



(Unapproved and subject to change)
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF HEARING, Public Session
Thursday, July 21, 2016

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The section further states that the portion of the teleconferenced meeting that is required to be open to the public must be audible to the public at the location specified in the notice of the meeting. The Commission may take action on any item listed on this agenda.

CALL TO ORDER

Chair Remke called the meeting to order at 10:00 am on July 21, 2016, at the Fair Political Practices Commission, 428 J Street, Sacramento, CA 95814. Chair Remke and Commissioners Casher, Wasserman, and Wynne were present. Commissioner Audero was present via teleconference.

Welcome

Jodi Remke, FPPC Chair

The first draft of the Act Rewrite is targeted for release the beginning of August. The final version will be presented to the Legislature in January.

Public Comment

1. Public Comment.

No public comment.

Approval of Commission Minutes

2. Approval of May 2016 Commission Hearing Minutes.

Commissioner Wasserman asked that on Page 11 of the May 2016 Minutes, in discussion of AB 2523, second paragraph, the second sentence be struck.

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

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.

The motion passed 5 to 0.

CONSENT CALENDAR ITEMS 3 – 50

Item 3 was pulled at the request of Commissioners Audero and Casher.

Items 4 and 32 were pulled at the request of Chair Remke.

Items 5, 7, 8, and 45 were pulled at the request of Commissioner Wasserman.

Commissioner Wynne made a motion to approve items 6, 9-31, 33-44, 46-50, Commissioner Casher seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

Laundered Campaign Contributions

- 3. In the Matter of AB&I Foundry, a division of McWane, Inc.; FPPC Case No. 15/074.** Staff: Enforcement Chief Galena West, Senior Commission Counsel Neal Bucknell, and Special Investigator Jeffrey Kamigaki. In 2015, proactive efforts by the Enforcement Division detected a pattern of activity that led to the opening of this case and working in coordination with the City of Oakland Public Ethics Commission. McWane, Inc. is a large manufacturer of iron water works and plumbing products. One of its divisions, AB&I Foundry, is headquartered in Oakland, California. This joint investigation uncovered 37 laundered campaign contributions, totaling \$23,900, by AB&I through 17 officers (employees and their spouses) to four Oakland mayoral candidates and two city council candidates from 2012 through 2014, in violation of Government Code Section 84301 (20 counts). **Total Proposed Penalty: \$100,000.**

Commissioner Casher asked about staff's proactive efforts that led to the opening of the case. Chief West responded that investigators look for patterns in certain jurisdictions to identify money laundering.

Commissioner Audero asked how many people violated the law in the previous case of Dashkin compared to this case.

Chief West responded that Dashkin had a lot of unidentified people and the case was settled so the full number of workers at the restaurants were never fully tracked down. Even though it stated 12 contributions, there were more who were asked to participate by their employer.

Commissioner Audero asked how 37 contributions became 20 counts.

Chief West said it's more of a negotiation to reduce some of the counts, but keep the laundering violation at \$5,000. West said she also looked at the amount laundered, \$23,900, and the fine being four times that seemed an appropriate amount for this case.

Commissioner Wasserman made a motion to approve item 3, Commissioner Casher seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

Campaign Reporting

- 4. In the Matter of Tina Baca Del Rio, Friends of Tina Baca Del Rio and Tina Baca Del Rio for City Council 2013; FPPC No. 12/832 (Default Decision).** Staff: Senior Commission Counsel Bridgette Castillo and Special Investigator Jeffrey Kamigaki. Tina Baca Del Rio was a successful candidate for the City of Commerce City Council in the March 5, 2013 Election. Baca Del Rio was re-elected to the City of Commerce City Council in the March 3, 2009 Election. Friends of Tina Baca Del Rio was the controlled committee of Baca Del Rio. On January 28, 2013, a 410 was filed to change the name of the committee to Tina Baca Del Rio for Commerce City Council 2013. Baca Del Rio was the treasurer of the Committee at all relevant times. Baca Del Rio and the Committee: (1) failed to timely file and properly disclose financial activity on three semiannual campaign statements, in violation of Government Code Sections 84200, subdivision (a) and 84211, subdivisions (a)-(j) (3 counts); (2) failed to timely file and properly disclose financial activity on one pre-election campaign statement, in violation of Government Code Sections 84200.5 subdivision (c), 84200.8, subdivision (b) and 84211 subdivisions (a)-(j) (1 count); (3) failed to file fourteen 24 Hour Contribution Reports, in violation of Government Code Section 84203 (14 counts); and (4) failed to pay 2013 and 2014 Annual Fees to the Secretary of State's Office, in violation of Government Code Section 84101.5 (2 Counts). Baca Del Rio, individually, used campaign funds which conferred a substantial personal benefit to her, for purposes not directly related to a political, legislative, or governmental purpose, in violation of Government Code Section 89512 (4 counts). **Proposed Penalty Against Tina Baca Del Rio: \$20,000. Penalty Against the Committee and Baca Del Rio: \$84,000. Total Proposed Penalty: \$104,000.**

