



ANNUAL REPORT 2020

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Commissioner Frank Cardenas, Chair Richard C. Miadich, Commissioner Allison Hayward, Commissioner Brian Hatch, Commissioner E. Dotson Wilson

ABOUT THE FPPC

The Fair Political Practices Commission is a five-member independent, nonpartisan commission that has the primary responsibility for the impartial and effective administration of the Political Reform Act. The Act regulates campaign finance, conflicts of interest, lobbying, and governmental ethics. The Commission's objectives are to ensure that public officials act in a fair and unbiased manner in the governmental decision-making process, to promote

transparency in government, and to foster public trust in the political system.

The Act and the FPPC were created in 1974 when California voters approved Proposition 9. Since the adoption of the Act, the Commission has been responsible for shining light on some of the most egregious violations of campaign and governmental ethics.

2020
MEMBERSHIP OF
THE COMMISSION

RICHARD MIADICH, CHAIR
FRANK CARDENAS
BRIAN HATCH

ALLISON HAYWARD
E. DOTSON WILSON



MESSAGE FROM FPPC CHAIR RICHARD MIADICH

The year 2020 brought significant challenges to the Fair Political Practices Commission, as it did for all Californians and our nation. The COVID-19 global pandemic required all of us to quickly and dramatically alter how we interact with each other professionally and personally. For the FPPC, these challenges were amplified by the fact that they occurred during regularly scheduled State and local elections – precisely the time when timely enforcement of our State’s ethics and campaign finance laws is most critical. In the face of mandatory work-from-home orders, a more than nine percent statewide pay reduction, and countless other pandemic-related obstacles, our staff rose to the occasion.

Enforcement staff received and evaluated nearly 3,000 alleged violations of the Political Reform Act related to the 2020 election cycle and opened over 1,000 new cases, a record high for alleged violations. These matters involve allegations ranging from the failure to timely disclose campaign contributions or expenditures and improper use of campaign funds, to violations of the rules concerning disclaimers on campaign advertisements. While the FPPC generally sees an increase in complaints and referrals in election years, the historic numbers from 2020 were undoubtedly a reflection of our continuing efforts to proactively engage the public through our “Ad Watch” program, as well as our new public service announcement and election information program.

Enforcement staff also presented – and the Commission approved – a record amount of penalties for stipulated judgments and settlements in 2020, including a case where a local government was required to pay a \$1 million penalty for not disclosing it had illegally spent over \$800,000 in public monies on campaign-related

activities. Where cases could not be resolved by a stipulated judgment or settlement, Enforcement staff prosecuted cases through the administrative hearing process. In one instance, Enforcement staff filed an injunction in Superior Court, prompting the incumbent candidate, who had previously refused to disclose campaign activity, to file the necessary campaign finance disclosure reports before the election.

Legal Division staff, which includes the staff responsible for providing telephone and email advice on the Act’s requirements, also saw record-level workloads. Legal staff responded to approximately 20,000 telephone and email requests for advice in 2020, nearly half of which occurred between August and October 2020. Legal staff also continued their proactive efforts to improve compliance with the Act by making 41 informational presentations to stakeholders across the State, most of which were conducted remotely due to statewide shelter-in-place orders. The attorneys in the Legal Division issued 160 written advice letters in 2020 and continued their work assisting the Commission in updating our existing regulations and adopting new regulations to address areas where additional attention is needed, including by enhancing the disclosure requirements on Limited Liability Companies (“LLCs”), which remain a source of potential “dark money” in our State and local elections. Finally, our Legal Division attorneys successfully defended a challenge against our regulations that require local governments to disclose their use of public funds for campaign purposes – a priority area for the Commission.

Of course none of us at the FPPC could have managed the challenges of 2020 without the incredible support of our administrative staff, including our information technology (“IT”) department. From ensuring that everyone in the office had the necessary tools to quickly transition to a

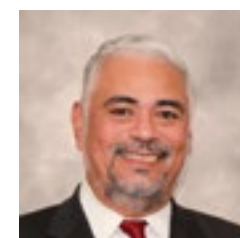
remote-working model, to providing the Commission with the means to continue holding our public meetings remotely, the administrative staff played a critical role in ensuring that we were able to carry out our responsibility to interpret and enforce the Political Reform Act.

Last, but not least, I want to acknowledge the work – and patience – of my fellow Commissioners during 2020. Despite the challenges of holding nearly all of our regular meetings and committee meetings remotely via Zoom, each of you remained just as engaged with, and passionate about, our work as when we were able to meet in person. I also want to thank now

former Commissioner Hayward, who resigned from the Commission in August 2020 after accepting a new job, for her exemplary service to our State.

At a time when so many in our nation have expressed concern about election integrity, I feel truly honored to witness each day the dedication of the public servants who comprise our agency to ensuring transparency in California’s State and local elections. On behalf of my fellow Commissioners and all Californians, thank you to the entire FPPC staff for your tireless efforts and a job well done in 2020.

