



FAIR POLITICAL PRACTICES COMMISSION

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(Unapproved and subject to change)

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION

MINUTES OF MEETING, Public Session

Thursday, June 19, 2014

CALL TO ORDER

Chair Remke called the meeting to order at 10:05 am on June 19, 2014 at the Fair Political Practices Commission, 428 J Street, Sacramento, CA 95814. Chair Remke and Commissioners Tricia Wynne, Eric Casher were present, Commissioners Sean Eskovitz and Gavin Wasserman were present by telephone.

WELCOME

1. Public Comment

Chair Remke opened the floor for public comment.

Phillip Ung with California Forward informed the Commission about reports their organization released regarding Cal Access and the Form 700 processes to improve transparency and disclosure in California.

PROPOSED CONSENT CALENDAR ITEMS 2 – 39

Chair Remke opened the floor to the Commission to remove or discuss any item from the Proposed Consent Calendar.

Chair Remke recused herself from item 2 and removed item 39.

Commissioner Wasserman asked questions and made comments on items 3, 4, 6, 16 and 27.

Commissioner Wynne made a motion to approve the Consent Calendar, items 3-38 .
Chair Remke seconded the motion.

Ayes: Chair Remke, Commissioners Casher, Eskovitz, Wasserman, Wynne

The motion passed 5 to 0.

2. Approval of April 2014 Commission Meeting Minutes.

Commissioner Wynne made a motion to approve item 2. Commissioner Wasserman seconded the motion.

Ayes: Commissioners Casher, Eskovitz, Wasserman, Wynne

Abstentions: Chair Remke

The motion passed 4 to 0.

ENFORCEMENT MATTERS

Money Laundering

3. **In the Matter of Wisdom Culture and Education Organization; FPPC No. 11/475.** Staff: Senior Commission Counsel Bridgette Castillo and Chief of Investigation Sandra Buckner. Respondent Wisdom Culture and Education Organization (“Respondent Wisdom”) is a California corporation which operates as a 501(c) (3) organization. Mei-Chih Tsai is the Secretary and Officer of Respondent Wisdom. Respondent Wisdom made campaign contributions to Steve Cho for Mayor in connection with the November 4, 2008 election in Fremont through its employees, by reimbursing them with a company check and/or providing the money for a contribution by company check, for the campaign contributions they made, in violation of Government Code Section 84301 (5 counts). **Total Proposed Penalty: \$25,000.**

Commissioner Wasserman wanted clarification on whether this proactive investigation was referred to the IRS, AG Charitable Trust, or the FTB. Upon clarification, the Commissioner requested the concept and policy of which cases the FPPC refers to aforementioned organizations be discussed at a future date as an agenda item.

4. **In the Matter of La Noria Entertainment, Inc.; FPPC No. 13/222.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Simon Russell. Respondent La Noria Entertainment, Inc. operates an entertainment company at the Pico Rivera Sports Arena in the City of Pico Rivera. At Respondent’s direction, employees of Respondent made campaign contributions to a Pico Rivera City Councilmember from their personal bank accounts. Respondent reimbursed them for the contributions in cash. By reimbursing the individuals for making the contributions, Respondent made contributions in names of others rather than its own name in violation of Government Code Section 84301 (3 counts). **Total Proposed Penalty: \$15,000.**

Commissioner Wasserman received clarification that this fine will result in a mandatory disgorgement to the General Fund.

Over-the-limit Contributions

5. **In the Matter of Reginald Byron Jones-Sawyer Sr. and Reginald Jones-Sawyer for Assembly 2012; FPPC No. 14/22.** Staff: Senior Commission Counsel Neal Bucknell, Program Specialist Soni Mangat, Political Reform Consultant Teri Rindahl. This case arose from a Franchise Tax Board audit report. In 2011 and 2012, Respondent Reginald Byron Jones-Sawyer Sr. was a successful candidate for the California State Assembly, 59th District. Respondent Reginald Jones-Sawyer for Assembly 2012 was his candidate controlled committee. On or about December 29, 2011, Respondents accepted an over-the-limit contribution from Maria Ann Chachere in the form of a loan in the amount of \$50,000 in violation of Government Code Section 85301, subdivision (a) (1 count). Also, on or about January 27, 2012, Respondents filed a semi-annual campaign statement for the period ending December 31, 2011, which reported

receipt of the contribution. However, instead of reporting that Ms. Chachere was the true source of funds, Respondents reported the contribution as a loan from Respondent Reginald Byron Jones-Sawyer Sr. to his own committee, in violation of Government Code Section 84211, subdivisions (f) and (g) (1 count). **Total Proposed Penalty: \$10,000.**

