

1 JAMES M. LINDSAY
Chief of Enforcement
2 THERESA GILBERTSON
Senior Commission Counsel
3 Fair Political Practices Commission
1102 Q Street, Suite 3050
4 Sacramento, CA 95811

5 Telephone: (279) 237-5960
6 Email: tgilbertson@fppc.ca.gov

7 Attorneys for Complainant

8
9 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
10 STATE OF CALIFORNIA

11 In the Matter of:

12 CASERTA FOR SUPERVISOR 2018 and
13 DOMINIC CASERTA

14 Respondents.

FPPC Case No. 19-00326

STIPULATION, DECISION AND ORDER

Date Submitted to Commission: October 2024

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16 **INTRODUCTION**

17 Respondent Caserta for Supervisor 2018 (“Committee”) was the candidate-controlled committee
18 for Dominic Caserta (“Caserta”) during his candidacy for Supervisor for Santa Clara County in
19 anticipation of the June 5, 2018 Primary Election. Caserta was named the assistant treasurer and acted as
20 treasurer for the Committee at all relevant times. This case was opened in response to a sworn complaint.

21 The Political Reform Act¹ (“Act”) holds that a candidate’s campaign funds are held in trust for
22 the purpose of seeking office and further, the Act requires committees, candidates, and treasurers to fully
23 and accurately report contributions and expenditures. The Committee and Caserta violated the Act by
24 using campaign funds for purposes not authorized by the Act, by misusing surplus campaign funds, by
25 failing to accurately and completely report expenditures and contributions, and by failing to maintain
26 adequate records and source documentation to substantiate the campaign reporting by the Committee.

27
28 ¹ 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 18104 through 18998 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. All legal references and discussions
3 of law are intended to be citations to statutes and regulations as they existed at the time of the violations
4 in this case.

5 Respondent Caserta, individually and on behalf of the Committee, signed a tolling agreement on
6 December 14, 2023 to extend the statute of limitations for an administrative proceeding. In addition, the
7 statute of limitations was tolled by service of a Report in Support of Probable Cause on February 22,
8 2024.

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

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

14 One purpose of the Act is to promote transparency by ensuring that receipts and expenditures in
15 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper
16 practices are prohibited.⁴ Along these lines, the Act includes a comprehensive campaign reporting
17 system.⁵ Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will
18 be “vigorously enforced.”⁶

19 **Recordkeeping**

20 It shall be the duty of each candidate and treasurer to maintain detailed accounts, records, bills,
21 and receipts necessary to prepare campaign statements and to establish that campaign statements were
22 properly filed.⁷ A filer shall maintain the accounts, records, bills and receipts, and original source
23 documentation for a period of four years following the date the campaign statement to which they relate
24 is filed.⁸

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26 ² Section 81001, subdivision (h).
27 ³ Section 81003.
28 ⁴ Section 81002, subdivision (a)
⁵ Section 84200, *et seq.*
⁶ Section 81002, subdivision (f).
⁷ Section 84104.
⁸ Regulation 18401, subdivision (b)(2).

1 **Campaign Funds Held in Trust**

2 The Act holds that contributions deposited into a campaign bank account are held in trust for
3 expenses associated with the election of the candidate or for expenses associated with holding office.⁹
4 An expenditure to seek office is within the lawful execution of the trust if it is reasonably related to a
5 political, legislative, or governmental purpose.¹⁰ Any expenditure that confers a substantial personal
6 benefit shall be directly related to a political, legislative, or governmental purpose of the committee.¹¹

7 For purposes of this section, the phrase “substantial personal benefit” is defined as an
8 expenditure of campaign funds that results in a direct personal benefit with a value of more than \$200 to
9 a candidate, elected officer, or any individual with authority to approve the expenditure of campaign
10 funds held by a committee.¹²

11 **Surplus Funds**

12 A candidate is deemed to be a defeated candidate if they lose or withdraw from the election. Any
13 remaining campaign funds after a candidate is defeated, whether the candidate loses or withdraws from
14 the election, are considered “surplus funds” on the 90th day following the end of the post-election
15 reporting period.¹³ For a candidate intending to be on the ballot for June 5, 2018, any remaining
16 campaign funds would become surplus funds on September 28, 2018.

