



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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Third Quarter Update

Conflict of Interest, Revolving Door, and Statement of Economic Interests

Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning conflict of interest, revolving door, or statement of economic interests. To receive updates for all regulations before the Commission, please sign up for our [mailing list here](#).

None.

Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter questions about conflicts of interest, revolving door, or statement of economic interests. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#)

Conflict of Interest

Kristin M. Horrell

[A-24-047](#)

A county supervisor has a disqualifying financial interest in her real property located within 500 feet of a proposed pedestrian and bike path, and she may not make, participate in making, or use her position to influence decisions related to the bike and pedestrian path. This restriction includes any attempt to communicate with county officials and employees for the purpose of influencing the decision, including but not limited to directing members of her staff to make any such communications. However, she may appear as a member of the public, not in her official capacity, if she appears on matters related solely to her personal interest in her real property.

Benjamin L. Stock

[A-24-074](#)

Three councilmembers may participate in a decision concerning the adoption of the ballot measure that would modify the city's business license tax ordinance, where the officials each have interests in businesses subject to the modified taxes because the increase in expenses on each of the interests will be less than \$2,500 and the businesses are not explicitly involved in the decision regarding a generally applicable business tax. Accordingly, the financial effect on those interests would not be material under any of the standards articulated in Regulation 18702.1.

Gregory M. Murphy

[I-24-077](#)

An official is not generally disqualified from taking part in decisions relating to a development project 1,000 feet or more from the official's property interest unless there is clear and convincing evidence of a substantial effect on the official's property. For an official with a residence within a common interest development, the measurement from the development site to the official's property interest is the distance to the property line of the official's residential unit,

not the distance to the common area owned by the homeowners association. However, we cannot reach a conclusion regarding the councilmember's involvement in any specific decision before the city without a full description of the decision.

Gary B. Bell

[I-24-079](#)

Given that approximately 20 percent of the residential properties within the town are located within a similar or closer distance than the officials' properties from the parcel subject to decisions concerning its redevelopment, the public generally exception will apply so long as the decision will similarly affect these residential properties with no unique effect on the officials' property interests in comparison to the other properties. However, with no specific decision currently before the town, we can only generally advise that the facts provided at this time do not suggest a unique effect on the officials. Moreover, considering the parcel's central location with the town and the fact that the officials' residences are separated from the parcel by existing residential and commercial development, it appears unlikely that any effect on these property interests would be unique.

Christina Cameron

[A-24-068](#)

The public generally exception applies to two officials whose interests are primary residences within 500 feet of the zones subject to proposed development standards because more than 15 percent (61.6 percent) of all residential parcels are within 500 feet of the zones, and the decisions will not uniquely affect the officials. However, the public generally exception does not apply to a third official with a residence within the zones, which will be subject to the standards because less than 15 percent of the residential properties are within the zones and similarly situated. This official may not take part in the decision.

Lexi Boeger

[A-24-071](#)

The planning commissioner, who is also an employee of a winery owned by her parents, has interests in the winery as a source of income and a business entity. However, unless there is a nexus between the commissioner's income from the winery and the ordinance in question, the commissioner is not prohibited from taking part in decisions regarding the ordinance as it pertains to special events and weddings. As the winery does not currently host weddings, holds only a limited number of special events, and is presently engaged in winery-related operations, there is no indication that the proposed special events provisions may have a material financial effect on the winery.

Quinn M. Barrow

[A-24-093](#)

It is reasonably foreseeable that the decisions regarding the development of a 110-acre commercial and high-density residential project located 604 feet from the property line of the mayor's property, which includes ten parcels, his residence, and undeveloped land (zoned low to medium residential), will have a material financial effect on the official's properties as the decisions will impact the parcels' development potential, income-producing potential, highest and best use, character, and market value. Similarly, it is reasonably foreseeable that the decisions will have a material financial effect on the mayor pro tem's 5-acre, two-parcel, property interests located within 648 feet of the project site where the property includes undeveloped commercial land. Each official is disqualified from taking part in the development project's decisions.

H. James Lance

[A-24-097](#)

A council member who owns real property within 500 feet of a city park that will receive a variety of improvements as the result of a proposed project has a disqualifying financial interest in the decision. Under Commission regulations, it is reasonably foreseeable a decision will have a material financial effect on property within 500 feet unless there is clear and convincing evidence presented to establish that there would be no measurable impact on the property.