COMMISSIONER STATEMENTS

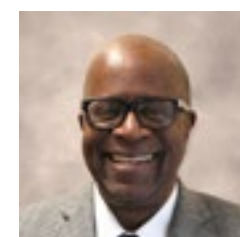


Commissioner Frank Cardenas

“A body of men holding themselves accountable to nobody ought not to be trusted by anybody.” Thomas Paine, The Rights of Man (1791)

In 1974, the people of California had the wisdom to strengthen certain democratic institutions in this state by adopting the Political Reform Act of 1974; which states, in part: “State and local government should serve the needs and respond to the wishes of all citizens equally, without regard to their wealth” and “Public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them.” The Political Reform Act embodies our commitment as Californians to those democratic ideas that must continue to sustain our union.

As we report on another year of stewardship and enforcement of the Political Reform Act, the staff and members of the Fair Political Practices Commission take no small measure of pride in seeing to it that the will of the people of California be done: that our democratic institutions and practices remain free, fair, open and transparent. We invite your interest, your criticisms, your ideas, and most importantly, your engagement.



Commissioner E. Dotson Wilson

In the face of a global pandemic, the 2020 elections posed an unprecedented challenge for all levels of government to guarantee the protection of each citizen’s constitutional right to vote. The Fair Political Practices Commission embodies the fundamental principle of maintaining the integrity of our elections and democratic institutions in accordance with the Political Reform Act. I consider it an honor to serve as a Commissioner and to collaborate with my four other colleagues to address a wide range of issues and challenges that impact the electoral process. I also would like to commend the Chair and FPPC team of staff for their professionalism and dedication to ensure that the process runs in a fair and ethical manner for all Californians.

2020 YEAR IN REVIEW



Education and Training

Political Reform Consultants in the Legal Division prepare and conduct extensive training and outreach through workshops, webinars, video tutorials, and other training materials to help individuals better understand their obligations under the Political Reform Act. The division also develops the forms and manuals used in campaign and personal financial disclosure and provides telephone advice for filers, their staff, and filing officers throughout the state.

43 workshops and webinars conducted.

7,027 views of FPPC video tutorials.

7,250 telephone calls providing technical assistance.



Legal Advice

The Legal Division responds to a large number of requests for advice from state and local officials, candidates, campaign committees, and lobbyists. For relatively straightforward inquiries, staff attorneys and Political Reform Consultants provide informal advice by phone or email. For some requests, legal staff can provide written advice in the form of advice letters, which are publicly available on the FPPC website.

12,263 telephone calls and emails providing advice on compliance with the Act.

160 advice letters researched and authored, **43** of which related to Section 1090 of the Government Code.



Enforcement Cases

The Enforcement Division analyzes and processes complaints and referrals about potential violations of the Political Reform Act and investigates if there is sufficient information to believe that a violation of the Act has occurred. A complaint can be resolved through a letter finding no violation, an advisory letter, a warning letter, or through prosecution, which may result in monetary penalties approved by the Commission.

1,526 cases resolved, with **271** settlements and **\$1,940,107** in total fines.



Conflict of Interest Codes

Political Reform Consultants in the Legal Division prepare recommendations to the Executive Director or Commission Counsel for conflict of interest code adoptions and amendments for all state and multi-county agencies. Political Reform Consultants also conduct webinars and create training materials for government agencies developing their conflict of interest codes.

74 state agency and multi-county agency conflict of interest codes approved.



Audit Reports

The Enforcement Division operates a campaign audit program of both mandatory and discretionary audits.

21 audit reports were adopted for candidates and committees controlled by candidates for the Sacramento City Council, San Bernardino County Superintendent of Schools and Board of Supervisors, State Controller, Board of Equalization, and CalPERS Board of Administration, with **\$2,009,831** in total combined contributions and **\$3,272,563** in total combined expenditures.



Form 700s

The Administration Division processes and acts as filing officer for Statements of Economic Interest from all levels of government across the state.

23,820 annual, assuming office, leaving office, and candidate statements processed, including **11,278** that were filed through the FPPC's electronic filing system and **4,615** that were filed through local electronic filing systems.

SIGNIFICANT ACHIEVEMENTS AND HIGHLIGHTS

Adapting to Working from Home

IT Unit

The COVID-19 pandemic brought change and challenges to the FPPC in 2020, but through the adaptability and hard work of its staff, the agency was able to continue its statutory duties throughout the unpredictable year.

In early March of 2020, in accordance with state directives, the agency began preparing to shift into a remote work environment on a scale never previously imagined or attempted. FPPC's IT unit worked under extreme time constraints to prepare an emergency telework technology readiness program, which was successfully launched on March 17th and enabled the entire agency to work from home.

Transitioning to fully remote operations required extensive planning and preparation by the IT unit, including identifying the critical IT services that needed to be accessible remotely and finding secure ways to access those services. This

included the use of multi-factor authentication, virtual desktop infrastructure (VDI), and virtual private networks (VPN). To enable the continuation of the Commission's monthly public hearings and committee meetings, the IT unit calculated wide-area network (WAN) bandwidth requirements, provided coordination and support for collaborative tools like Zoom, implemented effective security systems, including the use of intrusion protection systems (IPS) and firewalls, and provided solutions and support to ensure remote public access and opportunities for public participation. IT staff additionally made it possible for education program staff to take phone calls from the public for technical assistance from home.

The IT unit continued its vital work providing remote technological support throughout the year, allowing the agency's more than 80 employees to continue their essential duties with minimal interruption. The FPPC recognizes the IT unit's excellent work this year as one of the agency's most significant achievements in 2020.



