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

11  
12 In the Matter of:

FPPC No. 19/475

13 COLLEGE OF THE CANYONS  
14 FOUNDATION,

STIPULATION, DECISION, AND ORDER

15 Respondent.  
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18 **INTRODUCTION**

19 Respondent College of the Canyons Foundation (the “Foundation”) is a non-profit auxiliary  
20 organization formed to generate philanthropic support for College of the Canyons. The Foundation  
21 engaged in campaign activities as a major donor committee under the Political Reform Act (the “Act”)<sup>1</sup>.  
22 The Act requires major donor committees to file campaign statements and reports to disclose their  
23 campaign activities. The Foundation violated the Act by failing to timely file three 24-hour contribution  
24 reports and a major donor campaign statement.

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28 <sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory  
references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110  
through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 **SUMMARY OF THE LAW**

2 The violations in this case occurred in 2016, and all legal references and discussions of law pertain  
3 to the Act’s provisions as they existed at that time.

4 Need for Liberal Construction and Vigorous Enforcement of the Act

5 When enacting the Act, the people of California found and declared that previous laws regulating  
6 political practices suffered from inadequate enforcement by state and local authorities.<sup>2</sup> Thus, it was  
7 decreed that the Act “should be liberally construed to accomplish its purposes.”<sup>3</sup> One purpose of the Act  
8 is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and  
9 truthfully disclosed so that voters are fully informed and improper practices are inhibited.<sup>4</sup> Another  
10 purpose is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”<sup>5</sup>

11 Major Donor Committee

12 A person qualifies as a major donor committee when they make contributions totaling \$10,000 or  
13 more in a calendar year to or at the behest of candidates or committees.<sup>6</sup>

14 24-Hour Contribution Reports

15 A late contribution is a contribution that totals in the aggregate \$1,000 or more that is made to or  
16 received by a candidate, a controlled committee, or a primarily formed committee during the 90-day period  
17 preceding the date of the election, or on the date of the election, at which the candidate or measure is to  
18 be voted on.<sup>7</sup> Each candidate or committee that makes or receives a late contribution must report it to their  
19 filing officer within 24 hours of the time it is made or received.<sup>8</sup> The 90-day period prior to the  
20 June 7, 2016 Primary Election began on March 9, 2016.

21 Major Donor Campaign Statements

22 A major donor committee must file a campaign statement each year no later than July 31 for the  
23 reporting period ending on June 30, and no later than January 31 of the following year for the reporting

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26 <sup>2</sup> Section 81001, subd. (h).

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

28 <sup>4</sup> Section 81002, subd. (a).

<sup>5</sup> Section 81002, subd. (f).

<sup>6</sup> Section 82013, subd. (c).

<sup>7</sup> Section 82036, subd. (a).

<sup>8</sup> Section 84203.

1 period ending on December 31, if it made contributions or independent expenditures during the six-month  
2 period before the closing date of the statements.<sup>9</sup>

3 Liability

4 All reports and statements must be signed under penalty of perjury and verified by the filer.<sup>10</sup>

5 **SUMMARY OF THE FACTS**

6 This case was opened in response to a sworn complaint alleging that the Foundation had not filed  
7 campaign statements to report its contributions to the Committee for College of the Canyons – Yes on  
8 Measure E (the “Yes on E Committee”) (ID# 1384666), a primarily formed ballot measure committee in  
9 support of a measure on the June 7, 2016 ballot that permitted the Santa Clarita Community College  
10 District to issue \$230 million of general obligation bonds.

11 The Foundation made three late contributions to the Yes on E Committee in 2016 but did not  
12 timely file 24-hour contribution reports for them:

<b>Contribution Date</b>	<b>Due Date</b>	<b>Amount</b>
March 22, 2016	March 23, 2016	\$50,000
April 26, 2016	April 27, 2016	\$50,000
May 18, 2016	May 19, 2016	\$50,000
	<b>Total:</b>	<b>\$150,000</b>

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17 On April 24, 2019, the Foundation late-filed the major donor campaign statement for the period  
18 covering January 1, 2016 through June 30, 2016 after receiving notice from the Enforcement Division.  
19 The late-filed major donor campaign statement shows that that the three late contributions to the Yes on  
20 E Committee were the only contributions made by the Foundation in 2016.

21 **VIOLATIONS**

22 Count 1: Failure to Timely File 24-Hour Contribution Reports

23 The Foundation failed to timely file 24-hour contribution reports for three \$50,000 contributions  
24 made on March 22, 2016; April 26, 2016; and May 18, 2016, in violation of Government Code Section  
25 84203.