Benjamin L. Stock

[A-24-101](#)

A planning commissioner is not prohibited from appearing before the city council, provided the city council's decision will be a final decision. Because the city council is not appointed by or subject to the budgetary control of the planning commission, the planning commissioner is not attempting to use an official position to influence a decision when appearing before the city, as an attorney on behalf of a private client, so long as the planning commissioner does not act or purport to act as a representative of or on behalf of the planning commission.

Jennifer M. Lyon

[A-24-104](#)

Two elected city officials with residences located within 240 and 340 feet, respectively, may take part in decisions regarding a project to repair and improve a six-lane primary arterial street and commercial corridor under the public generally exception. Based on the facts provided, a significant segment of the public will be affected by the decisions, and there are no indications the decision will have a unique effect on the officials' residences.

Revolving Door

Elizabeth Wagner Hull

[A-24-026](#)

Notwithstanding leases of airport property, including commercial property subleased to various businesses and a personal hangar, Section 1090 does not prohibit a mayor from participating in the decisions regarding a contract with an airport operator. Because his only interest in the decision for purposes of Section 1090 is that of a recipient of public services generally provided by the public body of which he is a member on the same terms and conditions as if he were not a member of the body, the noninterest exception under Section 1091.5(a)(3) applies. Under the Act, it is not reasonably foreseeable the decisions regarding the contract may have a material effect on the mayor's various interests.

Kevin Phelps

[A-24-067](#)

A firm that entered into an agreement to assist a city in conducting an optimization analysis of its office space for hybrid work did not engage in or advise on public contracting on behalf of the city such that it is considered an "officer" under Government Code Section 1097.6. Accordingly, Section 1090 does not prohibit the city from entering into a lease of space in an unrelated project to relocate a city agency where a brokerage firm that is a subsidiary of the firm's parent company, is representing the property's owner.

Nicholaus Norvell

[A-24-050](#)

As an independent contractor employed by gas service provider for over 10 years, a local agency board member has a financial interest in the provider and interests in the provider's parent company and the parent company's subsidiary electrical service provider. However, while the board member may not take part in the decisions, the rule of necessity applies to permit the local

agency to enter a contract involving the subsidiary electrical service provider where the decision regards essential government duties of the agency (procuring cost-efficient and carbon-neutral energy services for the agency) that can only be obtained with the provider, and the agency is the only entity authorized to enter the contract.

Sumi Hoshiko

[A-24-057](#)

A former Research Scientist Supervisor with a state agency who permanently left office is subject to the post-governmental employment provisions of the Act, despite not being designated in the agency's conflict of interest code, because the official made governmental decisions that involved contracts and hiring decisions and had supervisory authority. The official, therefore, participated in governmental decisions that could foreseeably give rise to a material financial effect on a financial interest. Under the one-year ban, the official would not be prohibited from accepting employment as a consultant if the official did not personally communicate with the official's former agency. Under the permanent ban, the official would not be prohibited from performing work as a consultant as there are no facts to suggest the potential employer had any prior proceedings with the official's former agency that the official previously participated in as a state employee.

Joe Stuyvesant

[A-24-084](#)

For purposes of Section 87406.3 and Regulation 18746.4(b)(2) regarding the local one-year ban, a chief administrative officer is not deemed to have permanently left office on the first day of paid administrative leave as he continued to be an employee of the district and receive a salary, even though relieved of his job duties. His date of resignation from the local agency is the date he permanently left office.

Isra Shah

[A-24-089](#)

City may enter into agreements with a limited liability company for a housing project under the rule of necessity. Even though a city council member's spouse represents the majority owner of the company in unrelated legal matters and has contacted the city as the owner's representative regarding one of the agreements, the rule of necessity applies because the city council is the only entity authorized to enter into the contract on behalf of the city. However, the city council member must recuse herself from the decisions.

