

# Fourth Quarter Update

Campaign Reporting and Advertising Disclosure

## Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning campaign reporting or advertising disclosure. To receive updates for all regulations before the Commission, please sign up for our <u>mailing list here</u>.

## Adoption

Regulation 18424 – Behested Payment Reporting. Additional Information.

Regulation 18424.1 – Behested Payment Reporting. Good Faith Estimate.

<u>Regulation 18424.2</u> – Behested Payment Reporting. Charitable Organization Fundraising Solicitations.

Regulation 18424.3 – Behested Payment Reporting. Payments from Donor Advised Funds.

## Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about campaign reporting or advertising disclosure. To receive the monthly report with all advice letters issued, please sign up for our <u>mailing list here</u>.

## **Behested Payments**

#### Colin Burns

A payment for communications made by a third party, which include the official's name, designation, email, and photograph and that conveys information relating to upcoming events by the City Council and Planning Commission, are not considered contributions to the official under Regulation 18215 if they do not contain express advocacy; do not make reference to the candidate's candidacy for elective office, the candidate's election campaign, or the candidate's or his or her opponent's qualifications for office; and do not solicit contributions to the candidate or to third persons for use in support of the candidate or in opposition to the candidate's opponent. However, any payments for the communications made at the behest of the official equaling or exceeding \$5,000 are reportable behested payments.

A-21-152

## Campaign

### Phaedra A. Norton

A-21-120

Communications related to a ballot measure planned by the City are independent expenditures or contributions under the Act that may qualify the City as a campaign committee subject to campaign reporting and are potentially prohibited mass mailing if the communications unambiguously urge a particular result in an election. A communication unambiguously urges a particular result in an election if it is clearly campaign material or activity or if the communication (1) can be reasonably characterized as campaign material or activity and (2) is not a fair presentation of facts serving only an informational purpose when taking into account the style, tenor, and timing of the communication. In regard to the communications identified by the City, and based on the facts provided, the communications with the exception of the proposed Public FAQ unambiguously urge a particular

result in an election that may qualify the City as a campaign committee subject to reporting and are prohibited to the extent the communications are a mass mailing.

#### Section 84308

### Wendy Root Askew

An appointed official is not prohibited from taking part in a decision concerning an application where the official received contributions that do not meet the threshold requirements for disqualification under Section 84308 including a contribution made more than 12 months prior to the decision and a contribution of \$250 or less.

A-21-155

## **Commission Opinions**

None.

## **Enforcement Matters**

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's campaign reporting and advertising disclosure provisions. To receive a monthly report of all enforcement actions, please sign up for our <u>mailing list</u> here.

## Campaign Late Filer

In the Matter of Westberg + White, Inc; FPPC No. 19/951. Staff: Jenna C. Rinehart, Commission Counsel. The respondent was represented by David E. Barker of Collins, Collins, Muir, and Stewart, LLP. Westberg + White, Inc. engaged in campaign activities as a major donor committee in 2016. Westberg + White, Inc. failed to timely file two semi-annual campaign statements, in violation of Government Code Section 84200 (1 count), and three 24-hour reports, in violation of Government Code Section 84203 (1 count). Fine: \$5,500.

In the Matter of Lundgren Management Corporation; FPPC No. 21/98. Staff: Jenna C. Rinehart, Commission Counsel. The respondent was represented by Gary S. Winuk of Kaufman Legal Group, APC. Lundgren Management Corporation engaged in campaign activities as a major donor committee in 2016. As a major donor committee, Lundgren Management Corporation failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200 (1 count), and six 24-hour reports, in violation of Government Code Section 84203 (2 counts). Fine: \$7,500.

## **Campaign Contribution Limits**

In the Matter of Barry Chang for Assembly 2016 and Barry Chang; FPPC No. 16/446. Staff: Ruth Yang, Senior Commission Counsel. The respondents entered into a tolling agreement with the Enforcement Division, which was effective as of July 19, 2020, regarding the applicable statutes of limitations. The respondents were represented by Gary Winuk of Kaufman Legal Group LLP. Barry Chang was an unsuccessful candidate for District 24 of the California State Assembly in the June 7, 2016 Primary Election. Barry Chang for Assembly 2016 was Chang's candidate-controlled committee. The Committee and Chang failed to timely file 35 10-day reports, in violation of Government Code Section 85309, subdivision (c) (3 counts); failed to timely disclose complete contributor information, in violation of Government Code Section 84211, subdivision (f) (1 count);

failed to timely file four 24-hour reports, in violation of Government Code Section 84203 (1 count); and accepted aggregated contributions that exceeded the campaign contribution limit, in violation of Government Code Section 85301, subdivision (a), and Regulation 18545, subdivision (a)(1)(1 count). Fine: \$21,500.

# Legislation None.