17 Surplus campaign funds must be reported and may be used only for the following purposes: the
18 payment of outstanding campaign debts or elected officer's expenses, the repayment of contributions,
19 donations to any bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit
20 organization, contributions to a political party committee, contributions to support or oppose any
21 candidate for federal office, any candidate for elective office in a state other than California, or any ballot
22 measure, or the payment for professional services reasonably required by the committee to assist in the
23 performance of its administrative functions.¹⁴

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27 ⁹ Section 89510.

28 ¹⁰ Section 89512, subdivision (a).

¹¹ Section 89512, subdivision (b).

¹² Section 89511, subdivision (a)(3).

¹³ Section 89519

¹⁴ Section 89519, subdivision (b).

1 **Reporting of Contributions and Expenditures**

2 The Act provides that each campaign statement must contain certain information about the
3 campaign’s financial activity, including total contributions, total expenditures, and identifying
4 information about the sources of those contributions and the recipients of the expenditures.¹⁵

5 With respect to contributions, for each person from whom one hundred (\$100) or more has been
6 received during the period covered by the campaign statement, the filer must disclose all of the
7 following: 1) the contributor’s full name, 2) that person’s street address, 3) that person’s occupation, 4)
8 the name of that person’s employer, or, if self-employed, the name of the business, 5) the date and
9 amount received for each contribution and whether the contribution was made in the form of a monetary
10 contribution, in-kind contribution of goods or services, or a loan, and 6) the cumulative amount of
11 contributions.¹⁶

12 With respect to expenditures, for each person to whom an expenditure of one hundred dollars
13 (\$100) or more has been made during the period covered by the campaign statement, the filer must
14 disclose all of the following: 1) that person’s full name, 2) that person’s street address, 3) the date and
15 amount of each expenditure, and 4) a brief description of the consideration for which each expenditure
16 was made.¹⁷

17 **Candidate and Treasurer Liability**

18 Under the Act, it is the duty of the candidate and the assistant treasurer of a controlled committee
19 to ensure that the committee complies with all the requirements of the Act concerning the receipt,
20 expenditure, and reporting of funds.¹⁸ The candidate and the assistant treasurer may be jointly and
21 severally liable, along with the committee, for violations of the committee.¹⁹

22 **SUMMARY OF THE FACTS**

23 On June 27, 2016, Caserta filed with the Secretary of State to open the Committee in anticipation
24 of running in the June 5, 2018 Primary Election for Santa Clara County Board of Supervisors. The
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27 ¹⁵ Section 84211.

¹⁶ Section 84211, subdivision (f).

¹⁷ Section 84211, subdivision (k).

¹⁸ Section 81004, 84100, 84213, and Regulation 18427.

¹⁹ Section 83116.5 and 91006.

1 Committee and Caserta named Mafalda Soares (“Soares”), Caserta’s spouse at the time, as the treasurer
2 and named himself as the assistant treasurer. Caserta contends and the Enforcement Division agrees that
3 Caserta served as the treasurer in fact for the relevant reporting period, January 1 through June 30, 2019.
4 For this reason, Soares was not named as a party in this matter. The Committee qualified on or around
5 July 14, 2016. The Committee was terminated effective July 2, 2019.

6 Caserta’s employer, the Santa Clara Unified School District, released Caserta’s confidential
7 personnel file and information regarding allegations of sexual harassment became public. Shortly after
8 this disclosure, Caserta resigned from the Santa Clara City Council and ended his campaign for Santa
9 Clara County Supervisor. Caserta withdrew from the ballot on or around May 19, 2018. Caserta contends
10 that the allegations were without merit and FPPC takes no position on this issue. The allegations and
11 release of the personnel file led to or were related to some of the improper expenditures at issue and are,
12 therefore, relevant to this matter. According to Caserta, the release of the confidential personnel file
13 caused severe personal and professional stress which impaired his judgment during the applicable period
14 here.