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 conflicts of interest, revolving door, or statement of economic interests. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

Statement of Economic Interests Late Filer

[In the Matter of Vignesh Swaminathan; FPPC No. 24/077](#). Staff: Alex Rose, Senior Commission Counsel. Vignesh Swaminathan, a Member of 2000 Measure A Citizens Watchdog

Committee for the City of Cupertino and Santa Clara Valley Transportation Authority/Sustainability Commissioner, failed to timely file 2019, 2020, 2021, and 2022 Annual Statements of Economic Interests, in violation of Government Code Section 87300 (4 counts). **Total Penalty: \$800 (Tier One).**

In the Matter of Gloria Molleda; FPPC No. 23/819. Staff: Marissa Corona, Commission Counsel and Special Investigator Kaitlin Angeloni. Gloria Molleda served as City Manager for the City of Rosemead. Molleda failed to timely file the 2018, 2019 and 2020 Annual Statements of Economic Interests, in violation of Government Code Section 87302 (3 counts); and failed to timely disclose a loan on the 2019 Annual Statement of Economic Interests, in violation of Government Code Section 87207 (1 count). Chief Discretion was used in this matter. **Total Penalty: \$800 (Tier One).**

In the Matter of Cindy Rodas; FPPC No. 24/174. Staff: Alex Rose, Senior Commission Counsel. Cindy Rodas, Finance Director and Alternate Board Member of Pooled Liability Assurance Network Joint Powers Authority failed to timely file a 2020, 2022, and 2023 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (3 counts). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. **Total Penalty: \$800 (Tier Two).**

In the Matter of Arturo Ramirez; FPPC No. 24/250. Staff: Alex Rose, Senior Commission Counsel. Arturo Ramirez, Planning Commissioner of the City of Lynwood, failed to timely file 2021, 2022, and 2023 Annual Statements of Economic Interests, in violation of Government Code Section 87203 (3 counts). **Total Penalty: \$600 (Tier One).**

In the Matter of Marisa Llamas; FPPC No. 19/254. Staff: Laura Columbel, Commission Counsel and Alethea Perez, Special Investigator. The respondent was represented by Michael Schulte of Farley Law Firm. Marisa Llamas, a Planning Commissioner for the City of Farmersville, failed to timely file 2017 and 2019 Annual Statements of Economic Interest, in violation of Government Code Section 87203 (2 counts). **Total Penalty: \$600 (Tier One).**

In the Matter of Fabian Wesson; FPPC No. 24/87. Staff: Alex Rose, Senior Commission Counsel. Fabian Wesson, Board Member of the Science Center, failed to timely file 2022 and 2023 Annual and Leaving Office Statement of Economic Interests, in violation of Government Code Section 87300 (3 counts). **Total Penalty: \$600 (Tier One).**

In the Matter of Michelle Weed; FPPC No. 24/361. Staff: James M. Lindsay, Chief of Enforcement and Amber Rodriguez, Staff Services Analyst. Michelle Weed, a Board Member for the Northeastern Joint Powers Authority, failed to timely file an Assuming Office Statement of Economic Interests, in violation of Government Code Section 87202 (1 count). **Total Penalty: \$400 (Tier One).**

In the Matter of Rick Whisman; FPPC No. 24/027. Staff: Alex Rose, Senior Commission Counsel. Rick Whisman, Planning Commissioner for the City of Petaluma, failed to timely file a 2022 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Penalty: \$200 (Tier One).**

In the Matter of Richard Hernandez; FPPC No. 24/033. Staff: Alex Rose, Senior Commission Counsel. Richard Hernandez, Planning Commissioner for the City of Carson, failed to timely file a 2022 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Penalty: \$200 (Tier One).**

In the Matter of Katherine Turner; FPPC No. 24/386. Staff: James M. Lindsay, Chief of Enforcement and Amber Rodriguez, Staff Services Analyst. Katherine Turner is represented by Ralph Cordova Jr. of Cordova Law and Consulting. Katherine Turner, a City Attorney for the City of Imperial, failed to timely file a 2022 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Penalty: \$200 (Tier One).**

In the Matter of Andrea Cardenas; FPPC No. 23/305. Staff: Alex Rose, Senior Commission Counsel; Paul Rasey, Special Investigator. The respondent was represented by Richard Rios of Olson Remcho, LLP. Andrea Cardenas, as a Chula Vista City Councilmember, failed to timely report Grassroots Resources as a source of income on her 2022 Annual Statement of Economic Interests, in violation of Government Code Section 87207 (1 count). **Total Penalty: \$100 (Tier One).**

In the Matter of Kandi Thompson; FPPC No. 22/686. Staff: Laura Columbel, Commission Counsel and Jay Gehres, Special Investigator. Kandi Thompson, a Board Member for Amador County Office of Education and Board of Trustees Clerk for Amador County Unified School District, failed to timely file the 2021 Annual and a Leaving Office Statements of Economic Interests, in violation of Government Code Section 87300 (2 counts). **Total Penalty: \$1,400 (Tiers One & Two).**