Senior Attorney Bridgette Castillo stated that a tentative agreement has been reached for 12 counts at \$55,000 and would like the opportunity to bring the case back in August.

Chair Remke stated that she was prepared to accept the default decision, but if the default was not going to be entered, she wanted general terms of the settlement stated on the record and agreed to by the councilwoman.

Commissioner Wynne stated that although she was prepared to accept the default, she sees the benefits of a stipulated settlement.

Chief West said that Enforcement encourages settlement not only because it takes the burden off collection, but it also gets the amendments, disclosures and the acknowledgement of wrongdoing. Of the four personal use counts, one would be dropped, 24-hour reports would be consolidated, and requested documents would be supplied to Enforcement.

Commissioner Audero asked if by taking this procedural step bounds the Commission to accepting the amount of \$55,000.

Chair Remke said that the Commission is not bound by this amount and that it retains full authority to reject the stipulation.

This matter will be put over until August 2016.

Conflict of Interests

- 5. In the Matter of Jonathan Sharkey; FPPC No. 16/066.** Staff: Senior Commission Counsel Zachary W. Norton. Jonathan Sharkey, a member of the Port Hueneme City Council, made a governmental decision on November 9, 2015 in which he had a financial interest. Sharkey voted to approve the 2015-2016 city budget and Capital Improvement Program which included funding for park improvement projects at two parks located within 500 feet of Sharkey's residence, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$3,000.**

Commissioner Wasserman asked if 75% of residential properties lie within 500 feet of the two parks, how one can distinguish the interest of the public official from the general public.

Chief West said there were many properties within 500 feet of one park or the other, but not nearly as many are within 500 feet of both parks and the decision was improvement to both parks.

Commissioner Casher made a motion to approve item 5, Commissioner Wynne seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

Lobbying Reporting

- 6. In the Matter of Lyft, Inc.; FPPC No. 15/306.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Amanda Kelly. Lyft, Inc., a lobbyist employer, failed to

timely file five lobbyist employer reports in violation of Government Code Sections 86115, 86116, and 86117 (3 counts). **Total Proposed Penalty: \$6,000.**

Chair Remke asked which violations were ultimately agreed upon and the fine amount. Chair Remke asked if this was a sufficient fine or if it should be higher in light of sophistication and timeframe.

Chief West responded that this is a higher proposed fine per count than in comparable cases.

7. **In the Matter of Bloomstine & Bloomstine, FPPC Case No. 14/235.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Ryan Mahoney. Bloomstine & Bloomstine, a lobbying firm, failed to timely file five lobbying firm reports in violation of Government Code section 86117 (5 counts). **Total Proposed Penalty: \$1,297.**

Commissioner Audero made a motion to approve item 7, Commissioner Wynne seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

Advertisement Disclosures

8. **In the Matter of Carlos Villapudua; Steve Bestolarides; and Central Valley PAC – California, Yes on Measure D; FPPC Case No. 12/798.** Staff: Senior Commission Counsel Neal Bucknell, Special Investigator Simon Russell, and Special Investigator Beatrice Moore. In 2012, Carlos Villapudua and Steve Bestolarides were San Joaquin County Supervisors. Central Valley PAC – California, Yes on Measure D was a primarily formed ballot measure committee that supported San Joaquin County Measure D in the November 2012 Election and would have increased term limits for members of the San Joaquin County Board of Supervisors. The PAC qualified as a controlled committee with Villapudua and Bestolarides having significant influence. In 2012, the PAC spent approximately \$26,465 on advertisements for Measure D. The last names of Villapudua and Bestolarides, as controlling candidates, should have been included in the name of the PAC for purposes of the required disclosures for these advertisements, but were omitted, in violation of Government Code Section 84504 subdivision (c) (1 count). **Total Proposed Penalty: \$26,000.**

Commissioner Wasserman asked how much involvement a public official needs to have before a ballot measure committee becomes a controlled ballot measure committee.