15 **Misuse of Campaign Funds**

16 When Caserta withdrew from the ballot, his controlled committee had a cash balance of
17 \$195,368. The remaining cash balance was considered “surplus funds” as of September 28, 2018.
18 The investigation determined that, during the reporting period of January 1, 2019 through July 2, 2019,
19 the funds remaining in the account were expended in a manner that was not consistent with the
20 requirements of the Act for lawful use of those funds.

21 *Payments to Guaranteed Removals*

22 The campaign statements reported, and bank records confirmed, that the Committee made at least
23 eight payments to a payee, “Guaranteed Removals” between January 16, 2019 and March 27, 2019.
24 These eight payments totaled \$10,855. According to the business’ website, Guaranteed Removals assists
25 their customers by removing negative content on the internet. Caserta contends that these payments were
26 legitimate uses of campaign funds because but-for his status as a candidate, he would not have needed
27 the services of Guaranteed Removals.
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1 Caserta withdrew from the ballot in May of 2018. Caserta was not on the ballot nor an elected
2 official at the time he benefited from the services. These payments conferred a substantial personal
3 benefit to Caserta and the payments were not directly related to a political, legislative, or governmental
4 purpose. Additionally, the payments were not compliant with the rules regarding the use of surplus funds
5 as the payments do not fall into one of the enumerated appropriate uses for surplus funds.

6 *Payments to Individuals*

7 The Committee issued seven checks to three different individuals. These checks were issued
8 between January 28, 2019 and June 21, 2019. However, on the original campaign statement for the
9 reporting period of January 1, 2019 through June 30, 2019, this activity was not reported accurately. Six
10 of the transactions were reported as if they were payments to “Guaranteed Removals.” The last
11 transaction was reported as a payment made to Caserta’s attorney. Caserta reported a payment to the
12 attorney in the amount of \$1,895.72. However, the actual payment to the attorney was \$245.72. The
13 difference between what was reported and what the actual payment was totaled \$1,650, the amount of a
14 check to another individual.

15 In total, the Committee made three payments totaling \$19,990 to one campaign volunteer, one
16 payment totaling \$1,650 to a second campaign volunteer, and three payments totaling \$18,450 to Soares.
17 Caserta explained the inaccurate reporting by stating that he was unfamiliar with the reporting software
18 and selected the wrong vendor when reporting the information.

19 To date, Caserta has failed to produce any records or documentation to substantiate that the seven
20 checks were legitimate expenses incurred or made for the purpose of seeking office. On the campaign
21 statements and on the Committee’s statement of organization, Soares was listed as the treasurer for the
22 Committee. Caserta contends that Soares served as the treasurer until the middle of 2018 though the lack
23 of records makes this claim difficult to independently verify. When asked, Soares directed the
24 Enforcement Division to contact Caserta.

25 When asked to produce records such as employment contracts, invoices, W-2s, or other evidence
26 to substantiate the consideration for the \$40,090 paid to the three individuals, the Committee and Caserta
27 responded that no records existed. According to an attorney proffer, there were no records because the
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1 individuals were volunteers at the time that they provided the services to the Committee and that the
2 payments were “bonuses” paid out of remaining campaign funds.

