

1 GALENA WEST  
Chief of Enforcement  
2 THERESA GILBERTSON  
Commission Counsel  
3 Fair Political Practices Commission  
1102 Q Street, Suite 3000  
4 Sacramento, CA 95811  
Telephone: (916) 322-5660  
5 Email: tgilbertson@fppc.ca.gov

6 Attorneys for Complainant  
7 Enforcement Division of the Fair Political Practices Commission

8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
9 STATE OF CALIFORNIA

10 In the Matter of:

11 GLENDALE VOTERS FOR GOOD  
12 GOVERNMENT, SUPPORTING  
13 NAJARIAN FOR CITY COUNCIL 2017,  
14 SHAWNDA DEANE, AND DANIEL  
BRUMER,

15 Respondents.

FPPC Case No. 17/01470

STIPULATION, DECISION AND ORDER

16 INTRODUCTION

17 Glendale Voters for Good Government, Supporting Najarian for City Council 2017 (the  
18 “Committee”) was a primarily formed committee supporting incumbent candidate Ara Najarian for  
19 Glendale City Council in connection with a municipal election held on April 4, 2017. Shawnda Deane  
20 (“Deane”) is the treasurer and Daniel Brumer (“Brumer”) is the principal officer for the Committee.  
21 Najarian was successful and is presently in office. The Respondents violated the Political Reform Act (the  
22 “Act”)<sup>1</sup> by failing to timely file 24-hour independent expenditure reports and by failing to identify the  
23 sponsor of the Committee on mass mailings sent in support of Najarian.  
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28 <sup>1</sup> The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections 81000 through 91014. 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. All regulatory references are to this source.

1 **SUMMARY OF THE LAW**

2 The Act and its regulations are amended from time to time. The violations in this case occurred in  
3 2017. For this reason, all legal references and discussions of law pertain to the Act’s provisions as they  
4 existed at that time—unless otherwise noted.

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

6 When enacting the Political Reform Act, the people of California found and declared that previous  
7 laws regulating political practices suffered from inadequate enforcement by state and local authorities.<sup>2</sup>  
8 Thus, it was decreed that the Act “should be liberally construed to accomplish its purposes.”<sup>3</sup>

9 One purpose of the Act is to promote transparency by ensuring that receipts and expenditures in  
10 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper  
11 practices are inhibited.<sup>4</sup> Along these lines, the Act includes a comprehensive campaign reporting system.<sup>5</sup>  
12 Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be  
13 “vigorously enforced.”<sup>6</sup>

14 **Committee Sponsor**

15 A “committee” includes any person who directly or indirectly receives contributions totaling  
16 \$2,000 or more in a calendar year.<sup>7</sup> A committee must file a statement of organization with the Secretary  
17 of State within 10 days of qualifying as a committee.<sup>8</sup>

18 A “sponsored committee” is defined as a committee, other than a candidate-controlled committee,  
19 with one or more sponsors. An organization sponsors a committee if any of the following apply: (1) the  
20 committee receives 80 percent or more of its contributions from the organization; (2) the organization  
21 collects contributions for the committee by use of payroll deduction or dues; (3) the organization provides  
22 all or nearly all of the administrative services for the committee; or (4) the organization sets the policies  
23 for soliciting contributions or making expenditures of committee funds.<sup>9</sup> The name of the committee is  
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25 <sup>2</sup> Section 81001, subdivision (h).

26 <sup>3</sup> Section 81003.

27 <sup>4</sup> Section 81002, subdivision (a).

28 <sup>5</sup> Sections 84200, et seq.

<sup>6</sup> Section 81002, subdivision (f).

<sup>7</sup> Section 82013, subdivision (a).

<sup>8</sup> Section 84101, subdivision (a).

<sup>9</sup> Section 82048.7.