Chief West said that a committee becomes controlled when you have significant control over the expenditures of the committee.

Commissioner Wynne made a motion to approve item 8, Commissioner Casher seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

Mass Mailings

- 9. In the Matter of Californians for Good Schools and Good Jobs and Shawnda Deane, Treasurer; FPPC Case No. 14/887.** Staff: Assistant Chief of Enforcement Dave Bainbridge, Special Investigator Simon Russell, and Special Investigator Garrett Micheels. Californians for Good Schools and Good Jobs, a general purpose committee, identified itself as the sender on two sets of mass mailings sent to residents of the City of Rialto in 2012. The true sender of the mass mailings was Phillips 66, an energy company based in Houston, Texas, in violation of Government Code Section 84305, subdivision (a) (2 counts). The Committee and its treasurer, Shawnda Deane, inaccurately reported a payment from Phillips 66 for the two sets of mass mailings on their semiannual campaign statement, in violation of Government Code Section 84211 (1 count), and inaccurately reported the resulting expenditures on a late independent expenditure report, in violation of Government Code Section 84204 (1 count). **Total Proposed Penalty: \$16,000.**
- 10. In the Matter of the El Monte City School District; FPPC No. 15/2078.** Staff: Senior Commission Counsel Zachary W. Norton and Special Investigator Jay Martin. The El Monte City School District produced and sent approximately 19,009 copies of a brochure at public expense, featuring the photographs and names of the members of the governing board, in violation of Government Code Section 89001 (1 count). **Total Proposed Penalty: \$2,000.**
- 11. In the Matter of the El Monte Union High School District; FPPC No. 16/465.** Staff: Senior Commission Counsel Zachary W. Norton and Special Investigator Jay Martin. The El Monte Union High School District produced and sent approximately 5,000 copies of a booklet at public expense containing quotations from and credits to two members of the governing board obtained for the purpose of inclusion in the mailer, in violation of Government Code Section 89001 (1 count). **Total Proposed Penalty: \$2,000.**

Campaign Statement Non-Filers and Non-Reporters

12. In the Matter of Fred Garcia, Fred Garcia for Sheriff 2014, and Jeff Davis, Treasurer; FPPC No. 14/299. Staff: Senior Commission Counsel Angela Brereton, Commission Counsel Tanya Smith, and Special Investigator Jay Martin. Fred Garcia was an unsuccessful candidate for Monterey County Sheriff in 2014. Fred Garcia for Sheriff 2014 was his candidate controlled committee. Garcia, Fred Garcia for Sheriff 2014, and Treasurer Jeff Davis, failed to timely amend their statement of organization to re-designate Fred Garcia for Sheriff 2010 for the 2014 election, in violation of Government Code Section 84103, subdivision (a) (1 count); failed to timely file one semiannual and one pre-election campaign statement by their 2014 due dates, in violation of Government Code Sections 84200, subdivision (a), 84200.5, subdivision (a), and 84200.7, subdivision (a) (1 count); and failed to maintain supporting records for contributions and loans received and expenditures made, in violation of Government Code Section 84104 (1 count). Garcia also failed to timely file a statement of intention prior to soliciting or receiving any contributions or loans for his 2014 campaign, in violation of Government Code Section 85200 (1 count). **Total Proposed Penalty: \$8,500.**

13. In the Matter of Tulare County Democratic Central Committee and Ruben Macarena, Treasurer; FPPC No. 16/076. Staff: Enforcement Intake Manager Adrienne Korchmaros. Tulare County Democratic Central Committee and Treasurer Ruben Macarena failed to timely file and properly disclose on one pre-election and seven semiannual campaign statements covering the period of July 1, 2013 through December 31, 2015, in violation of Government Code Sections 84200, 84200.5, and 84211 (7 counts). **Total Proposed Penalty: \$3,179.**