3 Under the Act, payments to spouses for personal services, such as the service of a treasurer, is
4 prohibited by the Act. If the payments were not payments made in consideration for services negotiated
5 and rendered but were payments made in gratitude to a campaign volunteer, the payments are better
6 characterized as a gift. However, the Act holds generally that campaign funds shall not be used to make
7 personal gifts unless that gift is directly related to a political, legislative, or governmental purpose.²⁰ The
8 relevant statute states that, at most, a cumulative value of less than \$250 in a single year made to an
9 individual employee or committee worker may be considered to be directly related to a political,
10 legislative, or governmental purpose.²¹

11 This series of payments to three individuals were made nearly a full year after Caserta withdrew,
12 even though the Committee had ample resources to cover any existing debt of the Committee when
13 Caserta withdrew. The Committee and Caserta did not explain the reasoning for the amounts paid to the
14 individuals. The payments were not disclosed on campaign statements, but the transactions appeared on
15 statements as if they were payments made to Guaranteed Removals. Therefore, when considering the
16 entirety of the evidence, the Enforcement Division concludes that the payments were more likely than
17 not unrelated to a political, legislative, or governmental purpose. Further, the payments were more likely
18 than not an impermissible use of surplus funds as the Committee could not establish that the payments
19 were made to administer the Committee or to pay legitimate debts owed by the Committee.

20 *Payments for Sports Memorabilia and other Personal Purchases*

21 Bank statements for the committee bank account revealed multiple payments charged to the
22 Committee totaling approximately \$13,771. The payments ranged from \$5.25 to \$1,850 and were made
23 between March 18 and March 27, 2019. Based on information taken from the bank statement and
24 confirmed through a declaration, under penalty of perjury, signed by Caserta, these payments were for
25 sports memorabilia or for other personal purchases. Many payments were made through the payment
26 intermediary, PayPal. Caserta confirms that these were personal purchases but contends that the

27 ²⁰ Section 89513, subdivision (f)(1)

28 ²¹ Section 89513, subdivision (f)(3), regarding an election victory celebration or similar campaign event, or gifts with a total cumulative value of less than \$250 in a single year made to an individual employee, a committee worker, or an employee of the elected officer’s agency are considered to be directly related to a political, legislative, or governmental purpose.

1 payments were inadvertent and that he did not intend to use campaign funds. In support of his assertion,
2 Caserta contends that he reimbursed the Committee as soon as he realized his mistake. Bank records
3 show that the account received credit in the form of six online banking transfers from an account which
4 Caserta contends is his personal checking account, one deposit made at the bank (referred to as “counter
5 credit” on the statement), and at least two transactions of payments deposited from PayPal. In total, the
6 account received about \$12,584.72 during the period of March 18 through March 28, 2019. Later, the
7 account would receive an additional \$2,644.50 in the form of counter credit for transactions dated April
8 10 and June 20. Upon closure of the Committee, Caserta returned \$533.78 in an online transfer to the
9 same personal checking account ending at the end of June.

10 The original campaign statements for the relevant period failed to disclose any of this activity.
11 Caserta contends that he did not report it because it was an error and he addressed the error by over-
12 reimbursing the Committee. However, by failing to report the activity, there was no disclosure as to how
13 campaign funds were expended or the source of the contributions used to reimburse the Committee. In
14 response to this investigation, Caserta amended the campaign statement to fully disclose the activity.
15 When asked to produce records to substantiate the amended reporting, Caserta failed to produce any
16 records.

17 The use of campaign funds to purchase sports memorabilia and other personal purchases was not
18 a legitimate use of campaign funds as the payments did not have a political, legislative, or governmental
19 purpose and conferred a personal benefit to Caserta. In addition, these payments did not have a purpose
20 that was consistent with the enumerated uses of surplus funds.

21 *Failure to Report Activity*

22 As discussed above, much of the activity in the reporting period of January 1, 2019 through June
23 30, 2019 was not timely or accurately reported. In total, contributions totaling approximately \$15,212
24 were not timely reported. In total, expenditures totaling approximately \$54,395 were not reported
25 correctly, with about \$40,090 being attributed to the wrong payee and \$14,305 not disclosed at all. On
26 August 2, 2023, the Committee and Caserta filed a campaign statement to fully and properly disclose all
27 activity. The Committee filed the amendment unprompted by the Enforcement Division in order to
28 provide full disclosure.