1 required to include the name of the sponsor.<sup>10</sup> Whenever identification of a sponsored committee is  
2 required, such as on advertisement disclosures or sender identification on mass mailings, the identification  
3 shall include the full name of the committee as required in its statement of organization.<sup>11</sup>

#### 4 **Mass Mailing**

5 A “mass mailing” is defined as over two hundred substantially similar pieces of mail sent in a  
6 calendar month, not including form letters or other mail which is sent to an unsolicited request, letter or  
7 other inquiry.<sup>12</sup> All mass mailings sent by a single committee are required to disclose the full name, street  
8 address, and city of the committee on the outside of each piece of mail.<sup>13</sup>

#### 9 **Independent Expenditure**

10 An independent expenditure is an expenditure made by a person in connection with a  
11 communication which expressly advocates the election or defeat of a clearly identified candidate or the  
12 qualification, passage or defeat of a clearly identified measure, or taken as a whole and in context,  
13 unambiguously urges a particular result in an election but which is not made to or at the behest of the  
14 affected candidate or committee.<sup>14</sup> Costs directly traceable to the communication are reportable when the  
15 communication is made, or when payments are made in connection with the development, production, or  
16 dissemination of the communication, whichever occurs first.<sup>15</sup> Accrued expenses must be reported as of  
17 the date on which the goods or services are received. If the exact amount of a debt or obligation is not  
18 known, the report must state that the amount reported is an estimate and amend the report when the correct  
19 amount is determined.<sup>16</sup>

#### 20 **24 Hour Reports**

21 A committee that makes a late independent expenditure shall report the late independent  
22 expenditure within 24 hours of the time it is made.<sup>17</sup> A late independent expenditure is defined as an  
23 independent expenditure that totals in the aggregate \$1,000 or more and is made for or against a specific  
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25 <sup>10</sup> Section 84102.

26 <sup>11</sup> Section 84106.

27 <sup>12</sup> Section 82041.5 and Regulation 18435.

28 <sup>13</sup> Section 84305.

<sup>14</sup> Section 82031.

<sup>15</sup> Section 82025, subdivision (b)(3)(C).

<sup>16</sup> Regulation 18421.6.

<sup>17</sup> Section 84204.

1 candidate or measure involved in an election during the 90-day period preceding the date of the election  
2 or on the date of the election.

3 In connection with the election held on April 4, 2017, the 90-day reporting period commenced on  
4 January 4, 2017.

### 5 **Joint and Several Liability**

6 Every committee must have a treasurer.<sup>18</sup> Committees must also identify a principal officer.<sup>19</sup> This  
7 individual is primarily responsible for approving the political activities of the committee, including, but  
8 not limited to, authorizing the content of communications, authorizing expenditures, including  
9 contributions, on behalf of the committee, and determining the committee's campaign strategy.<sup>20</sup> It is the  
10 duty of the treasurer and the principal officer to ensure that the committee complies with all the  
11 requirements of the Act.<sup>21</sup> The treasurer and the principal officer may be held jointly and severally liable,  
12 along with the committee, for violations committed by the committee.<sup>22</sup>

### 13 **SUMMARY OF THE FACTS**

14 The Committee filed a statement of organization on March 6, 2017, indicating that it was a  
15 primarily formed committee in support of Ara Najarian for City Council of Glendale for the April 4, 2017  
16 municipal election and was not yet qualified. The Committee received a check from Southland Transit Inc.  
17 in the amount of \$25,000 on or around March 20, 2017. This was the only contribution received by the  
18 Committee. The Committee filed an amended statement of organization to indicate that the committee had  
19 qualified but did not indicate that Southland Transit Inc. was the sponsor.

20 The Committee made independent expenditures in support of Najarian. The first was on March 23,  
21 2017 and was a payment for two mass mailings for a total of approximately \$15,082. The Committee filed  
22 a 24-hour independent expenditure report disclosing the postage and printing costs totaling approximately  
23 \$7,926 on March 23, 2017. However, this report failed to disclose approximately \$7,155 in costs associated  
24 with the mailer. These costs were not reported until April 10, 2017, when the Committee filed an amended  
25 report.

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27 <sup>18</sup> Section 84100.

<sup>19</sup> Section 84102, subdivision (c).

<sup>20</sup> Section 82047.6.

<sup>21</sup> Sections 81004, 84100, 84104, and 84213, and Regulation 18427.

<sup>22</sup> Sections 83116.5 and 91006.

