

1 **SUMMARY OF THE LAW**

2 The Act and its regulations are amended from time to time. The violations in this case occurred
3 in 2016 and 2017. For this reason, all legal references and discussions of law pertain to the Act’s
4 provisions as they existed at that time.

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

6 When enacting the Political Reform Act, the people of the state of California found and declared
7 previous laws regulating political practices suffered from inadequate enforcement by state and local
8 authorities.² To that end, the Act must be liberally construed to achieve its purposes.³

9 A central purpose of the Act is to ensure voters are fully informed and improper practices are
10 inhibited by requiring committees to disclose all contributions and expenditures made throughout a
11 campaign.⁴ Another is to provide adequate enforcement mechanisms so that the Act will be “vigorously
12 enforced.”⁵

13 Definition of Committee

14 A “committee” included any person or combination of persons who received contributions
15 totaling \$2,000 or more in a calendar year.⁶ This type of committee is commonly referred to as a
16 “recipient committee.” A recipient committee controlled by a candidate is called a controlled committee.

17 Semi-Annual Campaign Statements

18 A controlled committee must file two semi-annual campaign statements each year no later than
19 July 31 for the period ending June 30 and no later than January 31 for the period ending December 31.⁷
20 Whenever the deadline falls on a Saturday, Sunday, or official state holiday, the filing deadline for a
21 statement shall be extended to the next regular business day.⁸

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23 Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2,
24 Division 6 of the California Code of Regulations, unless otherwise indicated.

25 ² Section 81001, subdivision (h).

26 ³ Section 81003.

27 ⁴ Section 81002, subdivision (a).

28 ⁵ Section 81002, subdivision (f).

⁶ Section 82013, subdivision (a).

⁷ Section 84200, subdivision (a).

⁸ Regulation 18116, subdivision (a).

1 Pre-Election Campaign Statements

2 A candidate-controlled committee must file two pre-election campaign statements before the
3 election in which the candidate is listed on the ballot.⁹ For the general election, a committee must file a
4 first pre-election campaign statement no later than 40 days before the election for the reporting period
5 ending 45 days before the election. A committee must file a second pre-election statement no later than
6 12 days before the election for the reporting period ending 17 days before the election.¹⁰ Whenever the
7 deadline falls on a Saturday, Sunday, or official state holiday, the filing deadline for a statement shall be
8 extended to the next regular business day.¹¹

9 24-Hour Reports

10 Each candidate or committee that makes or receives a late contribution must file a report within
11 24 hours of making or receiving the contribution.¹² A “late contribution” includes a contribution
12 aggregating \$1,000 or more that is made or received by a candidate or his or her controlled committee,
13 or a committee formed or existing primarily to support or oppose a candidate or measure, during the 90-
14 day period preceding the date of the election, or on the date of the election.¹³

15 Candidate and Treasurer Liability

16 Under the Act, it is the duty of the candidate and the treasurer of a controlled committee to ensure
17 that the committee complies with all the requirements of the Act concerning the receipt, expenditure, and
18 reporting of funds.¹⁴ The candidate and treasurer may be held jointly and severally liable, along with the
19 committee, for violations committed by the committee.¹⁵

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24 ⁹ Section 84200.5.

25 ¹⁰ Sections 84200.8.

26 ¹¹ Regulation 18116, subdivision (a).

27 ¹² Section 84203.

28 ¹³ Former Section 82036.

¹⁴ Sections 81004, 84100, 84213, and Regulation 18427.

¹⁵ Sections 83116.5 and 91006.

1 **SUMMARY OF THE FACTS**

2 Medina is currently in office as a member of the Gardena City Council. In 2013, Medina ran
3 unsuccessfully as a write-in candidate for the elected position of Mayor of Gardena. For this race, he
4 opened the committee, Dan Medina for Gardena Mayor 2013. He later re-designated that committee to
5 run again for Mayor in 2017. The new name of the committee was Dan Medina for Gardena Mayor 2017
6 (“Committee”). Susana Weltz Medina serves as the treasurer for the Committee. The election was held
7 on March 7, 2017 and Medina lost the race with only 13.3% of the vote. In the year of the election, the
8 Committee reported raising \$21,189 in contributions and spending \$24,538 in expenditures.

9 The Committee was referred to the Enforcement Division pursuant to a referral from the Secretary
10 of State.

11 Campaign Statements

12 The Committee has been open since 2013, but has not consistently filed campaign statements on
13 time. According to records obtained from the City Clerk for Gardena, the Committee filed several
14 required statements after the deadline.

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16 Statement Type	Period Covered	Amount of Contributions & Expenditures	Date Filed	Date Due	Days Late
17 Semi-Annual Statement	01/01/2016 to 06/30/2016	\$0 Activity Reported	08/15/2017	08/01/2016	379
18 Semi-Annual Statement	07/01/2016 to 12/31/2016	\$4,859 in Contributions \$2,751 in Expenditures	02/17/2017	01/31/2017	17
19 03/07/2017 Election Pre-Election Statement ¹⁶	01/01/2017 to 01/21/2017	\$5,770 in Contributions \$2,724 in Expenditures	01/31/2017	01/26/2017	5
20 Semi-Annual Statement	02/19/2017 to 06/30/2017	\$6,471 in Contributions \$11,401 in Expenditures	08/23/2017	07/31/2017	23

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26 ¹⁶ The second pre-election statement was filed one day late.