Conflict of Interest

6. **In the Matter of Rosanne Foust; FPPC No. 12/204.** Staff: Commission Counsel Zachary W. Norton and Special Investigator Paul Rasey. In this matter, Respondent Rosanne Foust, a member of the Redwood City Council, attempted to use her official position to influence a governmental decision in which she had a financial interest, by proposing that the city council place the Saltworks development project on the November ballot, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$3,000.**

Commissioner Wasserman made a comment on this stipulation.

Personal Use of Campaign Funds

7. **In the Matter of Steven Detrick; FPPC No. 13/195.** Staff: Commission Counsel Zachary W. Norton and Special Investigator Laura Jestes. In this matter, Respondent Steven Detrick, the Vice Mayor of Elk Grove, used campaign funds for personal purposes, by expending approximately \$425 in campaign funds at a charity auction to purchase a one night hotel stay and wine tasting, in violation of Government Code Section 89515 (1 count). **Total Proposed Penalty: \$1,500.**

Campaign Reporting

8. **In the Matter of Sonny Dhaliwal, Sonny Dhaliwal for City Council 2010, and Sarbjit Dhaliwal; FPPC No. 12/806 (Default Decision).** Staff: Commission Counsel Zachary W. Norton and Special Investigator Ann Flaherty. Respondent Sonny Dhaliwal is currently serving as Mayor of Lathrop. Respondent Sarbjit Dhaliwal is Sonny Dhaliwal's wife and the treasurer for the Committee; Sonny Dhaliwal for City Council 2010. Respondents Sonny Dhaliwal, Sonny Dhaliwal for City Council 2010, and Sarbjit Dhaliwal failed to deposit campaign contributions totaling \$4,600 into the single, designated campaign bank account, in violation of Government Code Section 85201, subdivision (c) of the Government Code (1 count), failed to report the receipt of contributions totaling approximately \$3,100, on a semi-annual campaign statement, in violation of Section 84211, subdivisions (a), (c), and (f) of the Government Code (1 count), failed to report the receipt of contributions totaling approximately \$700, on a first pre-election campaign statement, in violation of Section 84211, subdivisions (a), (c), and (f) of the Government Code (1 count), failed to report the receipt of contributions totaling approximately \$300, on a second pre-election campaign statement, in violation of Section 84211, subdivisions (a), (c), and (f) of the Government Code (1 count), and failed to report the receipt of contributions totaling approximately \$500, on a semi-annual campaign statement, in violation of Government Code

Section 84211, subdivisions (a), (c), and (f) (1 count). As a member of the Lathrop City Council Respondent Sonny Dhaliwal failed to disclose the receipt of personal loans totaling \$17,500, in violation of Government Code Sections 87203 and 87207 (1 count). **Total Proposed Penalty: \$21,000.**

