The FPPC Streamline Program: How it Works

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Part Two: Eligibility by Violation – Campaign & Late Behested Payments

Violations Discussed Today

- Late Campaign Statements and Reports
- Unreported Contributions and Expenditures
- Committee Naming
- Advertising and Mass Mailing Disclosures
- Cash Contribution(s) or Expenditure(s) of $100 or More
- Campaign Bank Account
- Recordkeeping
- Contribution Limits
- Late Behested Payment Reports

Late Campaign Statements & Reports

- Committees are required to timely file campaign statements and reports
  - Statements: prescribed due dates for disclosure of all activity within set reporting periods
    - For example, Semiannual or Pre-election Campaign Statements
  - Reports: due dates and disclosure determined by the type and timing of the activity
    - For example, Contribution or Independent Expenditure Report
- Resolution Considerations
  - Filed prior to the election or activity reported on another statement/report
  - Unrelated to an election
  - Amount of activity on statement

Late Campaign Statements & Reports - Hypo

- A first-time candidate runs for Sacramento City Council in the general election. They were unsuccessful. The candidate failed to timely file the semi-annual campaign statement due after the election. It was filed 3 days late. The statement discloses $1,500 in activity. The total spent for the entire election was less than $8,000. The committee has terminated and there is no prior Enforcement history.

- Resolution: Warning Letter

Late Campaign Statements & Reports - Hypo

- A first-time candidate runs for the Sacramento City Council in the general election. They were successful but failed to timely file the semi-annual campaign statement due after the election. It was 3 days late and disclosed $8,000 in activity. The total activity for the election was $14,000.

- Resolution: PREP or Tier 1 Penalty of $280 ($200 + 1% of activity)

Late Campaign Statements & Reports - Hypo

- A first-time candidate runs for Los Angeles City Council in the general election. They were successful but failed to file the semiannual campaign statement due after the election. It was not filed until Enforcement contact and only after several requests for compliance. The statement disclosed $10,000 in contributions and $55,000 in expenditures.

- Resolution: Tier 2 Penalty of $2,000
  - $800 base penalty + 2% of the activity disclosed + $100 increase due to lack of diligence by Respondent in coming into compliance

Late Campaign Statements & Reports

DESCRIPTION OF VIOLATION:

Campaign Statement/Report Late Filer

Tier	Count	Statement/Report	Reporting Period	Due Date	Date Filed	Describe Reportable Activity	Penalty
T2	1	Semiannual	10/18/2026-12/31/2026	02/01/2027	06/15/2027	Contributions: $10,000 Expenditures: $55,000	$2,000

TOTAL PENALTY: $2,000

This matter is eligible for a streamline resolution under the criteria provided in Regulation 18360.1.

Filer is a Local Candidate Committee.

Unreported Contributions & Expenditures

- Committees are required to report campaign activity, including contributions and expenditures
- Committees are required to disclose certain information about that activity
  - Contributor employer and/or occupation
  - Subvendor payments
  - Credit card activity
- Resolution Considerations
  - The amount of unreported activity was in the range for inclusion
  - Activity was unrelated to an election

Unreported Contributions & Expenditures - Hypo

- A candidate for Sacramento City Council timely files a pre-election campaign statement but the statement fails to include required information about contributors. Specifically, contributions totaling $8,000 did not have disclosure regarding the contributor's employer and/or occupation.

- Resolution
  - PREP or Tier 1 Penalty of $180 (Base penalty of $100 plus 1% of the $8,000 of unreported activity)
  - Respondent would be required to file an amendment disclosing the missing contributor employer and/or occupation

Committee Naming

- Naming Requirements May Include:
  - Committee Type
  - Support or Opposition to Candidate or Ballot Measure
  - Sponsor

- Resolution Considerations:
  - Misleading or Ambiguous Name
  - Incorrect Name on Ads
  - Name was missing a Sponsor
  - Activity During Period with Incorrect Name

Committee Naming – Hypo

- The group, “Sacramentans for Education Supporting a Funding Measure,” wanted to increase school funding, so they filed the appropriate forms to create their committee. The group was able to place Measure E on the ballot, which would increase school funding.

- Resolution: Warning Letter

Committee Naming – Hypo

- The Committee "Sacramentans for Education Supporting a Funding Measure" received 90% of their funds from the Wayne Foundation. How does this affect the analysis?

- Resolution: Tier 2 Penalty of $800

Advertisements

- What is an Advertisement?
- What Disclaimer or Rules Apply?
  - “Ad Paid for by” Disclaimer
  - “Top Contributor” Disclaimer
  - “Not Authorized” Disclaimer

Advertisements – Reviewing an Ad

- Resolution Considerations
    - Missing “Paid for by” or “Ad Paid for by”
    - Incorrect Font Type, Color, Position or Size
    - Committee Name Differs from Statement of Organization
    - Missing Street Address
    - Top Contributors Included
    - Not Authorized Language Included
    - Mass Mailing Specifics

Advertisements – Hypo

- Candidate Harvey Dent creates a Facebook page so they can hear from and communicate with constituents in their district. The name on their page says, "Harvey Dent for City Council 2025." Prior to the election, Dent added the disclosure "Ad Paid for by" disclaimer onto the header photo.

- Resolution: Warning Letter

Advertisements – Hypo

- The group, Residents for a Better Gotham, created a website where they discussed various candidates and measures before endorsing or opposing the mentioned candidates or measures. At the bottom of the website the group had included their group name as well as their FPPC ID#. Additionally, there was language that said, “Not authorized by any of the candidates discussed on this page.” The website remained this way until it was shut down two months after the election. The group paid a total of $1,000 to maintain their website.