Administration Unit

FPPC administrative staff provided invaluable support at the start of and throughout the transition to working from home. This work included securing procurement contracts, purchasing needed licenses and PPE, developing the emergency telework policy, continuing human resources services and transactions remotely, and providing other vital administrative functions.

Legal Division

Legal staff transitioned to working from home without interruption to services provided to the public, except for a temporary suspension of the telephone advice line. Staff continued to provide live trainings through virtual webinars, which were previously provided in-person. Other notable achievements include:

- Publishing updated campaign disclosure manuals, advertising disclosure charts, filing schedules, forms, and fact sheets.
- Creating new fact sheets on the topics of LLC disclosure, committee naming requirements, sponsored committees, local contribution limits (AB 571), and college scholarships.

- Creating a page on the FPPC website and reference materials on Section 1090 of the Government Code.
- Creating a public mailing list for the monthly advice letter report.

Enforcement Division

Enforcement staff handled a huge influx of complaints as a result of the 2020 Primary and General Elections from home, while continuing their preelection efforts to ensure candidates file campaign statements before the election, contacting clerks in all 58 counties and cities with a population of 100,000 or more as well as any cities who asked for assistance. Enforcement staff also continued to seek to cure any advertising violations that came to Enforcement's attention prior to the election – with the priority being ads where it is unclear who the source is – including the 180 submissions received through the FPPC AdWatch program. Enforcement staff were able to quickly resolve non-meritorious complaints despite the challenges presented.

SIGNIFICANT ACHIEVEMENTS AND HIGHLIGHTS



New Leadership and Appointments

In 2020, the Commission made the following appointments within the agency:

The Commission appointed Galena West as its new Executive Director. Ms. West has served with the Commission for more than 18 years, including five years as Chief of Enforcement, ten years as Senior Commission Counsel, and three years in the Legal Division.

The Commission appointed Angela Brereton as its new Chief of Enforcement. Ms. Brereton has served with the Enforcement Division for nearly 14 years, including two years as Assistant Chief of Enforcement, nine years as Senior Commission Counsel, and three years as Commission Counsel. Prior to joining the agency, Ms. Brereton spent six years working in private practice in civil litigation.

The Commission appointed Christopher Burton as its new Assistant Chief of Enforcement. Mr. Burton has served with the Enforcement Division for four years, and previously worked for two large law firms, practicing general commercial litigation.

The Commission appointed Sukhi Brar to Assistant Chief Counsel in the Legal Division. Ms. Brar has served with the Commission for 14 years, and previously held the positions of Supervising Attorney, Senior Commission Counsel, and Commission Counsel.

APPENDIX A

MAJOR ENFORCEMENT CASES

Campaign-Related Communications at the Public Expense

In the Matter of County of Los Angeles

The Enforcement Division opened two cases alleging that the County of Los Angeles's activities with regard to Measure H in 2017 and Measure W in 2018 qualified the county as a committee, triggering the Act's filing and disclosure requirements, including advertisement disclosure requirements. The Howard Jarvis Taxpayers Association filed a civil suit with similar allegations regarding Measure H. All parties agreed to resolve these matters with a joint settlement, in conjunction with the civil settlement and the conditions and requirements of that settlement. Total Proposed Penalty: \$1,350,000.

In the Matter of Mesa Water District

The Mesa Water District sent prohibited campaign-related mass mailings at the public's expense, failed to include the proper disclosure statements in newspaper advertisements, failed to timely file 24-Hour Reports, and failed to timely file a semiannual campaign statement. Total Proposed Penalty: \$14,500.

Advertisements and Campaign Late Filer

In the Matter of Committee for College of the Canyons - Yes on Measure E and Robert McCarty

Committee for College of the Canyons - Yes on Measure E, a local primarily formed committee, and the committee's treasurer and principal officer, Robert McCarty, failed to comply with advertisement disclosure requirements, failed to timely file two semiannual campaign statements and one pre-election campaign statement, failed to timely file 17 24-Hour Reports, and failed to provide sufficient notice to 16 potential major donor committees. Total Proposed Penalty: \$9,000.

In the Matter of Ocean View Teachers Association PAC, Tansya Sanchez (a.k.a. Tansya Phillips), Margaret Friedmann, and Pauline Wong

Ocean View Teachers Association PAC is a local general purpose committee. Pauline Wong was the committee's principal officer during relevant times. Tansya Sanchez was the committee's treasurer from September 2012 through September 2016, and Margaret Friedmann served as treasurer from October 2016 through the present. The committee, Sanchez, and Friedmann failed to properly report a photoshoot and two mailers paid for by the committee, in coordination with two candidates and a ballot measure committee, on two pre-election campaign statements and one semiannual campaign statement. The committee and Friedmann failed to timely file two 24-Hour Reports. Additionally, the committee and Wong failed to include the proper advertisement disclosures on yard sign and banner advertisements. Total Proposed Penalty: \$9,000.



In the Matter of Committee for Excellent High Schools, Karen Loebbaka, and Kevin Saavedra

Committee for Excellent High Schools, a local primarily formed ballot measure committee, the committee's treasurer, Kevin Saavedra, and the committee's principal officer, Karen Loebbaka, failed to timely change the committee's name to reflect its support of the ballot measure, failed to include their proper name on a website advertisement, and failed to timely file 24-Hour Reports for 31 different late contributions. Total Proposed Penalty: \$8,000.