- 9. In the Matter of Hector Chacon and California Citizens for Good Government; FPPC No. 12/205.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Beatrice Moore. Respondent Hector Chacon is currently president of the MUSD Board, and was elected in November 2013 election for his 6th four-year term. Respondent California Citizens for Good Government was Respondent Chacon's candidate controlled committee. In this matter, Respondents violated the Act by paying Respondent Chacon's political consulting firm with Respondent Committee campaign funds. Additionally, Respondent Chacon failed to disclose his income from and business position with his political consulting firm in his 2008 and 2009 annual SEIs. Specifically, Respondents Hector Chacon and California Citizens for Good Government, in or during calendar years 2008 and 2009, used campaign funds totaling approximately \$75,000, to compensate Respondent Hector Chacon for the performance of political, legislative, or governmental activities, in violation of Government Code Section 89518 (2 counts). Additionally, Respondent Hector Chacon, failed to disclose income from and his business position with Quantum Management Services on his 2008 and 2009 annual Statements of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Proposed Penalty: \$16,000.**
- 10. In the Matter of Joshua Mitchell and Joshua Mitchell for Mayor 2012; FPPC No. 13/138.** Staff: Commission Counsel Milad Dalju and Special Investigator Annaraine Diaz. Respondent Joshua Mitchell and his candidate-controlled committee Respondent Joshua Mitchell for Mayor 2012 failed to deposit eleven personal contributions, totaling \$295.08, into the committee's designated bank account before using those funds for campaign expenditures, in violation of Government Code Section 85201, subdivisions (c), (d), and (e) (1 count), and failed to timely report to the Sanger City Clerk by October 5, 2012, 39 contributions, totaling \$7,041.76, received between July 1 and September 30, 2012, in violation of Government Code Sections 84200.5 and 84211, subdivisions (a), (c), and (f) (1 count). **Total Proposed Penalty: \$7,000.**
- 11. In the Matter of Familias por Maywood, Veronica Guardado, and Ana Rosa Rizo; FPPC No. 14/356.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Simon Russell. Respondent, Familias por Maywood, is a campaign committee that was controlled by Respondent Veronica Guardado and Respondent Ana Rosa Rizo from 2007 through October 2009. During that time, Respondents failed to timely file two semi-annual campaign statements, in

violation of Government Code Section 84200, subdivision (a) (2 counts). **Total Proposed Penalty: \$5,000.**

- 12. In the Matter of the Merced County Democratic Central Committee and Rich Gipson; FPPC No. 13/1130.** Staff: Senior Commission Counsel Bridgette Castillo and Program Specialist Soni Mangat. This case resulted from an audit by the Franchise Tax Board. Respondent Merced County Democratic Central Committee (“Respondent Committee”) is a county general purpose, political party committee. During all relevant time periods, Rich Gipson (“Respondent Gipson”) was the Treasurer. In this matter, Respondents Committee and Gipson failed to file a Pre-Election campaign statement for the reporting period October 17, 2010, through November 20, 2010, by November 29, 2010, in connection with the January 4, 2011 Special Election, in violation of Government Code Sections 84200.5 and 84200.8, subdivision (a) (1 count). Further, Respondents Committee and Gipson failed to properly disclose a \$55,000 late contribution in a late contribution report made to Anna Caballero for Senate on or about October 19, 2010 and failed to properly disclose a \$50,000 late contribution report made to Anna Caballero for Senate 2010 on or about October 25, 2010, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$4,500.**
- 13. In the Matter of Committee to Preserve a Responsible Judiciary and Frank P. Barbaro, Treasurer; FPPC No. 14/256.** Staff: Political Reform Consultant Jeanette E. Turvill. In this matter, Respondent Committee made two contributions of \$10,000 each during the 90 days before the June 3, 2014 election and failed to file a 24 hour contribution report in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$3,000.**
- 14. In the Matter of Re-Elect Council Members Rodriguez and Bruce 2013, Reynaldo Rodriguez, Barry Bruce, and Delia Olivas, Treasurer; FPPC No. 13/1329.** Staff: Commission Counsel Milad Dalju and Special Investigator Laura Jestes. Respondents Re-Elect Council Members Rodriguez and Bruce 2013, Reynaldo Rodriguez, Barry Bruce, and Delia Olivas, failed to timely report receiving two late contributions to the Hawaiian Gardens City Clerk within 24 hours of receiving each, in violation of Government Code Section 84203, subdivisions (a) and (b) (1 count). **Total Proposed Penalty: \$2,500.**
- 15. In the Matter of Familias por Maywood aka Familias por Maywood Supporting Aguirre Magana Varela for Maywood City Council, Edward Varela, and Oscar Magaña; FPPC No. 14/404.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Simon Russell. Respondent Familias por Maywood aka Familias por Maywood Supporting Aguirre Magana Varela for Maywood City Council is a campaign committee that over the years has been controlled by various candidates for city council in the City of Maywood.