1 The second expenditure was on March 27, 2017 and was a payment for a mass mailing for a total  
2 of approximately \$8,057. The Committee filed a 24-hour independent expenditure report disclosing the  
3 postage and printing costs totaling approximately \$4,479 on March 28, 2017. However, this report failed  
4 to disclose approximately \$3,577 in additional costs associated with the mailer. These costs were not  
5 reported until April 10, 2017, when the Committee filed an amended report. The Committee received the  
6 invoice for the late reported costs on April 4, 2017 and made the payment on April 10, 2017 and reported  
7 the payments on that date. However, the Committee was required to report the costs when the  
8 communication was made. If the exact amount was unknown at the time, the Committee was required to  
9 report an estimated cost.

10 As Southland Transit Inc. provided 100% of the contributions, the Committee was required to  
11 identify Southland Transit Inc. as the sponsor of the committee. The three mass mailings included a  
12 disclosure statement reading, "Paid for by Glendale Voters for Good Government Supporting Najarian for  
13 City Council 2017," but this disclosure omitted the name of the sponsor, Southland Transit Inc.

## 14 VIOLATIONS

### 15 **Count 1: Failure to Timely Report on a 24-hour Independent Expenditure Report**

16 The Committee and Deane failed to timely report expenditures made in connection with  
17 communications in support of Najarian, including approximately \$7,155 on or by March 24, 2017 and  
18 approximately \$3,577 on or by March 28, 2017, in violation of Section 84204.

### 19 **Count 2: Failure to Identify Sponsor in Sender Identification on Mass Mailings**

20 The Committee and Brumer failed to include the name of the sponsor in the disclosure statement  
21 for mass mailings sent on or around March 24, 2017 and March 28, 2017, in violation of Section 84106  
22 and 84305, subdivisions (a) and (b).

## 23 PROPOSED PENALTY

24 This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per count.  
25 Thus, the maximum penalty that may be imposed is \$10,000.<sup>23</sup>

26 In determining the appropriate penalty for a particular violation of the Act, the Commission  
27 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the Commission  
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<sup>23</sup> See Section 83116, subd. (c).

1 considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of any intention  
2 to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d)  
3 whether the violation was isolated or part of a pattern; (e) whether corrective amendments voluntarily were  
4 filed to provide full disclosure; and (f) whether the violator has a prior record of violations.<sup>24</sup>

5 Failure to timely file 24-hour independent expenditure reports—particularly reports to disclose  
6 activity taking place in the last 16 days prior to an election—deprives the public of timely disclosure of the  
7 Committee’s actions. Failure to include proper and complete disclosure on advertisements is also  
8 considered to be a serious violation. The Committee filed the required reports and campaign statements to  
9 disclose the activity. The Committee and Brumer have no prior enforcement history, however, Deane, a  
10 professional treasurer, has prior history: On July 21, 2016, the Commission approved a stipulation in the  
11 matter of *Californians for Good Schools and Good Jobs and Shawnda Deane, Treasurer*, FPPC Case No.  
12 14/887. The committee and Deane were found liable for inaccurate reporting regarding late independent  
13 expenditures. On December 21, 2017, the Commission approved a streamline stipulation in the matter of  
14 *Weinberger for Judge 2014, Joseph B. Weinberger, and Shawnda Deane*, FPPC Case No. 17/940. The  
15 committee, the candidate, and Deane were found liable for a total of eight counts, including six counts for  
16 failing to timely file 24-hour contribution reports.

17 Additionally, the Commission considers penalties in prior cases with comparable violations. Recent  
18 similar cases include the following. With respect to Count 1: *In the Matter of Committee for Yes on*  
19 *Measure B, Sunder Ramani, and Mary Alvord*, FPPC No. 16/20101. Respondents failed to timely file a  
20 24-hour contribution report for five late contributions, amounting to \$24,000. On February 21, 2019, the  
21 Commission imposed a penalty of \$2,500.

22 Here, the Committee failed to disclose a total of \$10,733 over two statements as an independent  
23 expenditure until April 10, 2017, six days after the election. This was approximately half of what should  
24 have been reported on each statement, however, there was some disclosure to the public regarding the  
25 mailers. Therefore, a penalty of \$1,500 is recommended.

26 With respect to Count 2: *In the Matter of L.A. County Firefighters Local 1014 Organized, Ready*  
27 *& Committed in Emergencies, and John Smolin*, FPPC No. 11/1026. Respondents were charged with two  
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<sup>24</sup> Regulation 18361.5, subd. (d).