Campaign Statement Non-Filers

14. In the Matter of Betty T. Yee and Betty T. Yee for State Controller 2014; FPPC No. 16/280. Staff: Commission Senior Counsel Zachary W. Norton and Program Specialist Soni Mangat. This case arose from an audit performed by the Enforcement Division. Betty T. Yee was a candidate for State Controller in the June 3, 2014 Primary Election and November 4, 2014 General Election, and Betty T. Yee for State Controller 2014 was her candidate controlled committee. Betty T. Yee and Betty T. Yee for State Controller 2014 failed to file six 24-Hour Reports and one \$5,000 Report, in violation of Government Code Sections 84203 and 85309 (7 counts). **Total Proposed Penalty: \$2,082.**

15. In the Matter of Sonoma County Deputy Sheriffs Association PAC; FPPC No. 15/1555. Staff: Commission Counsel Tanya Smith and Special Investigator Paul Rasey. Sonoma County Deputy Sheriffs Association PAC, a county general purpose committee, failed to timely file one pre-election and six semiannual campaign statements covering the period of July 31, 2013 through February 1, 2016, in violation of Government Code Sections 84200 (6 counts) and 84200.5 (1 count). **Total Proposed Penalty: \$1,582.**

- 16. In the Matter of Martha McClure and Re-Elect Martha McClure for Supervisor 2016; FPPC No. 16/416.** Staff: Political Reform Consultant Jeanette Turvill and Assistant Political Reform Consultant Chloe Hackert. Martha McClure was a successful candidate for Del Norte County Supervisor in the June 5, 2012 Primary Election. Re-Elect Martha McClure was her candidate controlled committee. McClure and Re-Elect Martha McClure failed to timely file six consecutive semiannual campaign statements for the reporting period of January 1, 2013 through December 31, 2015, in violation of Government Code Section 84200 (6 counts). **Total Proposed Penalty: \$1,215.**
- 17. In the Matter of Roberto E. Cruz; FPPC No. 14/1273.** Staff: Senior Commission Counsel Bridgette Castillo and Commission Counsel Tanya Smith. Roberto Cruz, a member of the El Monte City School District governing board, failed to timely file an Officeholder Campaign Statement Short Form (Form 470) for the years of 2014 through 2015, in violation of Government Code Section 84206 (1 count). **Total Proposed Penalty: \$1,000.**
- 18. In the Matter of Jim Kelly and Jim Kelly for Grossmont Union High School Board 2014; FPPC No. 15/274.** Staff: Commission Counsel Tanya Smith. Jim Kelly was a successful candidate for re-election to the Grossmont Union High School Board in the November 4, 2014 General Election. Jim Kelly for Grossmont Union High School Board 2014 is his controlled recipient committee. Kelly is treasurer of the committee. Kelly and the committee failed to timely file one semiannual campaign statement for the period of October 19, 2014 through December 31, 2014, in violation of Government Code Section 84200 subdivision (a) (1 count). **Total Proposed Penalty: \$1,000.**
- 19. In the Matter of Hugo M. Rojas; FPPC No. 15/1572.** Staff: Commission Counsel Tanya Smith. Hugo M. Rojas, a member of the Centinela Valley Union High School District Board, failed to timely file an Officeholder Campaign Statement Short Form (Form 470) for the year of 2015, in violation of Government Code Section 84206 (1 count). **Total Proposed Penalty: \$1,000.**
- 20. In the Matter of W. Thomas Barrow and National Electrical Contractors Association (Santa Clara Valley Chapter) Political Action Committee aka NECA – Santa Clara PAC; FPPC No. 15/1299.** Staff: Commission Counsel Tanya Smith. National Electrical Contractors Association (Santa Clara Valley Chapter) Political Action Committee aka NECA-Santa Clara PAC, a state general purpose committee, and Treasurer W. Thomas Barrow, failed to timely file one semiannual and three pre-election campaign statements covering the period of January 31, 2014 through October 23, 2014, in violation of Government Code Sections 84200 (1 count) and 84200.5 (3 counts). **Total Proposed Penalty: \$897.**

