



EXECUTIVE STAFF REPORTS

August 18, 2022 Commission Hearing

CONTENTS

EXECUTIVE STAFF REPORTS.....	1
CONTENTS.....	1
I. ENFORCEMENT DIVISION.....	2
A. Overview.....	2
B. Annual Statistics.....	2
C. Prior Year’s Workload – 2022 Quarterly Summary.....	4
D. Unexecuted Streamline Stipulations.....	4
II. AUDITS AND ASSISTANCE DIVISION.....	7
A. Overview.....	7
B. Current Period Updates.....	7
C. Update on Draw Program.....	8
D. Personnel Update.....	8
III. LEGAL DIVISION.....	9
A. Pending Litigation.....	9
B. Outreach and Training.....	9
C. New and Updated Educational Resources.....	10
D. Advice.....	10
E. Miscellaneous Decisions.....	10
F. Potential Upcoming Regulation Projects.....	11
G. Conflict of Interest Codes.....	11
H. Probable Cause Hearings.....	12
IV. ADMINISTRATION & TECHNOLOGY DIVISION.....	13
A. New Employee Report.....	13
B. Statement of Economic Interest (Form 700).....	13

I. ENFORCEMENT DIVISION

STAFF: ANGELA BRERETON, CHIEF

A. Overview

During the period of July 1, 2022 through July 31, 2022 the Enforcement Division received 48 complaints, opened 4 for investigation, and rejected 15. The Enforcement Division received 117 referrals during this time. The Enforcement Division closed a total of 67 cases including:

- 40 warning letters – advertisement violations (2), campaign violations (23), and statement of economic interests violations (16);
- 1 no action closure letter: PREP completed – statement of economic interests violations (1)
- 8 no action closure letters alleging – campaign violations (3), statement of economic interests violations (5);
- 15 approved stipulations from the July Commission meeting;
- 1 committee was administratively terminated;
- And 2 closed as duplicates.

The Division had 1,475 cases in various stages of resolution at the time of the July Monthly Report and currently has approximately 1,488 cases in various stages of resolution, including the 10 cases before the Commission as listed in the August Agenda.

B. Annual Statistics

On the next page, you will find a chart that details the annual statistics for enforcement complaints, referrals and cases. This chart includes the data from 2021, in which the Enforcement Division had a 16% increase in Streamline Penalties compared to 2020 after the Commission updated the Streamline Program regulations with the goal of making the Streamline Program more inclusive. The information in the chart has been gathered from public reports, information from the defunct and inactive database, and data that has been converted into current form, so the numbers are close estimates in some instances.

	Year	2017	2018	2019	2020	2021
1	Complaints Received	564	1,352	744	1,390	606
2	Referrals Received	1,616	1,529	1,950	1,518	1,751
3	Total Complaint and Referrals Received	2,180	2,881	2,694	2,908	2,357
4	Cases opened	1,480	1,561	1,820	1,155	1,185
5	Cases closed ³	1,477	1,243	1,465	1,526	1,058
6	Cases with penalties ¹	340	235	343	278	269
	a Streamline cases	262	173	263	194	234
	b Mainline cases	66	56	73	77	32
	c Default cases	12	6	7	7	3
7	Total fines imposed	\$1,126,933	\$499,606	\$797,384	\$1,940,107	\$472,248
8	Warning letters issued	505	554	584	777	475
9	Administrative terminations	297	177	104	62	59
10	Cases closed with violations found ²	1,142	966	1,031	1,117	803
1	Advisory letters issued	17	20	9	7	16
12	No action closure letters	318	252	423	402	237

¹ Total for lines 6a, 6b, and 6c.

² Total for lines 6, 8, and 9.

³ Total cases closed includes Commission approved cases from the previous year and Commission approved administrative judgements. It does not include Commission approved cases not yet closed.

C. Prior Year's Workload – 2022 Quarterly Summary

Jan-22		Apr-22	
Year Opened	Existing Case Workload	Year Opened	Existing Case Workload
2015	1	2015	0
2016	12	2016	10
2017	28	2017	19
2018	195	2018	174
2019	287	2019	268
2020	381	2020	361
2021	561	2021	476

Jul-22		
Year Opened	Existing Case Workload	Difference in Case Workload
2015	0	0
2016	7	-3
2017	12	-7
2018	154	-20
2019	253	-15
2020	335	-26
2021	451	-25

D. Unexecuted Streamline Stipulations

Streamline penalty stipulations are approved by the Chief of Enforcement and reported to the Commission for discussion only before they are executed. The following streamline stipulations are presented for that purpose. After the close of the hearing, the Chief of Enforcement may execute all or any of the streamline penalty stipulations, at the Chief's discretion per Regulation 18360.2.