In the 2009 General Election, Respondent Edward Varela, and Respondent Oscar Magaña were candidates for Maywood City Council. Respondents failed to disclose cumulative contributions of \$100 or more on the committee's 2009 pre-election campaign statement, in violation of Government Code Section 84211, subdivision (f) (1 count). **Total Proposed Penalty: \$2,000.**

16. **In the Matter of Shannon Grove, Shannon Grove for Assembly 2012, and Karen Cain; FPPC No. 14/024.** Staff: Commission Counsel Zachary W. Norton and Program Specialist Soni Mangat. Respondent Shannon Grove represents the 34th Assembly District, having been re-elected on November 6, 2012. Shannon Grove for Assembly 2012 is her candidate controlled committee, and Karen Cain was the committee's treasurer at all times relevant. Respondents failed to file online campaign reports disclosing contributions received of \$5,000 or more outside the 90 day period before an election in connection with 11 contributions for a total of \$77,400 from various individuals, in violation of Government Code Section 85309, subdivision (c) (1 count). **Total Proposed Penalty: \$2,000.**

Commissioner Wasserman commented that he may be interested in raising the penalty for similar violations in the future.

17. **In the Matter of Deputy Sheriffs' Association of Santa Clara County PAC and Moyse Howard, Treasurer; FPPC No. 14/288.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, Deputy Sheriffs' Association of Santa Clara County PAC and Treasurer Moyse Howard, failed to timely file two semi-annual campaign statements covering the periods January 1, 2012, through June 30, 2012, due on July 31, 2012, and July 1, 2012, through December 31, 2012, due on January 31, 2013, with the Santa Clara County Registrar of Voters, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$400.**
18. **In the Matter of Asian American Voters Guide and Lysa Ray, Treasurer; FPPC No. 14/301.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, Asian American Voters Guide and Treasurer Lysa Ray, failed to timely file the semi-annual campaign statement, both electronically and via hardcopy, covering the period January 1, 2013, through June 30, 2013, due on July 31, 2013, with the Secretary of State, in violation of Government Code Sections 84218 and 84605 (2 counts). **Total Proposed Penalty: \$400.**
19. **In the Matter of Kelli Moors, Candidate and Treasurer, Elisa Williamson, Candidate, and Re-Elect Williamson and Moors for Carlsbad School Board 2012; FPPC No. 13/187.** Staff: Political Reform Consultant Teri Rindahl. Respondents, Kelli Moors, Candidate and Treasurer, Elisa Williamson, Candidate, and Re-Elect Williamson and Moors for Carlsbad School Board 2012, failed to timely file a campaign statement covering the period October 21, 2012, through December 31, 2012, due January 31, 2013, with the County of San Diego Registrar of Voters, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$400.**

20. **In the Matter of “Community for Excellent Schools” – a committee in support of Measure “R” and Grenisha Holmes, Treasurer; FPPC No. 13/1150.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, “Community for Excellent Schools” – a committee in support of Measure “R” and Treasurer Grenisha Holmes, failed to timely file the semi-annual campaign statement covering the period January 1, 2013, through June 30, 2013, due on July 31, 2013, with the County of Ventura, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**
21. **In the Matter of California Patriots PAC and John Fugatt, Treasurer; FPPC No. 13/1163.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, California Patriots PAC and Treasurer John Fugatt, failed to timely file the semi-annual campaign statement covering the period July 1, 2013 through December 31, 2013, due on January 31, 2014, with the Secretary of State, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**
22. **In the Matter of Maldonado Ballot Measure Committee to Protect California Families and Acquanette Warren, Treasurer; FPPC No. 14/002.** Staff: Political Reform Consultant Jeanette Turvill. Respondents, Maldonado Ballot Measure Committee to Protect California Families; and Acquanette Warren, former treasurer, failed to timely file the campaign statement covering the period January 1, 2013 through June 30, 2013, due July 31, 2013 in electronic format with the Office of the Secretary of State, in violation of Government Code Section 84605 (1 count). **Total Proposed Penalty: \$200.**
23. **In the Matter of Andrew Chavez, Candidate and Treasurer, and Andrew Chavez for Harbor Commissioner 2010; FPPC No. 13/0303.** Staff: Legal Analyst Tracey Frazier, Law Clerk Michael Battaglia. Respondents, Andrew Chavez, Candidate and Treasurer; and Andrew Chavez for Harbor Commissioner 2010, failed to timely file the campaign statement covering the period October 1, 2010, through October 16, 2010, due October 21, 2010, with the County of Ventura County Clerk and Recorder, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$200.**
24. **In the Matter of Steven Nelson, Nelson on School Board 2012, and Steven Nelson, Treasurer; FPPC No. 14/300.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, Steven Nelson as successful candidate for Mountain View-Whisman School District Board Member; his committee, Nelson on School Board 2012, and Steven Nelson as Treasurer, failed to timely file the semi-annual campaign statement covering the period July 1, 2013, through December 31, 2013, due on January 31, 2014, with the County of Santa Clara, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