In the Matter of Placer County Impact Republicans PAC and George E. Park Jr

Placer County Impact Republicans PAC, a local general purpose committee, and the committee's treasurer at the time of the violations, George E. Park, failed to timely file an amended statement of organization to report its sponsorship and to include the sponsor's name in the committee's name, failed to timely file three 24-Hour Reports, failed to include a disclosure statement and the required "not authorized" statement on the committee's Facebook profile, and failed to include the required "not authorized" statement on five separate mass mailings that supported and opposed candidates. Total Proposed Penalty: \$8,000.

In the Matter of Committee for Safe Vallejo Schools – Yes on Measure S, Deborah Dickson, and Michael Nichelini

Committee for Safe Vallejo Schools – Yes on Measure S, a primarily formed committee, the committee's principal officer, Deborah Dickson, and the committee's treasurer, Michael Nichelini, failed to timely file two pre-election campaign statements and one semiannual campaign statement, and failed to timely file five 24-Hour Reports. Additionally, the committee and Dickson failed to include the required "paid for by" and committee name disclosure on campaign signs and social media advertisements. Total Proposed Penalty: \$6,500.

In the Matter of The Committee for Yes on Measure V Sponsored by the Mountain View Tenants Coalition, Steve Chandler, and Mitchell Oster

The Committee for Yes on Measure V Sponsored by the Mountain View Tenants Coalition was a primarily formed ballot measure committee. Steve Chandler was the committee's treasurer, and Mitchell Oster, doing business as Eveleth Consulting Group LLC, was the committee's paid campaign consultant. The committee and Chandler failed to accurately report the committee's contributions and expenditures. The Committee, Chandler, and Oster failed to meet the 5% height

requirement for the disclosure statement on window signs, and failed to include the Committee's street address or city on two mass mailings. Total Proposed Penalty: \$6,000.

In the Matter of Friends of Acton-Agua Dulce Schools Yes on Measure "CK" Committee, Lee Jennings, and Christine Johnson

Friends of Acton-Agua Dulce Schools Yes on Measure "CK" Committee, a primarily formed committee, the committee's treasurer, Lee Jennings, and the committee's principal officer, Christine Johnson, failed to timely file 24-Hour Reports for six late contributions and failed to include the necessary disclosures on one electronic media advertisement and seven print advertisements. Total Proposed Penalty: \$5,000.

In the Matter of Glendale Voters for Good Government, Supporting Najarian for City Council 2017, Shawnda Deane, and Daniel Brumer

Glendale Voters for Good Government, Supporting Najarian for City Council 2017, a local primarily formed committee, sponsored by Southland Transit, Inc., and the committee's treasurer, Shawnda Deane, failed to timely report expenditures on a 24-Hour Report, and failed to identify the sponsor in the disclosure statement on mass mailings sent prior to the election. Total Proposed Penalty: \$5,000.

Campaign Bank Account

In the Matter of Rossana Mitchell-Arrieta for Chino Hills City Council 2016, Rossana Mitchell-Arrieta, and Frank Arrieta

Rossana Mitchell-Arrieta, her candidate-controlled committee, Rossana Mitchell-Arrieta for Chino Hills City Council 2016, and the committee's treasurer, Frank Arrieta, failed to pay expenditures from the designated campaign bank account, and failed to maintain adequate source documentation for contributions and expenditures. Total Proposed Penalty: \$6,500.

Campaign Late Filer

In the Matter of Alfonso Sanchez for School Board 2016 and Alfonso Sanchez

Alfonso Sanchez and his candidate-controlled committee, Alfonso Sanchez for School Board 2016, failed to timely file one semiannual campaign statement and two pre-election campaign statements, and failed to timely disclose information regarding a late contribution on a 24-Hour Report. Total Proposed Penalty: \$17,000.

In the Matter of Corso for Council 2014, Taxpayers for Oceanside Neighborhoods, and Dana Corso

Dana Corso, who controlled the local general purpose committee Taxpayers for Oceanside Neighborhoods, failed to timely amend the committee's statement of organization to include her last name in the name of the committee, the office being sought, and the year of the election, failed to timely file three semiannual campaign statements, and failed to timely file two pre-election campaign statements. Corso for Council 2014 and Corso failed to timely file a semiannual campaign statement, failed to timely file a pre-election campaign statement, failed to timely file three 24-Hour Reports, and failed to timely report contributions during the reporting period ending September 30, 2014. Total Proposed Penalty: \$15,500.

In the Matter of Wyman for Attorney General 2014 and James M. O'Hearn

Wyman for Attorney General 2014, the candidate-controlled committee of Phillip D. Wyman, and the committee's treasurer, James M. O'Hearn, failed to meet the recordkeeping requirements of the Act, failed to timely report certain subvendor payments on a campaign statement, failed to timely file two semiannual campaign statements, and failed to timely file two 24-Hour Reports. Total Proposed Penalty: \$15,000.

