



FAIR POLITICAL PRACTICES COMMISSION

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(Unapproved and subject to change)
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

Thursday, June 20, 2013

CALL TO ORDER

Chair Ann Ravel called the meeting to order at 12:30 p.m. at the Board of Supervisors Chambers, 70 W. Hedding Street, San Jose, CA 95110. Chair Ravel and Commissioners Eric Casher and Tricia Wynne were present. Commissioners Sean Eskovitz and Gavin Hachiya Wasserman participated via teleconference.

WELCOME AND CHAIR'S REPORT

Chair Ann Ravel opened the meeting and thanked Lynn Regadanz, Colin Kutch, and Mindy Sanchez of the County of Santa Clara Office of the Clerk of the Board of Supervisors, for their assistance in preparing for the meeting of the Commission.

Chair Ravel provided an update on Commission business. FPPC staff from the administrative, enforcement, and legal divisions hosted a meeting with directors and key staff members from Los Angeles, Oakland, San Diego, and San Francisco ethics agencies. Staff participated in open dialogue regarding common issues and discussed possible collaborative programs for the future.

Chair Ravel explained that the FPPC is working on legislation for online filing of Statements of Economic Interests (Form 700s).

Chair Ravel thanked the Executive Director sub-committee for implementing a selection process and conducting interviews of potential candidates for Executive Director Position. Chair Ravel explained that a special personnel closed session meeting has been scheduled for July 5, 2013, and will be held at the Los Gatos Town Council.

1. Public Comment

Chair Ravel opened the floor for public comment for any item not listed on the agenda.

Leland Treymon addressed the Commission.

Chair Ravel opened the floor for the Commission to remove or discuss an item from the Proposed Consent Calendar.

Chair Ravel removed the minutes from the Proposed Consent Calendar.

Commissioner Casher removed agenda items #3, 4, and 16 from the Proposed Consent Calendar.

Commissioner Wasserman removed agenda items #3 and 4 from the Proposed Consent Calendar for discussion.

PROPOSED CONSENT CALENDAR ITEM 2 – 18

2. Approval of May 2013 Commission Meeting Minutes.

Commissioner Wynne made a motion to approve the minutes from the May 16 2013, Commission meeting. The motion was seconded by Commissioner Casher.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

ENFORCEMENT MATTERS

Conflict of Interest

5. In the Matter of Joni Gray, FPPC No. 12/286. Total Proposed Penalty: \$3,000.

Independent Expenditure Committee Coordination

6. In the Matter of Aide Castro, Matthew Lemcke, and Friends to Elect Aide Castro, FPPC No. 11/253. Total Proposed Penalty: \$3,500.

Campaign Reporting

- 7. In the Matter of Fountain Valley Kids 2012, Yes on Measure N, and Paul Rincon, FPPC No. 12/885. Total Proposed Penalty: \$5,000.**
- 8. In the Matter of Anna Caballero, Anna Caballero for Senate 2010 committee, and James R. Santos, FPPC No. 11/275. Total Proposed Penalty: \$1,000.**
- 9. In the Matter of Alberto O. Torrico, Alberto Torrico for Attorney General 2010 committee, and James R. Santos, FPPC No. 11/944. Total Proposed Penalty: \$1,000.**
- 10. In the Matter of Mike Stevens, Committee to Re-Elect Councilman Mike Stevens 2013, and Mike Stevens, Treasurer, FPPC No. 13/240. Total Proposed Penalty: \$200.**
- 11. In the Matter of Laura Santos, FPPC No. 12/738. Total Proposed Penalty: \$200.**
- 12. In the Matter of San Fernando Valley Republican Club, FPPC No. 12/652. Total Proposed Penalty: \$200.**
- 13. In the Matter of Friends to Elect Gerri Guzman, FPPC No. 12/742. Total Proposed Penalty: \$200.**
- 14. In the Matter of Trina Williams, FPPC No. 12/736. Total Proposed Penalty: \$200.**

Major Donor Reporting

- 15. In the Matter of Andrew Peceimer, FPPC No. 12/868. Total Proposed Penalty: \$1,200.**

Statement of Economic Interest – Non-Reporting

- 17. In the Matter of Gregory J. Gruzdownich, FPPC No. 13/230. Total Proposed Penalty: \$200.**
- 18. In the Matter of Thomas Hudson, FPPC No. 10/741. Total Proposed Penalty: \$200.**

Commissioner Wynne made a motion to approve Proposed Consent Calendar items #5 through #18, except item #16. The motion was seconded by Commissioner Eskovitz.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

Money Laundering

3. In the Matter of Daniel Chun, FPPC No. 13/325. Total Proposed Penalty: \$18,000.

4. In the Matter of Hai Fu “Joey” Lo, FPPC No. 11/460. Total Proposed Penalty: \$18,000.

Commissioner Wasserman encouraged that the FPPC embark on a cost effective method of educating ethnic communities through media communications in their native language.

