



**California Political Attorneys Association**

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**VIA ELECTRONIC MAIL:** [KBaeta-Orick@fppc.ca.gov](mailto:KBaeta-Orick@fppc.ca.gov)

Chair Miadich and Commissioners Baker, Gómez, Wilson & Wood  
California Fair Political Practices Commission  
ATTN: Katelyn Baeta-Orick, Commission Counsel  
1102 Q Street, Suite 3000  
Sacramento, CA 95811

**Re: Comment Letter on Proposed Amendments to Regulation 18410**

Dear Chair Miadich and Commissioners:

The California Political Attorneys Association (CPAA) writes to offer comments on the updates made to the amendment of Regulation 18410 (regarding disclosure of a campaign committee's bank account information), following the pre-notice discussion held at the August 2022 Commission meeting. We appreciate your consideration both of our prior letter on this Regulation and this new feedback. The revisions made to the proposed regulation since the pre-notice discussion are a step in the right direction to address the fraud risk presented by this proposed regulation, but we believe further updates are needed to fully address our concerns.

We understand the Commission's concern in efficiently obtaining necessary bank records for campaign audits and investigations when committee treasurers are unavailable or otherwise unable to provide records, and recognize that obtaining these documents is often a challenging task. However, aside from the previous concerns we raised about the possibility of fraudulent activity occurring as a result of the names of those authorized to obtain committee bank records being easily available to the public, we wonder how providing the account signers to the public, on a publicly available document, achieves this purpose. It's not the public that needs this information; it's the FTB Audit Division and staff. Therefore, why give more information to the public, and potential fraudsters, than is necessary for full and truthful disclosure of a committee's receipts and expenditures?

To achieve the purpose of providing auditors with easier access to bank account records, we'd like to instead suggest an amendment to Regulation 18401 on Recordkeeping. For example, Regulation 18401 could be amended to include a new subdivision (a)(12), as follows:

(12) For any savings or checking account, or any other campaign account, in any bank or other financial institution, the names of persons authorized to obtain the bank records of the committee from the bank or financial institution where the account is maintained.

This method could also allow an auditor or investigator to have access to the names of all those authorized to obtain the bank records, instead of just the committee treasurer and two others under the current version of the Regulation.

Another possibility would be to only require this information on the Form 410 only if it is different than those individuals already required to be listed on a Form 410 (treasurer, assistant treasurer, or principal officer). Especially in the case of professional treasurer firms that serve as a committee's treasurer, these individuals are quite often also those with access to the bank records. Putting these individuals' names on a Form 410 twice could lead to confusion for the public and provide duplicative information on an already crowded campaign registration form.

Alternatively, the Form 410 could be updated to instead provide the name of a single custodian of records, similar what is required on the federal Statement of Organization (FEC Form 1). Under the recordkeeping regulations, the custodian of records could be required to maintain an up-to-date list of all individuals with account access. This would provide auditors with a single contact responsible for providing the list of individuals with bank account access and simplify the process for obtaining bank records.

Finally, we do not want to underemphasize our previous concerns about the potential for fraudulent activity triggered from disclosing those authorized to access a committee's bank account records. The staff memo indicates this new requirement "would not appear to significantly increase the likelihood of fraud." However, even if a fraudster did not already assume the treasurer is a signer on the committee's bank account, providing the other names of those that can access bank records transforms an assumption into almost certainty. While a reiteration from our previous letter, it is worth again accentuating the very real fraud risk posed by making even more information related to a committee's bank account public.

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We appreciate the Commission's consideration of our comments and concerns about these proposed changes. If necessary, we are happy to meet with staff in person to discuss the regulatory action in order to best achieve obtaining the necessary bank records for an audit.

Respectfully submitted,



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