In the Matter of Jumpstart Vallejo, Curtis Laffety, and John Cummings

Jumpstart Vallejo is a local primarily formed committee. Curtis Laffety was the committee's treasurer from August 4, 2016 through June 11, 2018, and John Cummings served as treasurer from June 11, 2018 through the present. In 2016, the committee and Laffety failed to timely report independent expenditures on a pre-election campaign statement and a semiannual campaign statement, and failed to timely file 24-Hour Reports for contributions and late independent expenditures. In 2017, the committee and Laffety failed to timely file two semiannual campaign statements, and in 2019, the committee and Cummings also failed to timely file two semiannual campaign statements. In 2018, the committee

and Cummings failed to timely file two semiannual campaign statements and two pre-election campaign statements, and failed to timely file 24-Hour Reports. Total Proposed Penalty: \$14,000.

In the Matter of Del Terra Real Estate Services Inc

Del Terra Real Estate Services, Inc. qualified as a major donor in 2014, 2015, 2016, and 2017. Del Terra Real Estate Services, Inc failed to timely file six semiannual campaign statements, and failed to timely file three 24-Hour Reports. Total Proposed Penalty: \$11,500.

In the Matter of the Upland Teachers Association Fund for Quality Education, Greg Lander, and John McNally

Upland Teachers Association Fund for Quality Education is a local general purpose committee that was active during the 2016 and 2018 elections. Greg Lander served as the committee's treasurer from January 2012 through September 2016 and John McNally served as treasurer from September 2016 to present. The committee, Lander, and McNally failed to timely file semiannual campaign statements, failed to timely file pre-election campaign statements, and failed to timely file 24-Hour Reports. Total Proposed Penalty: \$11,000.





In the Matter of L. Pacheco for VCWD B-Member 2013, L. Pacheco 4 Valley County Water District 2018, Lenet Pacheco, and Ricardo Pacheco

Lenet Pacheco, her candidate-controlled committee, L. Pacheco for VCWD B-Member 2013, and the committee's treasurer, Ricardo Pacheco, failed to timely file five semiannual campaign statements. Additionally, Pacheco, her second candidate-controlled committee, L. Pacheco 4 Valley County Water District 2018, and the committee's treasurer, Ricardo Pacheco, failed to timely file three semiannual campaign statements, failed to timely file two pre-election campaign statements, and failed to timely file six 24-Hour Reports prior to the November 6, 2018 General Election. Total Proposed Penalty: \$9,000.

In the Matter of Transparent Silicon Valley and Victor Gomez

Transparent Silicon Valley, a state general purpose committee, and the committee's treasurer, Victor Gomez, failed to timely file four pre-election campaign statements and eight 24-Hour Reports. Total Proposed Penalty: \$9,000.

In the Matter of Standing Committee on Political Education of the California Labor Federation, AFL-CIO and Art Pulaski

Standing Committee on Political Education of the California Labor Federation, AFL-CIO, a sponsored state general purpose committee and the committee's treasurer, Art Pulaski, failed to timely file three 24-Hour Reports, failed to disclose an accurate cash balance on five campaign statements, and failed to report contributions on two campaign statements. Total Proposed Penalty: \$8,500.

In the Matter of Butte County Awareness and Accountability and Thomas Kozik

Butte County Awareness and Accountability, a local general purpose committee, and Thomas Kozik, the committee's treasurer and principal officer, failed to timely file five semiannual campaign statements and two pre-election campaign statements, and failed to timely file four 24-Hour Reports. Total Proposed Penalty: \$7,500.

In the Matter of Campaign for Kids – Yes on Measure I and Ruben Frutos

Campaign for Kids – Yes on Measure I, a local primarily formed committee, and the committee's treasurer, Ruben Frutos, failed to timely file a pre-election and semiannual campaign statement, and failed to timely file seventeen 24-Hour Reports. Total Proposed Penalty: \$7,000.

In the Matter of Orange County Dignity PAC, sponsored by Orange County Federation of Labor AFL-CIO

Orange County Dignity PAC, sponsored by Orange County Federation of Labor, AFL-CIO, is a state general purpose committee. The committee failed to timely report expenditures on six 24-Hour Reports between September 30, 2014 and October 16, 2014, failed to timely report expenditures on twelve other 24-Hour Reports between May 28, 2014 and November 5, 2014, and failed to timely report a late contribution in a 24-Hour Report. Total Proposed Penalty: \$7,000.

In the Matter of Cupertino Residents for Sensible Zoning Action Committee and Yes on C for Citizens, No on D for Developer – Committee Supporting Cupertino Citizens' Sensible Growth Initiative, Xiaowen Wang, and Xiangchen Xu

Cupertino Residents for Sensible Zoning Action Committee was a local general purpose committee. Yes on C for Citizens, No on D for Developer – Committee Supporting Cupertino Citizens' Sensible Growth Initiative was a local primarily formed committee. For both committees, Xiaowen Wang served as treasurer and Xiangchen Xu served as principal officer. Cupertino Residents for Sensible Zoning Action, Wang, and Xu failed to timely file two pre-election campaign statements. Additionally, both committees, Wang, and Xu failed to maintain adequate source documentation and sufficient records to substantiate campaign reporting. Total Proposed Penalty: \$6,500.