- 21. In the Matter of Amy Hanacek for Capistrano Unified School District in 2016, and Amy Hanacek; FPPC No. 16/347.** Staff: Assistant Political Reform Consultant Chloe Hackert. Amy Hanacek was a successful candidate for Capistrano Unified School District Trustee in the November 6, 2012 General Election and is up for re-election in the upcoming November 8, 2016 General Election. Amy Hanacek for Capistrano Unified School District in 2016 is her candidate controlled committee. Hanacek and Amy Hanacek for Capistrano Unified School District in 2016 failed to timely file a candidate intention statement, statement of organization, and a semiannual campaign statement for the reporting period of July 1, 2015 through December 31, 2015, in violation of Government Code Sections 85200, 84101, and 84200 (3 counts). **Total Proposed Penalty: \$617.**
- 22. In the Matter of Cynthia Koehler, Koehler for Water Board 2010, and Jeannine Berman, Treasurer; FPPC No. 15/192.** Staff: Commission Counsel Tanya Smith. Cynthia Koehler is on the Marin Water District Board. Kohler for Water Board 2010 is her candidate-controlled committee. Koehler, Kohler for Water Board 2010, and Treasurer Jeannine Berman failed to timely file two semiannual campaign statements covering the periods of July 1, 2014 through December 31, 2014, and July 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$400.**
- 23. In the Matter of Huong Nguyen, Huong Nguyen for Trustee 2014, and Anna Lisa Wilson, Treasurer; FPPC No. 16/243.** Staff: Enforcement Division Intake Manager Adrienne Korchmaros. Huong Nguyen, a successful candidate for Trustee of San Jose/Evergreen Community College District; her committee, Huong Nguyen for Trustee 2014; and Treasurer Anna Lisa Wilson failed to timely file one semiannual campaign statement covering the period of July 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$400.**
- 24. In the Matter of Tali Rapaport; FPPC No. 16/439.** Staff: Assistant Political Reform Consultant Chloe Hackert. Tali Rapaport failed to timely file one Major Donor Committee Campaign Statement (Form 461) for the period of January 1, 2014 through December 31, 2014, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$373.**
- 25. In the Matter of Kathlene Carlson and Carlson for Supervisor 2014; FPPC No. 15/186.** Staff: Commission Counsel Toren Lewis. Kathlene Carlson and her candidate controlled committee Carlson for Supervisor 2014 failed to timely file a semiannual campaign statements for the period of October 1, 2014 through December 31, 2014, in violation of Government Code Sections 84200 (1 count). **Total Proposed Penalty: \$228.**

- 26. In the Matter of United Public Employees Political Action Committee, and Danette Shipley, Treasurer; FPPC No. 16/105.** Staff: Political Reform Consultant Jeanette Turvill and Assistant Political Reform Consultant Chloe Hackert. United Public Employees Political Action Committee is a state general purpose committee. Danette Shipley is the committee treasurer. United Public Employees Political Action Committee failed to timely file a pre-election campaign statement for the reporting period of October 1, 2012 through October 20, 2012, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$220.**
- 27. In the Matter of Ken Dauber, Ken Dauber for School Board 2014, and Sally Bemus, Treasurer; FPPC No. 16/241.** Staff: Enforcement Division Intake Manager Adrienne Korchmaros. Ken Dauber, a successful candidate for Palo Alto Unified School District Board, his committee, Ken Dauber for School Board 2014, and Treasurer Sally Bemus failed to timely file one semiannual campaign statement covering the period of July 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**
- 28. In the Matter of Emily Ortiz Wichmann and Re-Elect Emily Ortiz Wichmann Oside Unified School Board 2014; FPPC No. 15/1760.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Elizabeth Enea. Emily Ortiz Wichmann and Re-Elect Emily Ortiz Wichmann Oside Unified School Board 2014 failed to timely file one semiannual campaign statement for the period of January 1, 2015 through June 30, 2015, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**
- 29. In the Matter of David Gerard, David Gerard for School Board 2014, and David Gerard, Treasurer; FPPC No. 16/242.** Staff: Enforcement Division Intake Manager Adrienne Korchmaros. David Gerard, a board member for the Morgan Hill Unified School District in the County of Santa Clara, failed to timely file one semiannual campaign statement covering the period of July 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

Campaign Statement Non-Reporters

- 30. In the Matter of Miguel Pulido and Pulido for Mayor 2014; FPPC No. 14/1247.** Staff: Senior Commission Counsel Zachary W. Norton. Miguel Pulido was re-elected Mayor of Santa Ana in the November 4, 2014 General Election. Pulido for Mayor 2014 was his candidate controlled committee. Miguel Pulido and Pulido for Mayor 2014 failed to report accrued expenses on four consecutive campaign statements, in violation of Government Code Section 84211 (4 counts). **Total Proposed Penalty: \$1,366.**