25. **In the Matter of John Ortega; FPPC No. 14/285.** Staff: Political Reform Consultant Teri Rindahl. Respondent, John Ortega, Orange Unified School District Board Member, failed to timely file the Form 470, Campaign Short Form, covering the period of January 1, 2013 through December 31, 2013, due July 31, 2013, with the Orange County Registrar of Voters, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

Mass Mailing

26. **In the Matter of Haddon Libby and Libby for Indian Wells City Council 2012; FPPC No. 12/880.** Staff: Commission Counsel Zachary W. Norton and Special Investigator Ann Flaherty. Respondents are Haddon Libby, an unsuccessful candidate for Indian Wells City Council and his controlled committee, Libby for Indian Wells City Council 2012. Just prior to the November 2012 election, Respondents caused to be sent four separate mass mailers opposing the election of Dana Reed, Larry “Bear” Bonafide, Ted Mertens, Ty Peabody, Bill Powers, and Mitchell Blumberg to the Indian Wells City Council, which failed to display required sender identification, in violation of Government Code Section 84305, subdivision (a) (1 count). **Total Proposed Penalty: \$3,500.**
27. **In the Matter of the City of Rocklin; FPPC No. 14/346.** Staff: Commission Counsel Zachary W. Norton and Special Investigator George Aradi. In this matter, Respondent, the City of Rocklin, produced and sent 30,000 copies of the “Inside Rocklin” mailer at public expense, in April of 2014, which featured the mayor and members of the city council, in violation of Government Code Section 89001 (1 count). **Total Proposed Penalty: \$2,000.**

Commissioner Wasserman asked clarifying questions regarding mass mailings.

Lobbying Reporting

28. **In the Matter of Marcie Berman and Marcie Berman of Counsel; FPPC No. 13/0128.** Staff: Legal Analyst Tracey Frazier. Respondents Marcie Berman of Counsel, a California lobbying firm, and Marcie Berman, Marcie Berman of Counsel’s Owner and Responsible Officer, failed to timely file a Lobbyist Report (Form 615) and Report of Lobbying Firm (Form 625) from January 1, 2012, through December 31, 2012, disclosing total payments received for lobbying services in the amount of \$0.00, in violation of Government Code Sections 86113, 86114, and 86117 (4 counts). **Total Proposed Penalty: \$3,600.**

Statement of Economic Interests – Non-Reporting

29. **In the Matter of Dan Schnur; FPPC No. 14/363.** Staff: Political Reform Consultant Jeanette Turvill. Respondent Dan Schnur was a candidate for California Secretary of State in the June, 2014 primary election. As a candidate, Respondent Schnur failed to report a \$1,350 gift in the form of travel expenses from the Northern California Lincoln Club on his candidate Statement of

Economic Interests, in violation of Government Code Section 87207 (1 count).
Total Proposed Penalty: \$200.