Since the last Monthly Report, the Enforcement Chief has not used discretion to increase the penalties for Tier Two advertising violations resulting in public confusion, under Regulation 18360.3(d)(7)(B)(i)(b), or to increase the penalties for Tier Two violations involving the same candidate, committee, or principal officer who has paid a Tier One penalty to the Commission or received a Warning Letter from the Commission for the same type of violation occurring within the last five years, based on the resulting public harm.

The Enforcement Chief did not use discretion under Regulation 18360.2 to exclude violations in the streamline cases presented with this report.

Advertisements

[In the Matter of Armenian National Committee Municipal PAC, Viken Pakradouni; FPPC No. 17/327.](#) Staff: Alex Rose, Commission Counsel. Armenian National Committee Municipal PAC is a local general purpose committee, and Viken Pakradouni was the Committee's treasurer. The Committee and Pakradouni failed to timely file three 24-Hour Reports, in violation of Government Code Section 84204 (3 counts) and failed to disclose the "not authorized" disclaimer on two mailers, in violation of Government Code Section 84506.5 (2 counts). **Total Penalty: \$2,418 (Tier Two).**

Campaign Late Filer

[In the Matter of Committee to Elect Kim Cousins 2022, Kim Cousins, Corrine Cousins, and Matthew Dobler; FPPC No. 18/635.](#) Staff: Marissa Nash, Commission Counsel. Kim Cousins was an unsuccessful candidate for Riverside County Board of Education in the June 5, 2018 Primary Election. Cousins' controlled committee was redesignated to Committee to Elect Kim Cousins 2022. Corrine Cousins served as the treasurer until October 19, 2021. Matthew Dobler served as the treasurer from October 20, 2021 until February 22, 2022. The Committee, Kim Cousins and Corrine Cousins failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts) and four semi-annual campaign statements, in violation of Government Code Section 84200 (4 counts). The 2020 Committee, Kim Cousins and Dobler failed to timely file two semi-annual campaign statements, in violation of Government Code Section 84200 (2 counts). **Total Penalty: \$2,210 (Tier One).**

[In the Matter of Cenicerros for Colton School Board 2018, Randall Cenicerros, and Maria Cenicerros; FPPC No. 18/897.](#) Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Randall Cenicerros was an unsuccessful candidate for the Colton Joint Unified School District Board of Trustees in the November 6, 2018 General Election. Cenicerros for Colton School Board 2018 was Cenicerros' candidate-controlled committee. Maria Cenicerros was the committee's treasurer. The Committee, Cenicerros, and Cenicerros failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (3 counts). **Total Penalty: \$1,350 (Tier Two).**

[In the Matter of Eliseo Gamino for 2022 Superintendent of Schools, Eliseo Gamino, and Victor Martinez; FPPC No. 22/475.](#) Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Eliseo Gamino was an unsuccessful candidate for Fresno County Superintendent of Schools in the June 7, 2022 Primary Election. Eliseo Gamino for 2022 Superintendent of Schools is Gamino's candidate-controlled committee. Victor Martinez is the Committee's treasurer. The Committee, Gamino, and Martinez failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count). **Total Penalty: \$230 (Tier One).**

Statement of Economic Interests Late Filer

In the Matter of Shawn Thompson; FPPC No. 22/062. Staff: Angela Brereton, Chief of Enforcement and Laura Mandler, Political Reform Consultant. Shawn Thompson, Consultant for the City of Monterey, failed to timely file 2019 and 2020 Annual Statements of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Penalty: \$400 (Tier One).**

In the Matter of Timothy Johnson; FPPC No. 20/085. Staff: David E. Castro, Commission Counsel. Timothy Johnson, a member of the Personnel Appeals Commission for the City of Los Alamitos, failed to timely file a 2018 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Penalty: \$400 (Tier One).**

In the Matter of Gary Fazio; FPPC No. 20/893. Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Gary Fazio, a Director for the Fall River Mills Fire Protection District, failed to timely file the 2019 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Penalty: \$400 (Tier One).**

Statement of Economic Interests Late Reporter

In the Matter of Randall Cenicerros; FPPC Case No. 18/1237. Staff: Angela Brereton, Chief of Enforcement and Tara Stock, Intake Manager. Randall Cenicerros is a former member of the Colton Joint Unified School District Board of Trustees. Cenicerros failed to timely disclose two sources of income on the 2017 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Penalty: \$200 (Tier One).**

II. AUDITS AND ASSISTANCE DIVISION

STAFF: SHRDHA SHAH, CHIEF

A. Overview

The audit reports prepared by the FPPC summarize findings with respect to the filer's conformity with the disclosure and recordkeeping requirements of the Political Reform Act. Copies of audit reports are always sent to the auditees and those included in the audit report (such as the prior treasurer, current treasurer and/or their representatives). These reports are public documents.