1 counts of failing to include proper identification on mass mailings and were charged with an additional  
2 count for failing to disclose the sponsor in the name of the committee. Local 1014 contributed over  
3 \$1,100,000 to the respondent committee and the committee made of \$900,000 in expenditures over a period  
4 of 9 years, during which the sponsor was never identified in the committee's name. On April 5, 2012, the  
5 Commission imposed a total penalty of \$2,250 for each of the mailers and \$3,500 for the failure to disclose  
6 the sponsor in the name of the committee. In total, the respondents were charged \$8,000 for the three  
7 counts.

8 Here, the Committee failed to include the name of the sponsor on three mass mailings. An  
9 aggravating factor in the *L.A. County Firefighters* case was the length of the time that the committee was  
10 in existence without disclosing the sponsor and the size of that committee. Here, the Committee was active  
11 for a much shorter time period and was considerably smaller in size. Therefore, the failure to identify the  
12 sponsor in the sender identification for the mass mailings are combined into a single count and the failure  
13 to change the name of the committee is considered an aggravating factor. Brumer contends that he relied  
14 on advice from the treasurer regarding the disclosure statement and that there was no intention to conceal,  
15 deceive, or mislead the public about Southland Transit Inc.'s sponsorship of the Committee. Therefore, a  
16 penalty of \$3,500 is recommended for this count.

17 After considering the factors listed in Regulation 18361.5, prior similar cases, and other relevant  
18 facts, the penalty of \$1,500 for Count 1 as to the Committee and Deane and \$3,500 for Count 2 as to the  
19 Committee and Brumer is recommended, for a total penalty of \$5,000.

## 20 CONCLUSION

21 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
22 Respondents Glendale Voters for Good Government, Supporting Najarian for City Council 2017, Shawnda  
23 Deane, and Daniel Brumer hereby agree as follows:

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

26 2. This stipulation will be submitted for consideration by the Fair Political Practices  
27 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.  
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1           3.       This stipulation resolves all factual and legal issues raised in this matter—for the purpose  
2 of reaching a final disposition without the necessity of holding an administrative hearing to determine the  
3 liability of Respondents pursuant to Section 83116.

4           4.       Respondents understand, and hereby knowingly and voluntarily waive, any and all  
5 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9.  
6 This includes, but is not limited to the right to appear personally at any administrative hearing held in this  
7 matter, to be represented by an attorney at Respondents’ own expense, to confront and cross-examine all  
8 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial  
9 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially  
10 reviewed.

11           5.       Respondents agree to the issuance of the decision and order set forth below. Also,  
12 Respondents agree to the Commission imposing against them an administrative penalty in the amount of  
13 \$5,000. One or more payments totaling said amount—to be paid to the General Fund of the State of  
14 California—is/are submitted with this stipulation as full payment of the administrative penalty described  
15 above, and same shall be held by the State of California until the Commission issues its decision and order  
16 regarding this matter.

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

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1           7.       The parties to this agreement may execute their respective signature pages separately. A  
2 copy of any party's executed signature page, including a hardcopy of a signature page transmitted via fax  
3 or as a PDF email attachment, is as effective and binding as the original.  
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5 Dated: \_\_\_\_\_

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Galena West, Chief of Enforcement  
Fair Political Practices Commission

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

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Shawnda Deane, Treasurer  
Individually and on behalf of Glendale Voters for Good  
Government, Supporting Najarian for City Council  
2017.

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13 Dated: \_\_\_\_\_

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Daniel Brumer, Principal Officer  
Individually and on behalf of Glendale Voters for Good  
Government, Supporting Najarian for City Council  
2017.

1 The foregoing stipulation of the parties “Glendale Voters for Good Government, Supporting  
2 Najarian for City Council 2017, Shawnda Deane, and Daniel Brumer,” FPPC Case No. 17/01470, is hereby  
3 accepted as the final decision and order of the Fair Political Practices Commission, effective upon  
4 execution below by the Chair.

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6 IT IS SO ORDERED.

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

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Richard C. Miadich, Chair  
Fair Political Practices Commission