31. In the Matter of Yes on 37 Lake County and Linda Annelle Durham, Treasurer; FPPC No. 15/122. Staff: Assistant Chief of Enforcement Dave Bainbridge and Staff Services Analyst Kathryn Trumbly. Yes on 37 Lake County, a state primarily formed committee in support of California Proposition 37, failed to timely report an \$8,000 contribution on the committee's pre-election statement, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$280.**

Statement of Economic Interest Non-Filers

32. In the Matter of Harold Tate; FPPC No. 14/900 (Default Decision). Staff: Assistant Chief of Enforcement David Bainbridge, Commission Counsel Tanya Smith, Staff Services Analyst Roone Peterson, and Political Reform Consultant Teri Rindahl. Harold Tate, a physician and surgeon in the California Correctional Health Care Services, failed to timely file a 2013 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$3,000.**

Commissioner Wynne asked if there was something in the case that resulted in a lower fine for what seems like an egregious case.

Chief West responded that the main reason the fine amount was not higher was because Mr. Tate's current filing was done and this is his 2014 filing. Mr. Tate claimed he did file it, even though there was no proof. There had been an issue with this filing officer in the past before, so that gave him a little more credibility.

Commissioners Audero, Casher, Wynne and Chair Remke commented that they would support a higher penalty, especially since there is still no filing.

Commissioner Wynne made a motion to increase the fine amount of \$3000 to \$5000 and approve the default decision, Chair Remke seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne and Chair Remke.
This motion passed 5 to 0.

33. In the Matter of Casey Dailey; FPPC No. 16/401. Staff: Political Reform Consultant Jeanette Turvill and Assistant Political Reform Consultant Chloe Hackert. Casey Dailey, a Planning Commissioner for the City of San Bernardino, failed to timely file his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$500**

34. In the Matter of Jay Strauss; FPPC File No. 16/080. Staff: Political Reform Consultant Jeanette Turvill. Jay Strauss, a Planning Commissioner for the City of Novato, failed to

timely file his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$500.**

- 35. In the Matter of Ann H. Rutherford; FPPC No. 15/1173.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Garrett Micheels. Ann H. Rutherford, an Assigned Retired Judge in Butte County, failed to timely file her 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$500.**
- 36. In the Matter of Francis Ysaguirre; FPPC File No. 16/228.** Staff: Political Reform Consultant Jeanette Turvill. Francis Ysaguirre, an Electrical Engineering Associate with the City of Los Angeles, failed to timely file his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$400.**
- 37. In the Matter of Rahul Jha; FPPC No. 15/1564.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Elizabeth Enea. Rahul Jha, a consultant for the Department of Motor Vehicles Information Systems Division, failed to timely file his Assuming Office Statement of Economic Interests and 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Proposed Penalty: \$400.**
- 38. In the Matter of Terry Cox; FPPC No. 15/1285.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Elizabeth Enea. Terry Cox, as a Board Member of the Fresno County Central Unified School Board, failed to timely file her 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty \$400.**
- 39. In the Matter of Joe DeHoog; FPPC No. 15/827.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Elizabeth Enea. Joe DeHoog, a member of the Department of Food and Agriculture Milk Producer Review Board, failed to timely his 2013 and 2014 Annual Statements of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Proposed Penalty: \$400.**
- 40. In the Matter of Jeff Menge, FPPC No. 16/445.** Staff: Political Reform Consultant Adrienne Korchmaros. Jeff Menge, a member of the Redevelopment Oversight Board for the City of Galt, failed to timely file his Assuming Office Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**
- 41. In the Matter of Brett Johnson; FPPC No. 16/386.** Staff: Assistant Political Reform Consultant Chloe Hackert. Brett Johnson, a Planning Commissioner for the City of

Vacaville, failed to timely his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$200.**

42. In the Matter of Dung Tran; FPPC File No. 16/227. Staff: Political Reform Consultant Jeanette Turvill. Dung Tran, a Civil Engineer with the City of Los Angeles, failed to timely file his 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

43. In the Matter of Deepak Kaushik; FPPC No. 15/1741. Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Elizabeth Enea. Deepak Kaushik, a consultant for the City of Chino Hills, failed to timely file his Assuming Office Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