In the Matter of Better Millbrae and Alan R. Wong

Better Millbrae, a local general purpose committee, and the committee's treasurer at the time of the violations, Alan R. Wong, failed to timely amend the committee's statement of organization to include the name of its sponsor, and failed to timely file a semiannual campaign statement. Total Proposed Penalty: \$4,000.

Campaign Bank Account and Campaign Late Filer

In the Matter of Santa Clara County Republican Party, Shane Connolly, and Kelly Lawler

Santa Clara County Republican Party, a state general purpose political party committee, the committee's treasurer at the time of the violations, Shane Connolly, and Kelly Lawler of the KAL Group, who was paid by the Committee to prepare its campaign statements and reports at the time of the violations, failed to timely disclose payments

for member communications on 24-Hour Reports, and made prohibited contributions from the committee's restricted use bank account. Total Proposed Penalty: \$7,000.

In the Matter of Baron P. Bruno for 62nd Assembly CA 2016 and Baron P. Bruno

Baron P. Bruno and his candidate-controlled committee, Baron P. Bruno for 62nd Assembly CA 2016, failed to timely file two semiannual and two pre-election campaign statements, failed to timely file eight 24-Hour Reports, and failed to pay expenditures out of the Committee's designated bank account. Total Proposed Penalty: \$6,500.

In the Matter of Patty Padilla-Salsberg for SUHSD Board of Trustees 2015, Patricia Padilla-Salsberg, and Guadalupe Osornio

Patricia Padilla-Salsberg, her candidate-controlled committee, Patty Padilla-Salsberg for SUHSD Board of Trustees 2015, and the committee's treasurer, Guadalupe Osornio, failed to timely file seven semiannual campaign statements. Additionally, the committee and Padilla-Salsberg failed to pay expenditures from the designated campaign bank account. Total Proposed Penalty: \$6,500.

In the Matter of Elect Angela Valles for 1st District Supervisor 2016 and Angela Valles

Angela Valles, and her candidate-controlled committee, Elect Angela Valles for 1st District Supervisor 2016, failed to timely file a pre-election campaign statement in electronic format, failed to timely file four 24-Hour Reports, and failed to pay expenditures from, and deposit contribu-

tions to, the designated campaign bank account. Total Proposed Penalty: \$5,000.

In the Matter of Melendez for California State Senate 2018 and Rudy Melendez

Rudy Melendez, and his candidate-controlled committee, Melendez for California State Senate 2018, failed to timely file a semiannual campaign statement, a pre-election campaign statement, and a 24-Hour Report. The committee and Melendez also failed to deposit all contributions to and make all expenditures from a designated campaign bank account. Total Proposed Penalty: \$4,000.

Conflicts of Interest

In the Matter of Leticia Perez

Leticia Perez, a member of the Kern County Board of Supervisors, participated in discussions and voted on a matter in which she knew or had reason to know had a material financial effect on a source of her income. Total Proposed Penalty: \$4,000.

Controlled Committees

In the Matter of Residents for Reform, Neighborhood Preservation Coalition, David Ellis, Scott Peotter for City Council 2014, Scott Peotter, Duffield for City Council 2014, Duffy Duffield, Muldoon for NB City Council 2014, Kevin Muldoon, Diane Dixon for City Council 2014, Diane Dixon, and Lysa Ray

Residents for Reform and Neighborhood Preservation Coalition, two committees primarily formed to support Scott Peotter, Duffy Duffield, Kevin Muldoon, and Diane Dixon for the Newport



Beach City Council, and the committees' principal officer, David Ellis, and treasurer, Lysa Ray, failed to identify the committees' controlling candidate, include the controlling candidate's last name in each committees' name, disclose that the committees were primarily formed on their statements of organization, and timely file multiple 24-Hour Reports. Additionally, Residents for Reform failed to properly report nonmonetary contributions on two pre-election campaign statements. Peotter, Duffield, Muldoon, and Dixon, their candidate-controlled committees, and Ellis failed to timely report nonmonetary contributions on three campaign statements. Ellis also received contributions and made expenditures from multiple controlled committees' campaign bank accounts. Total Proposed Penalty: \$27,000.

In the Matter of Anthony Araiza for West Valley Water District 2017 and Anthony Araiza

Anthony Araiza and his candidate-controlled committee distributed two mass mailings without disclosing the committee as the true sender, failed to deposit a personal contribution, and failed to make an expenditure from the designated campaign bank account. Total Proposed Penalty: \$14,500.

In the Matter of Committee to Elect Jim Smith, Superior Court Judge, Seat #3 2014, James S. Smith, and Michael Arzaga

James (Jim) S. Smith, his candidate-controlled committee, Committee to Elect Jim Smith, Superior Court Judge, Seat #3 2014, and the committee's treasurer, Michael Arzaga, failed to maintain adequate records necessary to prepare campaign statements in 2014, failed to timely file eight 24-Hour Reports, and improperly accepted cash contributions of \$100 or more. Total Proposed Penalty: \$6,500.