Statement of Economic Interests – Non-Filer

- 30. In the Matter of Cathy Prazma; FPPC No. 12/722 (Default Decision).** Staff: Senior Commission Counsel Angela Brereton. Respondent Cathy Prazma is currently a Board Member of the Descanso Community Planning Group. As a Board Member of the Descanso Community Planning Group, Respondent was required to file an annual statement of economic interests for calendar year 2011. In this matter, Respondent failed to file a 2011 annual Statement of Economic Interests by the April 2, 2012 deadline, in violation of Government Code Section 87203 (1 count). **Total proposed penalty: \$5,000.**
- 31. In the Matter of Jerry Baker; FPPC No. 14/122.** Staff: Commission Counsel Zachary W. Norton. Respondent Jerry Baker, Tuolumne County Planning Commissioner, failed to timely file a 2012 annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$1,000.**
- 32. In the Matter of Jonathon Leone; FPPC No. 14/060.** Staff: Commission Counsel Zachary W. Norton. Respondent Jonathon Leone, Sausalito City Council member, failed to timely file a 2012 annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$1,000.**
- 33. In the Matter of Juan Contreras; FPPC No. 12/943.** Staff: Legal Analyst Tracey Frazier and Law Clerk Robert Nash. In this matter, Respondent Juan Contreras, a member of the City of Avenal Planning Commission, failed to timely file a 2011 and 2012 Annual Statements of Economic Interests, covering the period of January 1, 2011, through December 31, 2011, due April 2, 2012, and January 1, 2012, through December 31, 2012, due April 2, 2013, in violation of Government Code Section 87300 (2 counts). **Total Proposed Penalty: \$400.**
- 34. In the Matter of Michelle A. Clemmensen; FPPC File No. 13/1365.** Staff: Political Reform Consultant Jeanette Turvill. Respondent, Michelle A. Clemmensen, as a Health Care Services Administrator for the California Correctional Health Care Services, failed to timely file a 2012 annual Statement of Economic Interests covering the period January 1, 2012, through December 31, 2012, due April 1, 2013, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**
- 35. In the Matter of Martha Flores; FPPC No. 13/1253.** Staff: Political Reform Consultant Teri Rindahl. Respondent, Martha Flores, City of Arvin Planning Commissioner, failed to timely file a 2012 annual Statement of Economic Interests covering the period January 1, 2012, through December 31, 2012, due

April 2, 2013, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$200.**

- 36. In the Matter of Nonato Largoza; FPPC File No. 13/1354.** Staff: Political Reform Consultant Jeanette Turvill. Respondent, Nonato Largoza, as a Physician and Surgeon for the California Correctional Health Care Services, failed to timely file a 2012 annual Statement of Economic Interests covering the period January 1, 2012, through December 31, 2012, due April 1, 2013, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**
- 37. In the Matter of Daniel DeVries; FPPC File No. 14/125.** Staff: Political Reform Consultant Jeanette Turvill. Respondent, Daniel DeVries, as a Planning Commissioner for the County of San Benito, failed to timely file a 2012 annual Statement of Economic Interests covering the period January 1, 2012, through December 31, 2012, due April 1, 2013, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$200.**

Major Donor Reporting

- 38. In the Matter of Orosco & Associates, Inc.; FPPC No. 14/414.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondent Orosco & Associates, Inc., failed to timely file a Major Donor Report (Form 461) with the City of Watsonville disclosing three contributions made during the period January 1, 2013, through June 30, 2013, by the January 31, 2014, deadline, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$400.**

Informational Item – Disgorgement of Laundered Contribution

- 39. In the Matter of the San Diego County Democratic Party; FPPC No. 14/386.** Staff: Senior Commission Counsel Neal Bucknell. On April 10, 2014, the San Diego Ethics Commission levied a fine in the amount of \$80,000 against Respondent Marc Chase for conduct that involved campaign money laundering. The money laundering included a contribution in the amount of \$30,000, which Respondent made on October 4, 2012, through his company, West Coast Acquisitions, LLC, to the San Diego County Democratic Party. At the time of the contribution, Respondent was acting as an intermediary for one of his customers, Jose Susumo Azano Matsura, who was the true source of funds, but Respondent did not disclose this fact to the San Diego County Democratic Party. Government Code section 85701 provides that any committee that receives a laundered contribution must turn the funds over to the General Fund of the State of California. Pursuant to this statute, the Enforcement Division has collected a check in the amount of \$30,000 from the San Diego County Democratic Party. The check will be deposited into the General Fund of the State of California as required by law.