- Resolution: Tier 1 Penalty of $210 ($200 + 1% ad buy)

Advertisements – Hypo

- The group, Friends of Harvey Dent, a primarily-formed committee supporting a candidate, received a contribution from Bruce Wayne in the amount of $100,000. The group spent $10,000 to create and send out thousands of mailers with their group name, encouraging people to support Harvey Dent in the upcoming election. The mailer did not include three required disclaimer elements.

- Tier 2: Penalty of $1,000 ($800 + 2% of ad buy)

Cash Contribution(s) or Expenditure(s) of $100 or more

- The Act prohibits the use of cash contributions or expenditures of $100 or more. This also includes contributions made using cashier's checks or money orders.
- Resolution Considerations
  - The amount of cash per reporting period was within the range for inclusion
  - Whether the cash was reported on campaign statements
- Exclusions
  - Campaign records were insufficient to determine if the use of cash concealed other violations
  - Personal use of campaign funds

Cash Contribution(s) or Expenditure(s) of $100 or more - Hypo

- A candidate for Sacramento City Council received five contributions of $150 in the form of cash. The campaign statement timely reports the individual contributors and discloses all the required information for each. Committee records support that the reporting was accurate (for example, the committee had contributor cards and a contemporaneous accounting for all incoming funds).
- Resolution
  - Tier 1 Penalty $575 ($200 base penalty plus 50% of the cash received)
  - Respondent must return the cash funds to the contributor or to the General Fund

Campaign Bank Account

- The Act requires candidates to utilize a designated campaign bank account.
- Resolution Considerations
  - Activity was reported timely
  - The candidate was mostly self-funded
  - The activity was isolated to the beginning of the campaign
  - The activity outside the bank account was within the eligibility range - based on total dollar and percentage of overall activity
- Exclusions from Streamline
  - Campaign records were insufficient to determine if the bank account activity concealed other violations
  - Personal use of campaign funds

Campaign Bank Account - Hypo

- A candidate for San Diego City Council had a campaign bank account but spent a total of $5,000 of their own funds outside of the campaign bank account during the first pre-election period. The activity was timely reported on the filed campaign statement.
- Resolution
  - Tier 1 Penalty of $150 ($100 base penalty plus 1% of the activity outside the bank account)
  - Respondent must fully disclose all activity on campaign statement(s) if it was not timely reported

Recordkeeping

- Records Created by the Candidate/Committee
  - Journals, Ledgers, Schedules, Worksheets
- Records Created by Others
  - Vendor Invoices, Bank Statements, Checks, Correspondence

- Resolution Considerations
  - Inhibit an Audit or Discovery of Other Violation
  - Impracticable to Determine Substantial Compliance

Recordkeeping – Hypo

- We received a referral from the FPPC's Audits and Assistance Division stating that the Harvey Dent for City Council 2022 Committee had substantially complied with the Act's recordkeeping requirements. However, they found that the Committee only had 95% of their invoices from 2022. Additionally, the Committee retained all of their contributor's checks, but did not maintain a record of the contributor's employer and/or occupation.

- Resolution: Tier 1 Penalty of $200

Contribution Limits

- State and Local Contribution Limits

- Resolution Considerations
  - Unlawful Contribution was Refunded
  - Contribution Reported Timely on Campaign Statement/Report
  - Amount Over the Limit
  - Date Contribution Received

Contribution Limits – Hypo

- A first-time candidate for Assembly received three contributions several months before the primary election from the same individual. The candidate disclosed the contributions on their timely filed campaign statements. In total, the contributions from that individual ended up being $25 over the applicable limit. When the committee became aware, the committee returned the most recent contribution. However, this was more than three weeks after receiving the latest contribution.

- Resolution: Warning Letter

Late Behested Payment Reports

- Elected officials and PUC Members must disclose any single source of "behested payments" totaling $5,000 or more, in the aggregate, in a calendar year. This disclosure must occur within 30 days after the $5,000 threshold is met and for any additional payments from the same source in that year.
- Behested Payments are payments made for a charitable, legislative, or governmental purpose when the official is involved in making the request for payment.

Late Behested Payment Reports

- Resolution Considerations
  - First-time filer or no late filings within the past 2 years
  - The report was filed before public discovery and Enforcement contact
  - The late reports disclosed amounts within the range for eligibility
  - The Respondent can show that they made more than two efforts to get the information timely
- Exclusions
  - A perceived or actual personal benefit
  - The maker of the payment was a named party in, or the subject of, a governmental decision before the Respondent while the decision was pending and within three months before and for three months following the date a final decision was rendered

Late Behested Payment Reports - Hypo

- City Council Member Dent failed to timely file three behested payment reports. The first report disclosed a behested payment of $30,000, the second report disclosed $40,000, and the third report disclosed $100,000. There was no finding of a personal benefit or that a payor had business before the City Council within the relevant time frame.
- Resolution
  - Counts 1-2 are Tier 1, Count 3 is Tier 2
  - The total penalty would be $1,200 ($200 for the Tier 1 counts and $800 for the Tier 2 count)
  - The Respondent would be required to file the late reports, if not already filed

November Commission Meeting

- Slate Mailer Organization Filing Issues
- Major Donor Notifications
- Late Campaign Statements and Reports (Major Donor Filers)
- Late Statement of Economic Interests
- Unreported Economic Interest(s) on a Statement of Economic Interests
- Late Lobbying Reports
- Unreported Lobbying Activity
- Gift Limit
- Proper Recusal for a Conflict of Interest

Questions?