1 *Recordkeeping*

2 At various points during the investigation, Caserta and the named treasurer, Soares, were asked to
3 produce records to substantiate the Committee’s campaign statements. When asked to produce records at
4 case opening in 2019, Caserta claimed that he did not have access to them. Caserta contends that the
5 severe personal and professional distress made it difficult for him to respond to or assist the investigation.
6 Later, the Enforcement Division again requested records to assist with the investigation into the
7 allegations related to use of campaign funds. To date, no records were provided to Enforcement Division
8 staff.

9 When approached, Soares directed Enforcement to inquire with Caserta about the records request
10 and did not respond to subsequent contacts. To date, the Committee and Caserta have not provided
11 committee records. As such, the Enforcement Division could not substantiate all reported activity or fully
12 investigate unreported activity.

13 **VIOLATIONS**

14 **Count 1: Misuse of Campaign Funds**

15 The Committee and Caserta made payments totaling approximately \$10,855 to the payee,
16 “Guaranteed Removals.” At that time, the campaign funds were considered surplus. The payments
17 conferred a substantial personal benefit on the candidate, Caserta, and were not directly related to a
18 political, legislative, or governmental purpose. Moreover, these payments were not used for one of the
19 permitted purposes for use of surplus funds. In this way, the Committee and Caserta violated
20 Government Code Sections 89510, 89512, and 89519.

21 **Count 2: Misuse of Campaign Funds**

22 The Committee and Caserta made payments totaling \$40,090 to three individual payees. At that
23 time, the campaign funds were considered surplus. The payments were not reasonably related to a
24 political, legislative, or governmental purpose. Moreover, these payments were not used for one of the
25 permitted purposes for use of surplus funds. In this way, the Committee and Caserta violated
26 Government Code Sections 89510, 89512, and 89519.

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1 **Count 3: Misuse of Campaign Funds**

2 The Committee and Caserta made payments totaling \$13,771 to numerous payees for sports
3 memorabilia and other personal purchases. At that time, the campaign funds were considered surplus.
4 The payments conferred a personal benefit to the candidate and were not directly or reasonably related to
5 a political, legislative, or governmental purpose. Moreover, these payments were not used for one of the
6 permitted purposes for use of surplus funds. In this way, the Committee and Caserta violated
7 Government Code Sections 89510, 89512, and 89519.

8 **Count 4: Failure to Timely and Accurately Report Expenditures on a Campaign Statement**

9 The Committee and Caserta failed to timely and accurately report \$15,212 in contributions and
10 \$54,395 in expenditures on a campaign statement for the reporting period of January 1, 2019 through
11 June 30, 2019, in violation of Government Code Section 84211.

12 **Count 5: Recordkeeping**

13 The Committee and Caserta failed to maintain detailed campaign records for the Committee's
14 contributions and expenditures for the life of the Committee, in violation of Government Code Section
15 84104.

16 **PROPOSED PENALTY**

17 This matter consists of five proposed counts. The maximum penalty that may be imposed is
18 \$5,000 per count.²² Thus, the maximum penalty that may be imposed is \$25,000.

19 This matter does not qualify for the Streamline Program because it involves violation types that
20 are not eligible for resolution under the Streamline Program.

21 In determining the appropriate penalty for a particular violation of the Act, the Enforcement
22 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an
23 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division
24 considers the facts and circumstances of the violation in the context of the following factors set forth in
25 Regulation 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused
26 by the specific violation; (2) The level of experience of the violator with the requirements of the Political
27 Reform Act; (3) Penalties previously imposed by the Commission in comparable cases; (4) The presence
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²² See Section 83116, subdivision (c).