44. In the Matter of Mbete Kiamba; FPPC No. 14/890. Staff: Commission Counsel Tanya Smith. Mbete Kimaba, a Health Services Administrator in the California Correctional Health Care Services, failed to timely file an Assuming Office Statement of Economic Interests covering the period of November 12, 2012 through November 12, 2013, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Non-Reporters

45. In the Matter of James Larry Minor; FPPC No. 14/1316. Staff: Senior Commission Counsel Angela Brereton and Special Investigator Kelli Gould. James Larry Minor, a member of the Board of Directors for the Lake Hemet Municipal Water District and for the Valley-Wide Recreation and Park District, failed to disclose his interests in business entities, real property and sources of income on his 2012, 2013 and 2014 Annual Statements of Economic Interests, in violation of Government Code Sections 87206 and 87207 (6 counts). **Total Proposed Penalty: \$6,000.**

Commissioner Wasserman asked what the mitigating factors were in determining the fine amount in this case because he thinks it should be higher.

Chief West said that Enforcement uses comparable cases. Traditionally, when a case falls out of streamline, an SEI non-disclosure is a standard \$1000 fine. In general, the Commission doesn't deviate from that unless there is a conflict wherein the fine increases in coordination with that conflict.

Comissioner Casher made a motion to approve item 45, Commissioner Audero seconded the motion.

Ayes: Commissioners Audero, Casher, Wynne, and Chair Remke.

Nays: Commissioner Wasserman.

The motion passed 4 to 1.

46. In the Matter of James Spering; FPPC No. 14/1113. Staff: Senior Commission Counsel Zachary W. Norton and Special Investigator Kelli Gould. James Spering, a Solano County Supervisor, failed to timely and adequately disclose his interests in real property on his 2012 and 2013 Annual Statements of Economic Interests, in violation of Government Code Section 87206 (2 counts). **Total Proposed Penalty: \$200.**

47. In the Matter of James Fang; FPPC No. 14/1146. Staff: Commission Counsel Tanya Smith. James Fang, a director on the Bay Area Rapid Transit (BART) Board, failed to timely disclose his income from rental property on his 2013 Annual Statement of Economic Interests and his Leaving Office Statement of Economic Interests, in violation of Government Code Section 87207 (2 counts). **Total Proposed Penalty: \$200.**

48. In the Matter of Leo Hamel; FPPC No. 16/452. Staff: Political Reform Consultant Teri Rindahl. Robert Williams, a Candidate for Assembly District 71, failed to disclose his pro-rata share of sources of income of \$10,000 or more from Leo Hamel Fine Jewelers on his Candidate Statement of Economic Interests, in violation of Government Code Section 87207 (1 count). **Total Proposed Penalty: \$100.**

Annual Fee

49. In the Matter of Carson Citizens for Reform and Vera Robles De Witt, Treasurer; FPPC No. 15/2116. Staff: Commission Counsel Michael W. Hamilton. Carson Citizens for Reform and Treasurer Vera Robles De Witt failed to pay the 2014 \$50.00 Annual Fee to the Secretary of State's Office, in violation of Government Code Section 84101.5 (1 count). **Total Proposed Penalty: \$400.**

50. In the Matter of California Great Bear Republic PAC; FPPC No. 15/448. Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Elizabeth Enea. California Great Bear Republic PAC, a general purpose committee, and Treasurer Eldon Alexander failed to pay the 2013 \$50 Annual Fee to the Secretary of State's Office, in violation of Government Code Section 84101.5 (1 count). **Total Proposed Penalty: \$400.**

General Items

51. Assignment of Hearing to Administrative Law Judge (ALJ): In the Matter of James Roybal and James Roybal for Board of Directors Central Basin Water District 1

2012; FPPC No. 14/049. Staff: Executive Director Erin V. Peth, Chief of Enforcement Galena West and Assistant Chief of Enforcement Dave Bainbridge. The Executive Director and the Chief of Enforcement are recommending that a hearing be conducted before an ALJ pursuant to Government Code Section 11512, subdivision (a). The ALJ will make a recommendation to the Commission on the findings of fact, law and penalty, if applicable, in the matter. The Commission will then have the opportunity to make the final determination on the case. If the Commission agrees with this recommendation, no action is required.

