



(Unapproved and subject to change)
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF HEARING, Public Session
Thursday, August 18, 2022
10:00 a.m.

Present: Chair Miadich, Commissioner Baker, Commissioner Wilson, and Commissioner Wood

Staff Present: Galena West, Executive Director
Angela Brereton, Chief of Enforcement
Dave Bainbridge, General Counsel
Shrdha Shah, Chief of Audits and Assistance
Katelyn Greene, Commission Counsel
Erika Boyd, Senior Commission Counsel
Karen Harrison, Senior Commission Counsel
Lindsey Nakano, Senior Legislative Counsel
Jue Wang, Manager, Administrative Division
Jay Wierenga, Communications Director
Sasha Linker, Commission Assistant

Call to Order.

Chair Miadich called the meeting to order at 10:10 AM.

1. Public Comment for Items not on Agenda.

2. Approval of Commission Minutes.

MOTION: To approve July 2022 Commission Meeting Minutes. Moved by Commissioner Baker; seconded by Commissioner Wilson. The motion passed 4-0.

3-4. Consent Calendar.

Commissioner Wilson asked Angela Brereton, Chief of Enforcement, to explain how the fine in item 4 reached \$240,000. Ms. Brereton discussed the types of violations within the default, stated Galvan was in office at the time of the violations, the violations included had a high degree of public harm, and Galvan has not participated and for those reasons believes \$240,000 is appropriate.

Commissioner Baker asked if the Enforcement team takes the allegations at face value during a default. Ms. Brereton stated default proceedings have the same amount of investigation except the opposing party does not participate.

Chair Miadich thanked the Enforcement team for bringing item 3 back with the changes the Commission asked for within the stipulation and a fine amount that matches the violations.

MOTION: To approve consent calendar items 3-4. Moved by Chair Miadich; seconded by Commissioner Wilson. The motion passed 4-0.

5. Prenotice Discussion of Proposed Amendments to Regulation 18410 Requiring Disclosure of All Individuals Authorized to Access a Committee's Bank Records.

Katelyn Greene, Commission Counsel, presented the regulation package for discussion.

Chair Miadich asked Ms. Greene to address the public comment from CPAA that stated the names of all of a committee's account signors would be publicly available by this regulation. Ms. Greene stated this regulation is meant to encompass anyone who has authority on the bank account, not all signors.

Commissioner Baker asked on how frequently non-accessible records causes a problem for audits and investigations. Shrdha Shah, Chief of Audits and Assistance, stated this is a frequent problem and has caused significant delays in audits.

Commissioner Wood discussed the concerns in the CPAA comment letter and stated she is fine with adding redaction to the regulation. Ms. Greene stated language could be added to the language to address the concern in the CPAA letter.

Emily Andrews, CPAA, gave public comment to give an overview of the comment letter submitted and also stated someone could request an unredacted 410 from the Secretary of State and receive one.

Chair Miadich asked if CPAA has worked with the Secretary of State to amend their regulations to address the availability of unredacted 410s.

Ms. Andrews stated no, they haven't to her knowledge.

Jim Sutton, Sutton Law Firm, gave public comment to discuss that when a political law firm acts as a treasurer the issue of finding the treasurer or signor is not of an issue because the law firm can always be reached and asked if there could be an exception in the regulation for those instances.

Dave Bainbridge, General Counsel, stated that his concern would be with the smaller law and CPA firms who could still disappear, so he suggested following the suggestion by Commissioner Baker of limiting the number of people who have to be listed.

6. Prenotice Discussion of Proposed Amendments to Regulation 18531.5, Recall Elections.

Erika Boyd, Senior Commission Counsel, presented the regulation package for discussion.

Chair Miadich clarified that the different treatment between a target officer and replacement candidate is based on a constitutional provision and statutory language.

Commissioner Baker asked whether the constitution said the Target Officer was a candidate for question one of the recall and whether there was authority to require those individuals file preelection reports. Ms. Boyd stated they are a target officer, not a candidate and this change would require a statutory change.