1 or absence of any intention to conceal, deceive or mislead; (5) Whether the violation was deliberate,
2 negligent or inadvertent; (6) Whether the violator demonstrated good faith by consulting the Commission
3 staff or any other governmental agency in a manner not constituting complete defense under Government
4 Code Section 83114(b); (7) Whether the violation was isolated or part of a pattern and whether the
5 violator has a prior record of violations of the Political Reform Act or similar laws; and (8) Whether the
6 violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

7 With respect to the first factor, misuse of campaign funds and misuse of surplus funds causes a
8 high degree of public harm because such conduct erodes public confidence in the political process by
9 creating the appearance that lawful campaign contributions are personal gifts to the public official. As
10 stated elsewhere, an express purpose of the Act's comprehensive reporting system is to promote
11 transparency so that the voters are fully informed and to discourage prohibited behavior. A part of the
12 comprehensive reporting system requires committees to fully and accurately report activity and to
13 maintain adequate documentation to substantiate that reporting. By failing to maintain records, the harm
14 here is that the accuracy of the campaign statements cannot be verified by an independent review.
15 Further, the lack of records inhibits the finding of or investigation of other potential violations of the Act.

16 With respect to the second factor, Caserta has experience with the Act and knew or should have
17 known of its requirements. Caserta has run for Assembly, City Council for multiple terms, in addition to
18 his run for Supervisor.

19 The Commission has previously considered stipulations involving the violations at issue in this
20 matter. With respect to misuse of campaign funds, violating the Act's prohibition of use of campaign
21 funds is typically charged anywhere between a mid-tier fine and a maximum fine depending on the
22 circumstances of the case. For example, in the matter of [*Karina Onofre for CA State Assembly 74th*](#)
23 [*District and Karina Onofre, FPPC No. 16/649*](#), the Commission imposed a \$3,000 penalty for a single
24 count of misuse of campaign funds at the October 15, 2020 Commission meeting. In that case, while she
25 was running for office, the candidate, Onofre, purchased clothing and a laptop in connection with her
26 candidacy. In mitigation, Onofre believed that, because she intended to use the items as an officeholder
27 and candidate, the purchases were permissible. In contrast, in the matter of [*Joseph Canciamilla, Joe*](#)
28 [*Canciamilla for Contra Costa County Clerk/Recorder 2014/2018, and Friends of Joe Canciamilla for*](#)

1 [Judge 2012/2014, FPPC No. 17/146](#), the Commission imposed a max penalty of \$5,000 for 15 counts of
2 misuse of campaign funds at the November 21, 2019 Commission meeting. In that case, candidate
3 Canciamilla was found to have used campaign funds for numerous expensive personal enterprises
4 including home renovations, private vacations, and more. In addition to personal use, Canciamilla was
5 charged for false reporting on campaign statements because he disguised the misuse by omitting or
6 misreporting the activity.

7 Here, the misuse of funds was confined to a single reporting period, unlike in the case of
8 *Canciamilla*. The misused funds was in an amount that was significantly higher than in the *Onofre* case
9 and involved a range of transaction types from internet reputation services to personal sports
10 memorabilia purchases. Here, the numerous violations have been combined into only three separate
11 counts.

12 With respect to Count 1, Caserta and the Committee contend that the payments were made with a
13 lawful purpose. The payments described in Count 1 are related to payments made for a personal
14 reputation service. Caserta contends that his confidential personnel file would not have been released
15 were he not running for office and that therefore, he asserts it was permissible to use campaign funds to
16 attempt to cure this issue. The Enforcement Division finds that the payments to Guaranteed Removals
17 provided a substantial personal benefit to Caserta, were therefore required to be directly related to a
18 political, legislative, or governmental purpose, and that the payments do not meet this standard because
19 Caserta had withdrawn from the ballot at the time the payments were made. However, the Enforcement
20 Division finds that Caserta's belief that the payments were lawful uses of campaign funds does provide
21 some mitigation as this indicates that the intention was not to violate the law or the trust in which the
22 funds were held. Further, Caserta timely reported this activity, indicating that there was no intent to
23 conceal or deceive as to what the campaign funds were being used for. In this way, Count 1 is more
24 similar to the facts in *Onofre* compared to *Canciamilla*.