1 24-Hour Reports

2 The Committee had a duty to file 24-hour reports for the March 7, 2017 local election when it
3 made or received a contribution of \$1,000 or more, in total or in the aggregate during the 90-day reporting
4 period. This reporting period started on December 7, 2016. The Committee timely filed three 24-hour
5 reports, however, the Committee failed to timely file seven 24-hour reports. One report was never filed.
6 All the contributions were reported on other statements prior to the election. The following table shows
7 the late contributions that were received, the date a 24-hour report was due, the date the 24-hour report
8 was filed, if applicable, and the total days the reports were late, if applicable:

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Contributor	Amount	Date	Filed	Due	Days Late
10 1. Susana Weltz (Medina)	\$2,973.00	12/23/2016	01/09/2017	12/24/2016	16
11 2. Susana Weltz (Medina)	\$1,000.00	12/29/2016	01/09/2017	12/30/2016	11
12 3. Donald Dear	\$1,000.00	01/03/2017	01/09/2017	01/04/2017	5
13 4. Gardena Battery	\$1,000.00	01/12/2017	01/31/2017	01/13/2017	18
14 5. Las Flores Convalescent Hospital	\$1,000.00	01/18/2017	01/31/2017	01/19/2017	12
15 6. Mario Cervantes	\$1,000.00	02/03/2017	02/07/2017	02/04/2017	3
16 Oliverio Alvarez	\$1,000.00	02/03/2017	02/07/2017	02/04/2017	3
17 Bill Hernandez	\$1,000.00	02/03/2017	02/07/2017	02/04/2017	3
18 7. Naresh Solanki	\$1,000.00	02/13/2017	Not Filed	02/14/2017	Not Filed
19 Jim Deaf	\$1,000.00	02/13/2017	Not Filed	02/14/2017	Not Filed
20 Total	\$11,973.00				

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22 **VIOLATIONS**

23 Count 1: Failure to Timely File Campaign Statements

24 The Committee, Medina, and Weltz Medina failed to timely file four campaign statements by the
25 deadline. These reports included a pre-election campaign statement for the reporting period of January
26 1, 2017 through January 21, 2017 and three semiannual campaign statements for the reporting periods

1 of: February 15, 2016 through June 30, 2016; July 1, 2016 through December 31, 2016; and February
2 19, 2017 through June 30, 2017, in violation of Sections 84200.5 and 84200.

3 Count 2: Failure to Timely File 24-Hour Reports

4 The Committee, Medina, and Wertz Medina failed to timely file seven 24-hour reports to disclose
5 approximately \$11,973, in violation of Section 84203.

6 **PROPOSED PENALTY**

7 This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per
8 count. Thus, the maximum penalty that may be imposed is \$10,000.¹⁷

9 In determining the appropriate penalty for a particular violation of the Act, the Commission
10 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the
11 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
12 any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or
13 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective amendments
14 voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior record of
15 violations.¹⁸

16 Here, the violations appear to be negligent, however, corrective amendments were voluntarily
17 filed to provide full disclosure for additional violations, including nonreporting, that are not being
18 charged separately in the interest of settlement.

19 The Commission considers penalties in prior cases with the same or similar violations and
20 comparable facts.

21 With respect to Count 1: *In the Matter of Alejo for Assembly 2014 and Luis Alejo*; FPPC No.
22 16/188. The committee was charged with two counts of violating Section 84203. The Commission
23 imposed a \$3,000 penalty for the first count for failure to file three 24-hour reports totaling \$36,000 in
24 contributions made by the committee. The Commission imposed a \$2,000 penalty for failure to file eight
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26 ¹⁷ See Section 83116, subdivision (c).

27 ¹⁸ Regulation 18361.5, subdivision (d).

1 24-hour reports totaling \$18,400 in contributions made and received. Here, the amount of contributions
2 that should have been reported and the number of reports is close to the second count in *Alejo*. In
3 mitigation, all of the contributions that should have been reported in a 24-hour report were reported in
4 pre-election statements prior to the election. Therefore, a penalty of \$1,500 is recommended.

5 With respect to Count 2: *In the Matter of Andrew Valencia for Sweetwater School Board 2016*
6 *and Andrew Valencia*; FPPC No. 16/20043. The committee was charged with one count for failing to file
7 a pre-election statement and a semiannual campaign statement. The Commission imposed a penalty of
8 \$2,000.

9 In both cases, the candidates were unsuccessful, though in this case, Medina is still in office as
10 an elected City Councilmember. Here, the respondents failed to timely file four statements. In mitigation,
11 the pre-election statement was filed prior to the election and was only five days late. In further
12 aggravation, the respondents failed to timely report \$2,100 in contributions and \$825 in expenditures
13 over the reporting periods of July 1, 2016 through December 31, 2017. Therefore, a penalty of \$2,500 is
14 recommended.

15 After considering the factors listed in Regulation 18361.5, prior similar cases, and other relevant
16 facts, a penalty of \$4,000 is recommended.

17 CONCLUSION

18 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
19 Respondents Dan Medina for Gardena Mayor 2017, Dan Medina, and Susana Weltz Medina hereby agree
20 as follows:

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

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

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: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

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9 Dated: _____

Dan Medina, individually and on behalf of Dan Medina
for Gardena Mayor 2017

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11 Dated: _____

Susana Weltz Medina, Treasurer

1 The foregoing stipulation of the parties “Dan Medina for Gardena Mayor 2017, Dan Medina, and
2 Susana Weltz Medina,” FPPC Case No. 15-2256, is hereby accepted as the final decision and order of
3 the Fair Political Practices Commission, effective upon execution below by the Chair.

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5 IT IS SO ORDERED.

6 Dated: _____

7 Richard C. Miadich, Chair
8 Fair Political Practices Commission
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