STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

November 5, 2019

Brad Hertz
The Sutton Law Firm
o/b/o Carol Gamble and Carol Gamble for RSM City Council 2016
Sent via email at: bhertz@campaignlawyers.com

Warning Letter Re: FPPC No. 2019-01301; Carol Gamble and Carol Gamble for RSM City Council 2016

Dear Mr. Hertz:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the "Act").[1] This letter is in response to a sworn complaint filed against your client and her committee Carol Gamble for RSM City Council 2016 (the "Committee") that alleged the Committee violated the Act's campaign disclosure provisions by reimbursing herself $3,007.15 for travel, lodging, and food as reported on her semi-annual campaign statement for the reporting period ending December 31, 2017.

The Enforcement Division has completed its review of the facts in this case. Specifically, we found that the Committee reimbursed your client $3,007.15 in total for the bi-annual Orange County Lincoln Club Legislative Briefing trip from September 30, 2017 to October 7, 2017 in Washington D.C. The reimbursement for these travel payments was a permissible use of a campaign funds under Section 89513(a)(1) since these expenditures were directly related to a political, legislative, or governmental purpose. Section 89513(a)(1), which pertains to travel, provides the following:

> "Campaign funds shall not be used to pay or reimburse the candidate, the elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee, or employees or staff of the committee, or the elected officer's governmental agency for travel expenses and necessary accommodations except when these expenditures are directly related to a political, legislative, or governmental purpose."

[1] 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.

Additionally, upon our review of the matter, we found that these expenditures were made via your client's candidate credit card and reimbursed to the candidate. However, your client and her Committee reported this reimbursement as a lump sum payment of $3,007.15, instead of itemizing the payments of $100 or more on Schedule E or G of the campaign statement as required by Regulation 18421.9 and Section 84211.

The Act provides that a candidate or committee shall disclose the information, as pertinent, required by paragraphs (1) through (5) of subdivision (k) of Section 84211 for expenditures paid by the candidate or committee to a credit, debit or charge card company if the expenditures reach the $100 aggregate threshold for that subdivision. A candidate or committee shall also disclose the information, as pertinent, required by paragraphs (1) through (5) of subdivision (k) of Section 84211 for each specific expenditure of $100 or more charged on the candidate's or committee's credit, debit or charge card.[2]

Your client's actions violated the Act because she and the Committee failed to timely disclose credit card payments of $100 or more on her semi-annual campaign statement for the reporting period of July 1, 2017 through December 31, 2017. However, mitigating factors exist such that the Enforcement Division has decided to close this case with this warning letter rather than issue a fine. First, the Committee timely reported the lump sum expenditure of $3,0007.15 on the semi-annual campaign statement. Secondly, the Committee filed an amendment to the campaign statement to itemize the credit card expenditures of $100 or more immediately after being contacted by the Enforcement Division. Additionally, this activity occurred in a non-election year and was not election related. Further, this reimbursement was a permissible use of campaign funds under Section 89513 of the Act. Also, neither your client nor her Committee have a prior history of violating the Act.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to $5,000 for each violation.

A warning letter is an Enforcement Division case resolution without administrative prosecution or fine. The Commission has adopted Regulation 18360.1 to authorize the Enforcement Division to issue warning letters to conclude cases in specified circumstances. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this

[2] Regulation 18421.9.

notification, the Enforcement Division will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the Commission's website ten (10) days from the date of this letter.

If your client needs forms or a manual, or guidance regarding your obligations, please call the Commission's Toll-Free Advice Line at 1-866-275-3772 or visit our website at www.fppc.ca.gov.

Please feel free to contact Chloe Hackert at (916) 322-8190 or chackert@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,

GWest

Galena West, Chief
Enforcement Division

GW/ ch
cc: Shawn Gordon, sworn complainant