Chief of Enforcement, Gary Winuk, gave background information on this item. Commissioners Wynne and Wasserman commended these efforts and encouraged more partnerships with local ethics commissions.

GENERAL ITEMS 40 - 41

40. Assignment of Hearing to Administrative Law Judge ("ALJ") - Gattis: In the Matter of James Gattis; FPPC No. 12/398. Staff: Gary S. Winuk, Chief of Enforcement and Angela Brereton, Senior Commission Counsel.

41. Assignment of Hearing to Administrative Law Judge ("ALJ") - Burgess: In the Matter of Frank J. Burgess; FPPC No. 12/516. Staff: Gary S. Winuk, Chief of Enforcement and Angela Brereton, Senior Commission Counsel.

Chief of Enforcement, Gary Winuk, explained that if no action is taken on items 40 and 41 it will automatically move to an ALJ. No action was taken by the Commissioners.

INFORMATIONAL ITEMS (No action required) 42 - 43

42. Proactive Pre-election Efforts for the June Primary Election. Chief of Enforcement, Gary Winuk, will report on the Enforcement Division's pre-election efforts.

Chief of Enforcement, Gary Winuk, highlighted the Enforcement Division's proactive pre-election efforts. Commissioner Wynne commended Winuk for pre-election programs. Chair Remke asked a question relating to the scope of the pre-election program in November and Gary Winuk answered. Gary Winuk highlighted the San Bernardino contract and the results rendered thus far.

43. Update on Form 700. Executive Director, Erin Peth, will provide an update on Form 700 Electronic Filing System and Implementation of Assembly Bill 409.

Executive Director, Erin Peth, provided an update to the Commissioners on the status of the online filing system for Statements of Economic Interest. She also updated the Commissioners on collaborative efforts between the FPPC and the Secretary of State to update the Cal-Access system. Commissioner Wynne asked Erin Peth about what the public meeting will look like and she answered. Commissioner Wasserman asked technical questions relating to filings and Erin Peth responded. Commissioner Wasserman asked a question about the Feasibility Study Report and Erin Peth replied that it will be made available. Commissioner Wasserman commented about his trip to Alaska, making clear that no public funds were used and he will be forwarding information from his trip to Erin Peth.

EXECUTIVE STAFF REPORTS ITEM 44

Legislative Report. Staff: Senior Commission Counsel and Legislative Coordinator, Sukhi Brar

Litigation Report. Staff: General Counsel, Zackery P. Morazzini

Legal Division Report. Staff: General Counsel, Zackery P. Morazzini

Enforcement Division Report. Staff: Chief of Enforcement, Gary Winuk

Technical Assistance Division Report. Staff: Chief of Technical Assistance Division, Loressa Hon

Executive Director, Erin Peth, highlighted that the Governor signed SB 27 and the FPPC is in the process of implementing regulations for that legislation. Erin Peth said that the Commission will see new regulations at the July meeting. Commissioner Wynne asked what the Legislature's general sentiment towards the FPPC is when no position is taken on bills and Erin Peth replied. Chair Remke commented about SB 27 and AB 800. Erin Peth commented that we continue to track all bills related to the Act and remain available to authors for technical advice. Commissioner Wasserman requested an update on a previous case and Gary Winuk replied. Commissioner Wasserman commented that he spoke with others at an event he attended about filings. Commissioner Wasserman commented about educational outreach efforts.

Staff reports were approved as submitted.

Chair Remke made a motion to adjourn the meeting. Commissioner Casher seconded the motion.

Ayes: Chair Remke, Commissioners Casher, Eskovitz, Wasserman, Wynne.

The motion passed 5 to 0.

The meeting adjourned at 11:03am.

Respectfully Submitted,

Dated:

John Kim
Commission Assistant

Approved July 17, 2014

Joann Remke, Chair
Fair Political Practices Commission