25 With respect to Count 2, Caserta and the Committee contend that the payments were simply
26 bonus payments to volunteers. However, the activity was not reported on campaign statements but was
27 rather misreported as payments made to other payees. Further, the timing of the payments, the sums paid,
28 and the lack of supporting documentation suggest that these payments were not related to a political,

1 legislative, or governmental purpose. In this way, Count 2 is more similar to *Canciamilla*.

2 With respect to Count 3, Caserta and the Committee contend that the personal use payments for
3 sports memorabilia were an error and were reimbursed at or near the time of the payments. Caserta,
4 through a declaration, contends that this error was the result of the fallout from his 2018 candidacy.
5 Caserta states that he was not in a proper frame of mind because of “psychological strain” due to, in part,
6 tremendous pressure, depression and PTSD, and serious family health problems. As the violation was
7 discovered by Caserta and corrected close in time to the occurrence, the Enforcement Division finds that
8 there is mitigation for this violation. However, the public harm from utilizing campaign funds for
9 personal use was further aggravated by failing to report this activity on campaign statements. As such, a
10 penalty more similar to *Onofre* is appropriate.

11 With respect to the failure to fully and accurately report committee activity, there is a high
12 variability in how the Commission charges. This violation is included in the streamline program but can
13 be charged in a mainline stipulation, when appropriate. In the *Canciamilla* case, the Commission
14 imposed a penalty of \$5,000 for 14 counts of failing to accurately and fully report activity. In that case,
15 the campaign reporting was inaccurate and contained errors and falsehoods in order to conceal the
16 personal use of campaign funds. This case presents similarities to *Canciamilla* and, therefore, a higher
17 penalty is recommended. However, as previously discussed, there is mitigation with respect to the eighth
18 factor; the Committee and Caserta voluntarily, without urging from the Enforcement Division, amended
19 the relevant campaign statement to fully disclose the activity. In addition, Caserta contends that the
20 failure to report the payments for sports memorabilia was an error and that he thought he did not need to
21 report it because he reimbursed the committee immediately. Finally, unlike in *Canciamilla*, there does
22 not appear to be a pattern of behavior as the activity appears to have been limited to a single reporting
23 period.

24 With respect to the recordkeeping requirement, there is a high variability in how the Commission
25 charges. This violation is included in the streamline program but can be charged in a mainline stipulation,
26 when appropriate. In the matter of [*Rossana Mitchell-Arrieta for Chino Hills City Council 2016, Rossana*](#)
27 [*Mitchell-Arrieta, and Frank Arrieta, FPPC No. 17/462*](#), the Commission imposed a \$2,500 penalty at the
28 December 17, 2020 Commission meeting for a single count of failing to maintain detailed committee

1 records. In that case, the stipulation found that records were not maintained for some, but not all records.
2 In total, the source documentation was not available for \$5,380 in contributions and \$32,258 in
3 expenditures, accounting for 13% of contributions and 78% of expenditures. Here, no records were
4 provided to the Enforcement Division in response to this investigation. The Enforcement Division relied
5 on bank statements and records subpoenaed from the Committee's bank in order to investigate this
6 matter. Caserta provided a declaration under penalty of perjury in lieu of records. Given these facts, a
7 higher penalty than *Mitchell-Arrieta* is appropriate.