In the Matter of Friends of Highland and Adomitis, Martin, Solano for City Council 2016, Frank Adomitis, Jerry Martin, and Anaeli Solano

Adomitis, Martin, Solano for City Council 2016 ("AMS Committee") was the joint candidate-controlled committee of Frank Adomitis, Jerry Martin, and Anaeli Solano. Adomitis was the AMS Committee's treasurer. Friends of Highland is a local general purpose committee also controlled by Adomitis and Martin. Adomitis was the committee's treasurer. Friends of Highland, Adomitis, and Martin failed to identify Friends of Highland as a candidate-controlled committee. Additionally, the AMS Committee, Adomitis,



Martin, and Solano paid for and sent a mass mailing supporting Adomitis, Martin, and Solano's election that failed to display the required sender identification. Total Proposed Penalty: \$5,500.

In the Matter of Hickey for Director 2014, Harrison and Garcia for Director 2016, and John "Jack" Hickey

Jack Hickey and his candidate-controlled committee, Hickey for Director 2014, failed to timely file three 24-Hour Reports. Additionally, Harrison and Garcia for Director 2016, a committee formed by Hickey, and on which he served as the Committee's treasurer, and Hickey failed to include Hickey's last name in the committee's name. Total Proposed Penalty: \$5,000.

In the Matter of Inland Farmers Political Alliance, Jessica MacKenzie, and Deborah Tharp

Inland Farmers Political Alliance, a local primarily formed committee, the committee's treasurer, Deborah Tharp, and the committee's principal officer and subsequent treasurer, Jessica MacKenzie, failed to identify the supported ballot measures and to disclose that the committee was primarily formed on its statement of organization. Additionally, the committee and MacKenzie failed to timely file a 24-Hour Report. Total Proposed Penalty: \$4,000.

Misuse of Campaign Funds

In the Matter of San Francisco Bay Area Renters Political Action Committee, and Sonja Trauss

San Francisco Bay Area Renters Political Action Committee, a state general purpose committee,

and the committee's treasurer and principal officer, Sonja Trauss, failed to maintain adequate records for expenditures, commingled contributions received by the committee with the personal funds of Trauss, and failed to disclose contributions and to disclose correct amounts for expenditures on a semiannual campaign statement. Total Proposed Penalty: \$9,500.

In the Matter of Karina Onofre for CA State Assembly 74th District and Karina Onofre

Karina Onofre and her candidate-controlled committee, Karina Onofre for CA State Assembly 74th District, failed to timely file two pre-election campaign statements, and Onofre made a payment with campaign funds that was unrelated to a political, legislative, or governmental purpose. Total Proposed Penalty: \$5,500.

Statements of Economic Interest

In the Matter of James Larry Minor

James Larry Minor, a board member for Lake Hemet Municipal Water District and Valley-Wide Recreation and Park District, failed to fully disclose interests in real property on his annual 2015, 2016, and 2017 Statements of Economic Interest under both districts, as well as on his 2018 Annual Statement for the Water District, and on his Leaving Office Statement for the Park District. Total Proposed Penalty: \$16,000.

In the Matter of Jennifer Allsup

Jennifer Allsup formerly served as Commissioner of Modesto Entertainment Commission from March 2009, to May 5, 2016. Allsup failed to timely file a 2014 Annual, 2015 Annual, and Leaving Office Statement of Economic Interests. Total Proposed Penalty: \$12,000.

In the Matter of Tommie Nellon

Tommie Nellon, a Board Member to the Fresno Regional Workforce Development Board, failed to timely file a 2015, 2016, 2017, and 2018 Annual Statement of Economic Interests. Total Proposed Penalty: \$12,000.

In the Matter of Antonio Flores

Antonio Flores was appointed to Governing Board Member of Siskiyou County Dunsmuir Elementary School District on March 15, 2016, and left office on December 2, 2016. Flores failed to timely file an Assuming Office and Leaving Office Statement of Economic Interests. Total Proposed Penalty: \$8,000.

In the Matter of Kiniko Willingham

Kiniko Willingham was appointed as a Commissioner to the City of Long Beach Veteran Affairs Commission on September 26, 2016, and left office on February 1, 2019. Willingham failed to timely file a 2017 Annual and Leaving Office Statement of Economic Interests. Total Proposed Penalty: \$7,000.



APPENDIX B LEGISLATION

One Commission-related bill, AB 2151, passed the Legislature and was signed by the Governor in 2020. Due to the COVID-19 pandemic and related budget issues, no other Commission-related legislation moved forward.

Assembly Bill 2151 (Gallagher)

AB 2151 requires a local government agency to post on its internet website, within 72 hours of the applicable filing deadline, a copy of a specified statement, report, or other document relating to campaign disclosure that was filed with that agency in paper format. AB 2151 requires that the statement, report, or other document be made available for four years from the date of the election associated with the filing.



APPENDIX C REGULATIONS

Substantive Regulatory Changes Adopted by the Commission in 2020

Campaign Finance

- **Regulation 18531 – Returning Excessive Contributions**

Amended to allow campaign contributions received by a committee that are over the applicable contribution limit to be returned within 14 days of receipt even if the committee has deposited the contribution into its campaign bank account.

Campaign Disclosure

- **Regulations 18402.2 and 18421.10 – Limited Liability Companies**

Added to provide a definition for the “responsible officer” that is to be listed on campaign reports for LLCs that qualify as independent expenditure committees or major donors, and to detail what information a committee that receives a contribution from an LLC must include as part of a contributor’s “name” on its campaign statements and reports.