Commissioner Wynne made a motion to approve Proposed Consent Calendar items #3 and #4. The motion was seconded by Commissioner Eskovitz.

Ayes: Commissioners Eskovitz and Wynne, and Chair Ravel.

Abstained: Commissioners Casher and Wasserman

The motion passed 3 to 0.

Statement of Economic Interest – Non-Reporting

16. In the Matter of Raymond J. Nutting, FPPC No. 13/290. Total Proposed Penalty: \$400.

Commissioner Wynne made a motion to approve Proposed Consent Calendar item #16. The motion was seconded by Chair Ravel.

Ayes: Commissioners Eskovitz, Wasserman and Wynne, and Chair Ravel.

Abstained: Commissioner Casher

The motion passed 4 to 0.

GENERAL ITEMS 19 - 22

- 19. Discussion of Draft Regulation 18421.5:** Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel Heather M. Rowan. Staff is seeking Commission and public input on a new regulation that would create a more specific and easily identifiable report of when a committee pays a person or group to create online content on behalf of the committee. Staff anticipates asking the Commission to adopt the regulation, with any revisions, at the August 2013 meeting.

The Commission discussed this matter but did not take any action.

- 20. Discussion of Issues Relating to Material Financial Effect on Real Property:** Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel William J. Lenkeit. Staff discussed the history of Commission regulations that have tried to identify “what is the material financial effect of a governmental decision on a real property financial interest?” The discussion included examples of actual factual situations that staff has been presented with in advice letters over the years in the hope that an informed discussion will lead to the development of regulations that provide guidelines that are better suited to real world application.

The Commission discussed this matter and encouraged staff to continue working on the development of regulations to address issues relating to material financial effect on real property.

- 21. Adoption of Amendment to Regulation 18531.** Staff: Lynda Cassady, Division Chief, Technical Assistance. Staff proposed to amend Regulation 18531 to update the positions and disclosure categories in the FPPC's conflict of interest code.

Commissioner Wynne made a motion to approve the amendment to Regulation 18531 including the language revision to #116: remove “product” and replace with “equipment, lease space, materials, and supplies.” The motion was seconded by Commissioner Casher.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

- 22. Approval of FPPC Form 806 Agency Report of Public Official Appointments:** Staff: Lynda Cassady, Division Chief, Technical Assistance. In 2012 the Commission amended regulation 18705.5 which creates a limited exception to allow public officials

to vote on their appointment to a committee or position in the agency which the official serves, if the appointment will result in additional income of \$250 or more in a 12-month period. The regulation requires the agency to identify the appointments on a form prepared by the Commission. The Form 806 has been revised to address the recent amendment.

Commissioner Casher made a motion to approve revised Form 806. The motion was seconded by Commissioner Wynne.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

EXECUTIVE STAFF REPORTS ITEM 23

Executive Director/Administrative Division Report. Staff: Interim Executive Director, Tina Bass

Litigation Report. Staff: General Counsel, Zackery P. Morazzini

Legal Division Report. Staff: General Counsel, Zackery P. Morazzini

Enforcement Division Report. Staff: Chief of Enforcement, Gary Winuk

Technical Assistance Division Report. Staff: Chief of TAD, Lynda Cassady

General Counsel Zackery P. Morazzini declared the reports as submitted.

Legislative Report. Staff: Legislative Coordinator, Sukhi Brar

Legislative Coordinator Sukhi Brar addressed the Commission and proposed that the Commission support staff recommended positions on SB 2, SB 3, SB 26, and AB 1418.

SB 2

Commissioner Casher made a motion regarding SB 2, to adopt staff recommendation to support SB 2 if amended as described in the legislative report. The motion was seconded by Commissioner Wynne.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

SB 3

Commissioner Casher made a motion regarding SB 3, to adopt staff recommendation to remain neutral on SB 3 as presented in the legislation, with the expectation that it will be brought to the Commission at a later date. The motion was seconded by Commissioner Wynne.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

SB 26

Commissioner Wynne made a motion regarding SB 26, to adopt staff recommendation to support SB 26 as described in the legislative report. The motion was seconded by Commissioner Casher.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

AB 1418

Commissioner Casher made a motion regarding AB 1418, to adopt staff recommendation to remain neutral on AB 1418 as described in the legislative report. The motion was seconded by Commissioner Wynne.

Ayes: Commissioners Casher, Eskovitz, Wasserman and Wynne, and Chair Ravel.

The motion passed 5 to 0.

Chair Ravel opened the floor to the Commission. Commissioner Casher made a motion to adjourn. The motion was seconded by Commissioner Wynne.

Ayes: Commissioners Casher, Eskovitz, Wasserman, and Wynne, and Chair Ravel.

The motion passed 5 to 0.

The meeting adjourned at 2:40 p.m.

Respectfully submitted,

Dated:

Dominique Word
Commission Assistant

Approved:

Ann Ravel, Chair
Fair Political Practices Commission