8 With respect to the fourth factor, there are facts to suggest that there may have been some intent
9 to conceal activity regarding the actual use of some expenditures of campaign funds. Caserta failed to
10 report numerous transactions and reported some transactions either erroneously or falsely. The
11 Committee and Caserta have failed, despite multiple requests, to produce committee records to
12 substantiate the activity. Through a declaration, Caserta asserted that he believed he did not need to
13 report certain transactions, specifically the personal transactions made through PayPal and other sports
14 memorabilia vendors, because the transactions were made by mistake and were corrected by Caserta's
15 reimbursement to the Committee for the erroneous transactions. He further asserted that the misreporting
16 of certain check payments as being payments to Guaranteed Removals was due to the fact that he was
17 unfamiliar with the electronic reporting software and that he had inadvertently selected the wrong vendor
18 identifier for certain transactions. In response to these findings, Caserta asserts that he was under severe
19 personal and professional stress and that this caused the inadvertent or negligent violations that are
20 discussed herein.

21 With respect to the fifth factor, Caserta confirms that he should have known better or taken better
22 care when utilizing campaign funds to make personal purchases and in filing campaign statements and
23 reports. With respect to the payments made to Guaranteed Removals and the payments made to
24 individuals, Caserta contends that he believed these were legitimate uses of campaign funds. Caserta
25 contends that the violations were not deliberate. Caserta contends that he was in a very poor state of mind
26 and that his life had been upended by the events in May of 2018, including losing his job, resigning from
27 office, withdrawing from his candidacy, and becoming embroiled in a contentious divorce.

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1 The Enforcement Division has no information with respect to the sixth factor.

2 With respect to the seventh factor, the Committee has no history of prior violations within the last
3 five years. Caserta has no prior history of violations in connection with his prior campaigns for City
4 Council or Assembly. Caserta received a warning letter in 2023 for failing to timely file statements of
5 economic interests in 2018 and 2019 in connection with his appointment as an alternate on the El Camino
6 Rapid Transit Policy Advisory Board. In addition, the violations at issue appear to be isolated to one
7 reporting period and not a pattern of activity. The Committee has terminated. Caserta is no longer a
8 public official and has not sought re-election since he withdrew from the 2018 election.

9 With respect to the eighth factor, to mitigate the public harm, the Committee filed amended
10 campaign statements disclosing previously unreported or misreported activity.

11 After considering the factors listed in Regulation 18361.5 and penalties in prior similar cases, the
12 Enforcement Division recommends a penalty of \$4,000 for Count 1, \$5,000 for Count 2, \$4,500 for
13 Count 3, \$4,000 for Count 4, and \$5,000 for Count 5. A total penalty of \$22,500 is recommended.

14 CONCLUSION

15 Complainant, the Enforcement Division of the Fair Political Practices Commission, and Caserta
16 for Supervisor 2018 and Dominic Caserta hereby agree as follows:

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

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

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

24 4. Respondents have consulted with their attorney, Jim Sutton of the Sutton Law Firm, and
25 understand, and hereby knowingly and voluntarily waive, any and all procedural rights set forth in
26 Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not
27 limited to the right to appear personally at any administrative hearing held in this matter, to be
28 represented by an attorney at Respondent's own expense, to confront and cross-examine all witnesses

1 testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
2 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
3 reviewed.

4 5. Respondents agree to the issuance of the decision and order set forth below. Also,
5 Respondents agree to the Commission imposing against them an administrative penalty in the amount of
6 \$22,500. One or more payments totaling said amount—to be paid to the General Fund of the State of
7 California—is/are submitted with this stipulation as full payment of the administrative penalty described
8 above, and same shall be held by the State of California until the Commission issues its decision and
9 order regarding this matter.

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

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

19
20 Dated: _____

James M. Lindsay, Chief of Enforcement
Fair Political Practices Commission

21
22
23 Dated: _____

Dominic Caserta,
Individually and on behalf of Caserta for Supervisor 2018

1 The foregoing stipulation of the parties “Caserta for Supervisor 2018 and Dominic Caserta,”
2 FPPC Case No. 2019-00326 is hereby accepted as the final decision and order of the Fair Political
3 Practices Commission, effective upon execution below by the Chair.

4
5 IT IS SO ORDERED.

6
7 Dated: _____

_____ Adam Silver, Chair
Fair Political Practices Commission