- **Regulation 18419 – Sponsored Committees**

Amended to clarify when a person qualifies as a committee sponsor under the Political Reform Act based on the amount contributions made by the person.

- **Regulation 18431 – Reporting of Expenditures by an Agent or Independent Contractor**

Amended to codify recently issued formal written advice clarifying that, while a subvendor payment to a firm or business entity that is paid to provide canvassing, door-to-door solicitation, or signature gathering is a reportable campaign expense, the name of an individual canvasser, door-to-door solicitor, or signature gatherer is not required to be reported.

Conflicts of Interest

- **Regulation 18703 – “Public Generally Exception”**

Amended the “public generally exception,” which applies when the effect of a decision

on an official’s financial interest is indistinguishable from the effect on the public generally, to expand the exception in instances where the only relevant interest is an official’s primary residence. The amendments also further clarify the application of the special circumstance exceptions provided by the regulation.

- **Regulation 18707 – Disqualification Requirements**

Repealed and added to clarify that an official identified in Section 87200 must provide a public identification of a conflict of interest in a public meeting agenda item when the official attends any portion of the meeting. The new regulation also provides a procedure for providing that information.

RESOURCES

Cost-of-Living Adjustments

- **Regulations 18545, 18700, 18730, and 18940.2 – Biennial Cost-of-Living Adjustment**

Amended to make the biennial cost-of-living adjustments to contribution limits, voluntary expenditure ceiling amounts, and the gift limit, as required by the Political Reform Act.

Fair Political Practices Commission

- **Regulation 18351 – Conflict of Interest Code of the Commission**

Amended to update the positions and disclosure categories in the Commission’s conflict of interest code to reflect the Commission’s current organizational structure.

- **Regulations 18360, 18361.1, 18361.4, 18361.5, 18361.9, 18361.11 and 18404.2 – Enforcement Processes**

Amended to improve multiple regulations governing enforcement matters, including by revising procedures and requirements for probable cause proceedings, administrative hearings, briefing procedures associated with proposed decisions, and administrative terminations.

- **Regulation 18310.1 – Public Participation at Meetings**

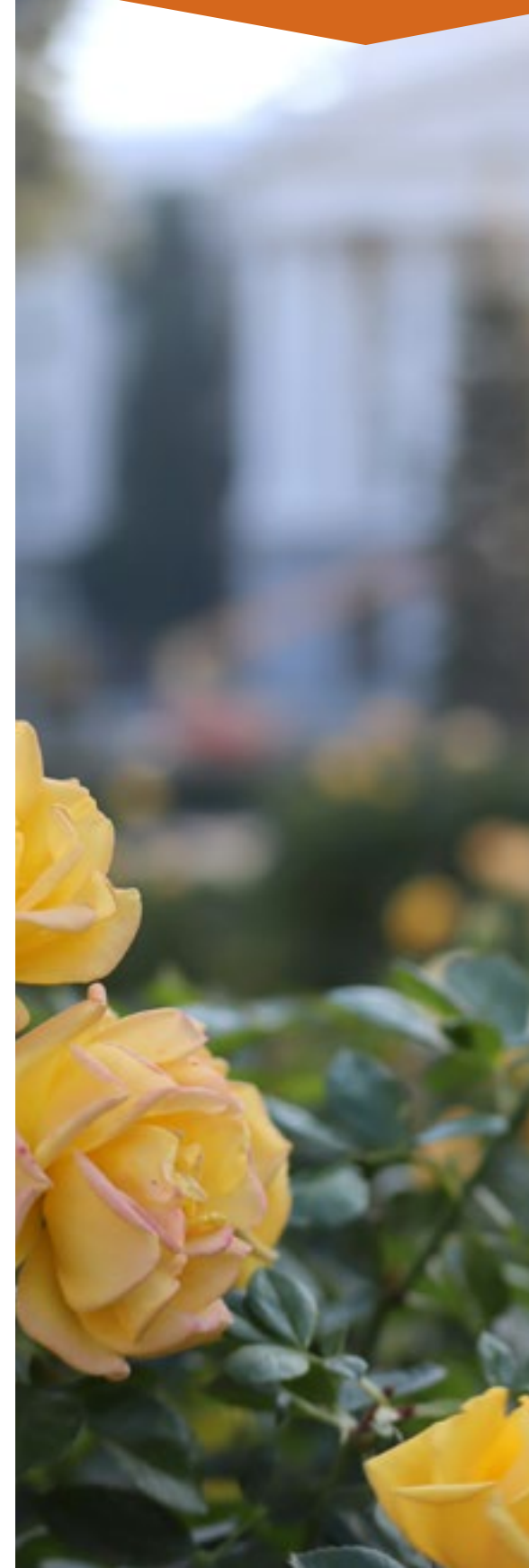
Added to codify the public participation policies adopted by the Commission in September and October of 2019, with

minor revisions, relating to time limits, rules of organization and order, and audio, video, or text-based public comments.

Statements of Economic Interest

- **Regulations 18115, 18115.1, 18115.2, 18723.1, 18730, 18732.5, 18735, and 18754 – Filing Statements of Economic Interest**

Amended to provide greater clarity and guidance with respect to statements of economic interest, primarily to address the use of electronic filing systems and reduce duplicative filings.



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