52. Assignment of Hearing to Administrative Law Judge (ALJ): In the Matter of George Alai; FPPC No. 13/1135. Staff: Executive Director Erin V. Peth, Chief of Enforcement Galena West and Senior Commission Counsel Angela Brereton. The Executive Director and the Chief of Enforcement are recommending that a hearing be conducted before an ALJ pursuant to Government Code Section 11512 subdivision (a). The ALJ will make a recommendation to the Commission on the findings of fact, law and penalty, if applicable, in the matter. The Commission will then have the opportunity to make the final determination on the case. If the Commission agrees with this recommendation, no action is required.

53. Assignment of Hearing to Administrative Law Judge (ALJ): In the Matter of Albert Robles, Friends of Albert Robles Officeholder Account, Committee to Re-Elect Albert Robles and Robles for Carson City Council 2013; FPPC Case No. 13/217. Staff: Executive Director Erin V. Peth, Chief of Enforcement Galena West and Senior Commission Counsel Bridgette Castillo. The Executive Director and the Chief of Enforcement are recommending that a hearing be conducted before an ALJ pursuant to Government Code Section 11512, subdivision (a). The ALJ will make a recommendation to the Commission on the findings of fact, law and penalty, if applicable, in the matter. The Commission will then have the opportunity to make the final determination of the case. If the Commission agrees with this recommendation, no action is required.

54. Amend Regulation 18239: Definition of Lobbyist. Staff: Hyla Wagner, General Counsel and Emelyn Rodriguez, Senior Commission Counsel. Staff proposes that the Commission amend Regulation 18239 to specify situations that give rise to a rebuttable presumption that certain payments made to an individual are for direct communication with a qualifying official for the purpose of influencing legislative or administrative action. The presumption affects the burden of producing evidence in administrative and civil actions and will be triggered only if the following facts are proven: (1) the individual receives or is entitled to receive compensation from a person for services including direct communication; (2) the compensation is \$2,000 or more; and (3) the compensation is for services in a calendar month. The presumption may be rebutted by

evidence that may include testimony, records, bills, and receipts establishing the allocation of the individual's compensation for all other goods and services provided.

Commissioner Audero asked what would be considered sufficient evidence to rebut the presumption.

Senior Commission Counsel, Emelyn said that the burden of production is fairly low threshold; a good faith showing. It could be testimony or a written statement.

Commission Wynne made a motion to approve item 54, Commissioner Casher seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

55. Legislative Update for July 2016. Staff: Phillip Ung, Legislative and External Affairs Director. This report includes a summary of 22 bills and one constitutional amendment that would impact the Political Reform Act or Government Code 1090. The Legislature will return from summer recess on August 1 and will close out the remainder of the 2016 Session with meetings of the respective Appropriations Committees and Floor votes.

Updates presented by Legislative Director Phillip Ung at the hearing:

- **SB 45**
Director Ung asked that this item be moved to August because the bill was gutted and amended earlier in the month after all the committee hearings had ended.
- **AB 2318 Recommendation: Neutral**
Director Ung modified his recommendation from “oppose unless amended” to “neutral” based on amendments agreed to by the author’s office.
- **AB 2523 Recommendation: Neutral**
Director Ung asked that the Commission’s position of “neutral if amended” be removed based on the amendments agreed to by the author’s office.

Public Comment: Trudy Schafer, League of Women Voters of California, stated the League’s desire for the Commission to take a position of support of AB 2523.

Chair Remke made a motion to remove the Commission’s position of “oppose unless amended.” Commissioner Wynne seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

AB 2002 Recommendation: Oppose Unless Amended

Commissioner Wasserman made a motion to approve the Commission’s position of “oppose unless amended” for **AB 2002**. Chair Remke seconded the motion.

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

Executive Staff Reports Item 56

56. Executive Staff Reports.

Enforcement Division. Galena West, Enforcement Chief
Legal Division. Hyla P. Wagner, General Counsel
External Affairs and Education, Tara Stock, Manager

Commissioner Wynne asked about the pending litigation in the Burgess matter. General Counsel Hyla Wagner said that the hearing will be Friday, August 19.

The staff reports were submitted.

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

Ayes: Commissioners Audero, Casher, Wasserman, Wynne, and Chair Remke.
The motion passed 5 to 0.

The meeting adjourned at 11:57am.

Respectfully Submitted,
Sheva Tabatabaiejad
Commission Assistant
Approved August 4, 2016

Joann Remke, Chair
Fair Political Practices Commission