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28 <sup>9</sup> Section 84200, subd. (b).  
<sup>10</sup> Section 81004, subd. (a).

1 Count 2: Failure to Timely File a Major Donor Campaign Statement

2 The Foundation failed to timely file a major donor campaign statement for the reporting period  
3 covering January 1, 2016 through June 30, 2016 by August 1, 2016, in violation of Government Code  
4 Section 84200, subdivision (b).

5 **PROPOSED PENALTY**

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

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

15 These violations resulted in a lack of transparency for the public into the Foundation's campaign  
16 activities, as the Foundation failed to provide any disclosure prior to the election. However, the Yes on E  
17 Committee filed 24-hour contribution reports for the three \$50,000 contributions and filed pre-election  
18 campaign statements prior to the election, so the public received some disclosure regarding the  
19 Foundation's campaign activities. Additionally, there is no evidence of an intention to conceal, deceive,  
20 or mislead the public. The violations seem to have been negligent, as the Foundation filed its campaign  
21 statement soon after receiving contact from the Enforcement Division. These violations seem to be an  
22 isolated incident, and the Foundation does not have prior enforcement history.

23 The Commission also considers penalties in prior cases with comparable violations. Recent cases  
24 with a similar violation include the following:

25 Count 1

26 *In the Matter of Burbank Hospitality Association*; FPPC No. 18/113. (The Commission approved  
27 a stipulated agreement on June 21, 2018.) Respondent made a \$50,000 contribution to a primarily formed

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<sup>11</sup> Regulation 18361.5, subd. (d).

1 ballot measure committee during the 90-day period prior to the November 8, 2016 General Election and  
2 qualified as a major donor committee. Respondent was required to file a 24-hour contribution report for  
3 that late contribution but failed to timely do so. The recipient of the late contribution reported the late  
4 contribution prior to the election. The Commission approved a penalty of \$2,500 for failure to timely file  
5 a 24-hour contribution report.

6 Unlike *Burbank Hospitality*, the Foundation failed to timely file three 24-hour contribution reports  
7 for three late contributions of \$50,000, totaling \$150,000. Like *Burbank Hospitality*, the recipient of the  
8 late contributions also reported the late contributions on 24-hour contribution reports and pre-election  
9 campaign statements prior to the election, so the public received some notice of the late contributions.  
10 Based on these facts, a higher penalty is recommended in this case.

11 Count 2

12 *In the Matter of KCRW Foundation*; FPPC No. 18/352. (The Commission approved a stipulated  
13 agreement on November 15, 2018.) Respondent made a \$125,000 contribution to a primarily formed ballot  
14 measure committee and qualified as a major donor committee. Respondent was obligated to file a major  
15 donor campaign statement for the contribution but did so only after receiving notice of a complaint filed  
16 with the Enforcement Division. The Commission approve a penalty of \$2,500 for failure to timely file a  
17 major donor campaign statement. Due to similar facts, a similar penalty is recommended in this case.

18 Based on the foregoing, the following penalty is recommended:

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Count #	Violation	Penalty
1	Failure to Timely File 24-Hour Contribution Reports	\$3,000
2	Failure to Timely File a Major Donor Campaign Statement	\$2,500
	<b>Total:</b>	<b>\$5,500</b>

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22 **CONCLUSION**

23 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
24 Respondent College of the Canyons Foundation hereby agree as follows:

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

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

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

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

11           5.       The Respondent agrees to the issuance of the decision and order set forth below. Also, the  
12 Respondent agrees to the Commission imposing against it an administrative penalty in the amount of  
13 \$5,500. One or more credit/debit card payments, cashier’s checks, or money orders totaling said amount—  
14 to be paid to the General Fund of the State of California—is/are submitted with this stipulation as full  
15 payment of the administrative penalty described above, and same shall be held by the State of California  
16 until the Commission issues its decision and order regarding the matter.

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

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

8 Dated: \_\_\_\_\_  
9 \_\_\_\_\_, on behalf of Respondent  
10 College of the Canyons Foundation  
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1 The foregoing stipulation of the parties “In the Matter of College of the Canyons Foundation,”  
2 FPPC No. 19/475, is hereby accepted as the final decision and order of the Fair Political Practices  
3 Commission, effective upon execution below by the Chair.

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5 IT IS SO ORDERED.

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7 Dated: \_\_\_\_\_

\_\_\_\_\_ Richard C. Miadich, Chair  
8 Fair Political Practices Commission  
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