B. Current Period Updates

During the period of July 1, 2022, through July 31, 2022, the Audits and Assistance Division adopted 1 audit report. Currently the team has 29 audits in progress at various stages, including fieldwork, post-fieldwork, and quality review. Details of the audit report adopted during the period are as follows:

- **O'Leary for Board of Equalization 2018 (ID#1397233)**

Findings noted:

1. Copies of canceled checks for expenditures made totaling \$88,468 and copies of contributors' checks totaling \$7,600 were not maintained.
2. Invoices and/or receipts were not maintained for expenditures made totaling \$88,468, this includes \$35,950 made to Neal Anderberg and \$24,120 made to Jason Auer reported for consulting services.
3. Supporting records, such as loan agreements, were not maintained for loans reported received from the candidate, Micheal O'Leary, totaling \$81,100 and for \$77,350 of these loans reported forgiven.
4. Three Form 497 Contribution Report due within 24-Hours were not filed with SOS for the loans reported received from the candidate totaling \$40,000. Five \$5,000 Reports due within 10 business days were not filed with SOS for four loans reported received from the candidate totaling \$39,000 and a loan forgiveness reported totaling \$77,350. Two other Form 497 Contribution Reports due within 24-Hours were timely filed for two contributions received from other contributors totaling \$8,200.

C. Update on Draw Program

As a follow up to the April 2022 Commission Meeting, the Audits and Assistance Division tested the audit Draw Program to verify whether the program generates random results. The Division ran the program on a set of data multiple times and obtained a randomly generated unique set of results for each of the draws.

D. Personnel Update

The Audits and Assistance Division hired a new Staff Services Management Auditor who will start with the Agency on August 8, 2022.

III. LEGAL DIVISION

STAFF: DAVE BAINBRIDGE, GENERAL COUNSEL

A. Pending Litigation

Mat Wahlstrom v. FPPC, Steven J. Kaufman and Kaufman Legal Group, APC
San Diego County Superior Court, Central Division
Case No. 37-2020-00030654-CU-WMCTL

Petitioner filed a petition for writ of mandate on August 31, 2020. The petition sought to set aside a streamline stipulation, decision and order against Todd Gloria adopted by the Commission in November 2019. The Attorney General represented the Commission. The Commission timely filed an answer to the complaint. Petitioner filed an amended petition on May 12, 2021. The Commission filed a demurrer to the amended petition, the parties submitted briefs and at a hearing on December 13, 2021.

On March 17, 2022, the court issued a tentative ruling sustaining the Commission's demurrer without leave to amend the petition. Petitioner did not request a hearing to contest the tentative ruling, thus the tentative will become the court's final ruling. On April 4, 2022, the court entered a judgment. Subsequently, Petitioner agreed to forgo appeal of the trial court's ruling in exchange for the Commission not seeking recovery of costs, concluding this matter.

B. Outreach and Training

Webinars & Workshops

- July 12, the FPPC hosted a Candidate/Treasurer webinar. Political Reform Consultants, Katie Trumbly and Stephen Hernandez, presented. 17 people attended.
- July 13, the FPPC presented a Statement of Economic Interests Filing Officer webinar requested by the East Bay Regional Park District. Political Reform Consultants, Alex Castillo and Adam Ramirez, presented. 6 people attended.
- July 15, the FPPC presented a Candidate/Treasurer workshop requested by the City of Santa Clara. Education and External Affairs Unit Manager, Chloe Hackert, presented. 4 people attended.
- July 19, the FPPC hosted a Campaign Filing Officer webinar. Political Reform Consultants, Adam Ramirez and Stephen Hernandez, presented. 15 people attended.
- July 26, the FPPC presented a Candidate/Treasurer webinar requested by the City of National City. Education and External Affairs Unit Manager, Chloe Hackert, presented. 4 people attended.
- August 3, the FPPC presented a Candidate/Treasurer webinar requested by the City of Anaheim. Education and External Affairs Unit Manager, Chloe Hackert, presented. 6 people attended.

Scheduled Webinars & Workshops

- August 17, the FPPC is jointly hosting a Candidate/Treasurer webinar with the County of San Diego, requested by the County of San Diego.
- August 24, the FPPC is hosting a Behested Payments webinar.
- August 29, the FPPC is presenting a Candidate/Treasurer workshop requested by the City of Santa Monica.

Video Tutorials

Commission video tutorials were accessed a total of 866 times in July. Form 700 videos were accessed 427 times, the Candidate/Treasurer video was accessed 315 times, and the filing officer videos were accessed 124 times.

