campaign Statement

10 Siemens Mobility failed to timely file a campaign statement for the period covering
11 January 1, 2015 through June 30, 2015 by July 31, 2015 and for the period covering July 1, 2016 through
12 December 31, 2016 by January 31, 2016, in violation of Government Code section 84200, subdivision
13 (b).

14 Count 2: Failure to Timely File 24-Hour Contribution Reports

15 Siemens Mobility failed to timely file two 24-hour contribution reports for contributions made on
16 September 22, 2016 and October 5, 2016, in violation of Government Code section 84203, subdivision
17 (b).

18 **PROPOSED PENALTY**

19 This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per
20 count. Thus, the maximum penalty that may be imposed is \$10,000.

21 In determining the appropriate penalty for a particular violation of the Act, the Commission
22 considers the facts of the case, the public harm involved, and the purpose of the Act. Also, the
23 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
24 any intention to conceal, deceive, or mislead; (c) whether the violation was deliberate, negligent, or
25 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective amendments
26 voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior record of
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1 violations.¹¹ These two violations resulted in a lack of transparency for the public regarding Siemens
2 Mobility's campaign activities, but the record demonstrates the violations seem to have been without an
3 intention to conceal, deceive, or mislead. Siemens Mobility also made voluntary corrective measures to
4 file campaign statements. Lastly, Siemens Mobility does not have a prior record of violations and self-
5 reported these violations to the Enforcement Division.

6 The Commission also considers penalties in prior cases with comparable violations. Recent cases
7 with a similar violation include the following:

8 Count 1

9 *In the Matter of Burbank Hospitality Association*; FPPC No. 18/113. (The Commission approved
10 a stipulated agreement on June 21, 2018.) The major donor committee made a \$50,000 contribution to a
11 primarily formed ballot measure committee. The committee failed to timely file a campaign statement to
12 disclose this contribution. The Commission approved a penalty of \$2,500 for this violation.

13 Like *Burbank*, Siemens Mobility eventually filed the missing campaign statement to provide
14 disclosure. Additionally, Siemens Mobility self-reported its violations to the Enforcement Division.

15 Count 2

16 *In the Matter of Burbank Hospitality Association*; FPPC No. 18/113. (The Commission approved
17 a stipulated agreement on June 21, 2018.) The major donor committee made a \$50,000 contribution
18 during the 90-day period prior to the election. The committee failed to timely file a 24-hour contribution
19 report to disclose this contribution within 24 hours of the time it was made. The Commission approved
20 a penalty of \$2,500 for this violation.

21 Siemens Mobility failed to timely file two 24-hour contribution reports, but those contributions
22 were disclosed by recipients prior to the election and by Siemens Mobility after the election in its
23 campaign statement. Furthermore, Siemens Mobility self-reported its violations to the Enforcement
24 Division.

25 For the foregoing reasons, the following penalties are recommended:
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28 ¹¹ Regulation 18361.5, subd. (d).

Count	Violation	Proposed Penalty
1	Failure to Timely File Major Donor Campaign Statement	\$2,000
2	Failure to Timely File Late Contribution Reports	\$2,000
Total		\$4,000

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondent, Siemens Mobility, Inc., hereby agree as follows:

1. Respondent violated the Act as described in the foregoing pages, which are a true and accurate summary of the facts in this matter.

2. This settlement agreement will be submitted for consideration by the Fair Political Practices Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.

3. This settlement agreement resolves all factual and legal issues raised in this matter—for the purpose of reaching a final disposition without the necessity of holding an administrative hearing to determine the liability of the Respondent pursuant to Section 83116.

4. The Respondent has consulted its attorneys, Rebecca Gordon and Tyler Hagenbuch of Perkins Coie LLP, and understands, and hereby knowingly and voluntarily waives, any and all procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at the Respondent’s own expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

5. The Respondent agrees to the issuance of the decision and order set forth below. Also, the Respondent agrees to the Commission imposing against it an administrative penalty in the amount of \$4,000. One or more cashier’s checks or money orders totaling said amount—to be paid to the General Fund of the State of California—is/are submitted with this settlement agreement as full payment of the administrative penalty described above, and same shall be held by the State of California until the Commission issues its decision and order regarding the matter.

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

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

Dated: _____
Galena West, Chief of Enforcement
Fair Political Practices Commission

Dated: _____
_____, on behalf of Siemens Mobility, Inc.

1 The foregoing stipulation of the parties “In the Matter of Siemens Mobility, Inc.,” FPPC No. 17/102, is
2 hereby accepted as the final decision and order of the Fair Political Practices Commission, effective
3 upon execution below by the Chair.
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5 IT IS SO ORDERED.
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7 Dated: _____
8 Alice T. Germond, Chair
9 Fair Political Practices Commission
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