Chair Miadich clarified that a target officer who has a committee, the committee is not subject to the preelection reporting. Ms. Boyd agreed with that statement and stated because the target officer is not a candidate, they are not subject to preelection reporting.

Commissioner Wilson clarified that a target officer has been a candidate and is already filing an SEI in the course of their tenure, but a replacement candidate might not have been a candidate and has never filed an SEI before.

In discussing committee termination, Commissioner Baker asked if different timelines had been considered instead of leaving it open ended. Chair Miadich asked if there were other types of committees that can be open indefinitely. Ms. Boyd stated ballot measure committees are indefinite and candidate committees have a 24-month time frame to close from being defeated or leaving office.

Chair Miadich asked what the difference in disclosure is for a candidate disclosure versus a ballot measure disclosure. Ms. Boyd responded her example pertained to a yard sign and stated there does not need to be disclosure if it was for the replacement candidate only pertaining to their election but would need disclosure for the target officer, same as it would for a ballot measure committee. Commissioner Wood asked if the Commission could ask the legislature to fix issues like this.

Chair Miadich stated the legislature has had hearings to discuss recall elections but we have not seen any legislation proposed.

7. Prenotice Discussion of Proposed Regulation 18400. Treasurer, Assistant Treasurer, Responsible Officer, and Principal Officer Competency.

Karen Harrison, Senior Commission Counsel, presented the regulation package for discussion.

Commissioner Wilson asked what would happen if a committee had a minor treasurer if this regulation is approved. Ms. Harrison said they would be violating the Act and Enforcement could act accordingly.

The Commission adjourned for break at 11:23 a.m. and reconvened at 11:45 a.m.

8. Update on Political Reform Education Program (PREP).

Chloe Hackert, Manager, Education and External Affairs, presented the implementation of the PREP program, beginning numbers, and possible steps forward.

Chair Miadich asked what the timeline is for the next module to be available. Ms. Hackert responded the goal is the end of the year so that the November election can be encompassed.

Commissioner Baker asked how easy the test feature is to track down the correct answer, specifically if the correct module is identified if a test question is wrong. Dominika Wojenska, PREP Manager, stated the goal is to make learning as easy as possible so a wrong test answer gives the correct module and slide number to find the answer.

Commissioner Baker also asked what the timeframe of the no action closure letter after completion of the course. Ms. Brereton stated no action closures should be sent within one week.

Commissioner Wilson asked if somebody could engage in continuing education after completion of the course. Ms. Hackert stated the course would not be available but the FPPC website contains a lot of resources to further education.

9. Committee Updates.

Chair Miadich stated the Law and Policy Committee met to discuss legislation.

10. Legislative Update.

Chair Miadich disclosed a conversation with Assemblymember Rivas on AB 975 and said

Assemblymember Rivas stated she was holding the bill in order to continue working with staff on revisions.

Lindsey Nakano, Senior Legislative Counsel, gave an update on legislation that affects the FPPC.

Commissioner Wilson asked for the most recent status of AB 975. Ms. Nakano stated it was on the Senate Floor, did not pass a vote, and the most recent news is the bill will be brought back next year.

MOTION: To support SB 459. Moved by Chair Miadich, seconded by Commissioner Baker. The motion passed 4-0.

MOTION: To support SB 746. Moved by Chair Miadich, seconded by Commissioner Baker. The motion passed 4-0.

MOTION: To support SB 794. Moved by Chair Miadich, seconded by Commissioner Wilson. The motion passed 4-0.

11. Executive Staff Reports.

Jay Wierenga, Communications Director, presented the outcome of the public service announcement advertisements placed in McClatchy newspapers and Google ads.

The Executive Staff Reports were accepted as submitted.

12. Commissioner Comments and Proposed Future Agenda Items.

Commissioner Baker asked that the discussed recall legislative ideas be added to the legislative proposal discussion for next year.

MOTION: To Adjourn the meeting. Moved by Chair Miadich; seconded by Commissioner Wood
The motion passed 4-0.

The meeting adjourned at 12:37 p.m.

Respectfully Submitted,
Sasha Linker
Commission Assistant
Approved September 2, 2022

Richard C. Miadich, Chair
Fair Political Practices Commission