C. New and Updated Educational Resources

None

D. Advice

The July Advice Letter Reports are available on the FPPC website at <https://www.fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2022-advice-letter-reports/advice-letter-report-july-20221.html>.

In July, the Legal Division responded to the following requests for advice:

- **Education:** The Education unit responded to 634 requests for technical assistance via telephone.
- **Requests for Advice:** Political Reform Consultants and Legal Division attorneys collectively responded to 854 email requests for advice, 103 of which were not responded to within 24 hours.
- **Advice Letters:** The Legal Division received 7 advice letter requests under the Political Reform Act and completed 3.
- **Section 1090 Letters:** The Legal Division received 6 advice letter request concerning Section 1090 and completed 1. This year to date, we have received 27 advice requests regarding Section 1090.

E. Miscellaneous Decisions

None.

F. Potential Upcoming Regulation Projects

September

- Prohibited lobbyist activities - New provisions to interpret and make specific prohibitions on lobbyists and lobbying firms contained in 86205 (pre-notice).
- Direct Personal Benefit definition – Update the regulatory definition of “direct personal benefit” to reflect amendments made to Section 89521 by AB 1367, as well as other minor clean-up of existing regulations (adoption).

October

- Recall Election - Various new regulations to address ambiguities and gaps in the application of the Act’s disclosure provisions in recall elections (adoption).
- Bank account signor disclosure - Require disclosure of authorized signors for campaign bank accounts on a statement of organization (adoption).
- Minors – Proposed regulation to prohibit a minor from serving in the role of a campaign committee treasurer or assistant treasurer or serving as a responsible officer or principal officer (adoption).

For more information on these and other regulation projects planned for 2022, go to <https://www.fppc.ca.gov/the-law/fppc-regulations.html>.

G. Conflict of Interest Codes

Adoptions and Amendments

Multi-County:

- Crescent View South, Inc
- North Valley Schools Insurance Group
- River Delta Unified School District
- San Luis and Delta-Mendota Water Authority

State:

- Business, Consumer Services and Housing Agency
- New Motor Vehicle Board

Exemptions

None

Extensions

- None

H. Probable Cause Hearings

Probable cause proceedings are conducted per Government Code section 83115.5. A finding of probable cause does not constitute a finding a violation occurred. Respondents are presumed innocent of any violation of the Act unless a violation is proven in a subsequent proceeding.

In the Matter of Randy Eldred for Escondido Mayor 2018, Randy Eldred, and Sheila Eldred, Case No. 2018-00844. On August 1, 2022, probable cause was found, on the papers, that Respondents committed the following violations of the Act:

Count 1: Failure to Timely File a Pre-Election Campaign Statement

The Committee, Randy Eldred, and Sheila Eldred failed to timely file the Committee's pre-election campaign statement for the reporting period of July 1, 2018 to September 22, 2018, due September 27, 2018, in violation of Government Code sections 84200.5, subdivision (a) and 84200.8, subdivision (a).

Count 2: Failure to Timely File a Semi-Annual Campaign Statement

The Committee, Randy Eldred, and Sheila Eldred failed to timely file the semi-annual campaign statement for the reporting period of October 21, 2018 through December 31, 2018, due January 31, 2019, in violation of Government Code section 84200.

Count 3: Failure to Timely File a Semi-Annual Campaign Statement

The Committee, Randy Eldred, and Sheila Eldred failed to timely file the semi-annual campaign statement for the reporting period of January 1, 2019 through June 30, 2019, due July 31, 2019, in violation of Government Code section 84200.

Count 4: Failure to Timely File a Semi-Annual Campaign Statement

The Committee, Randy Eldred, and Sheila Eldred failed to timely file the semi-annual campaign statement for the reporting period of July 1, 2019 through December 31, 2019, due January 31, 2020, in violation of Government Code section 84200.

Count 5: Failure to Timely File a Semi-Annual Campaign Statement

The Committee, Randy Eldred, and Sheila Eldred failed to timely file the semi-annual campaign statement for the reporting period of January 1, 2020 through June 30, 2020, due July 31, 2020, in violation of Government Code section 84200.

Count 6: Failure to Timely File a Semi-Annual Campaign Statement

The Committee, Randy Eldred, and Sheila Eldred failed to timely file the semi-annual campaign statement for the reporting period of July 1, 2020 through December 31, 2020, due February 1, 2021, in violation of Government Code section 84200.

IV. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF

A. New Employee Report

No New Staff to Report

B. Statement of Economic Interest (Form 700)

As of August 1, 2022, 397 persons who were required under their state or local agency conflict of interest code to file a 2021/2022 Annual Form 700 had not timely done so.