In the Matter of Paul Steele; FPPC No. 24/019. Staff: Alex Rose, Senior Commission Counsel. Paul Steele, Isleton City Councilmember and Commissioner for the Delta Protection Agency, failed to timely file a 2022 Annual Statement of Economic Interests for both positions and a 2023 Annual Statement of Economic Interests for the City Council, in violation of Government Code Section 87203 (3 counts). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. **Total Penalty: \$600 (Tier One).**

In the Matter of Francisco “Franky” Carrillo. FPPC No. 24/633. Staff: Laura Columbel, Commission Counsel and Ann Flaherty, Special Investigator. Franky Carrillo was a successful candidate for State Assembly, District 52 in the March 5, 2024 Primary Election. Carrillo failed to timely file the Candidate Statement of Economic Interests, in violation of Government Code Section 87201 (1 count). **Total Penalty: \$300 (Tier One).**

Statement of Economic Interests Late Reporter

In the Matter of Augusto Caudillo; FPPC No. 22/191. Staff: Cinthya Bernabé, Commission Counsel. Augusto Caudillo, a Planning Commissioner to the City of Lompoc between January 20, 2021, and April 13, 2023, failed to timely file an Assuming Office, a 2021 Annual, a 2022 Annual, and a Leaving Office Statement of Economic Interest, in violation of Government Code Sections 87200, 87202, 87203, and 87204 (4 counts). **Total Penalty: \$16,000.**

In the Matter of Herman Hernandez; FPPC No. 23/270. Staff: Chance Felkins, Commission Counsel. Respondent was represented by Mike Tucker of Edwards, Stevens & Tucker, LLP. Herman Hernandez, a current Board Member for the Sonoma County Board of Education, failed to disclose income on the 2019, 2020, 2021, 2022, and 2023 Statements of Economic Interests, in violation of Government Code Section 87206 (17 counts). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. **Total penalty: \$1,600 (Tier One).**

Legislation

AB 1170 (Valencia) – Electronic Filing of SEIs (Form 700s) [CHAPTERED]

Status: Approved by the Governor and Chaptered on 9/6/24

Short Summary: AB 1170 would (1) require officials whose filing officer is the Commission to file their Statements of Economic Interests (SEIs or Form 700s) using the Commission’s electronic filing system, (2) require redaction of certain information from SEIs posted online by the Commission, and (3) allow for electronic retention of certain paper reports and statements.

Detailed Summary:

Electronic filing of SEIs: Existing law provides that the Commission is the filing officer for statewide elected officers and candidates and other specified public officials. Generally, these public officials file their SEIs with their agency or another person or entity, who retain a copy of the statement and then forward the original statement to the Commission. AB 1170 would instead require public officials for whom the Commission is the filing officer to file their SEIs directly with the Commission using the Commission’s electronic filing system.

Redaction of certain information posted online: Existing law requires the Commission to redact private information, including signatures, from the data made available on the FPPC’s website for SEIs filed through the Commission’s online filing system. AB 1170 would:

1. Repeal the general authority to redact private information and instead specifically require the FPPC to redact the signature, telephone number, email address, and mailing address of the filer from SEIs posted on the FPPC website.
2. Permit the filer’s residential address to be redacted in specific situations from the copy of the SEI posted on the FPPC website, upon the request of the filer.
3. Codify FPPC regulation permitting redaction of personally identifying information about family members on a current or former elected officer’s SEI posted on the FPPC website, if there is a reasonable privacy concern and upon the request of the filer.

Electronic retention of reports and statements: Existing law requires filing officers to retain certain reports and statements filed by paper for 2 years in paper format before converting those filings to electronic or other specified formats. AB 1170 would authorize filing officers to retain

reports and statements filed by paper in electronic or other specified formats immediately upon receiving those reports or statements.

FPPC Position: Support (Sponsor)

FPPC Costs: Minor and absorbable

AB 2631 (Mike Fong) – FPPC Local Ethics Training Program [CHAPTERED]

Status: Approved by the Governor and Chaptered on 8/12/24

Short Summary: AB 2631 would require the FPPC to create, maintain, and make available a local agency ethics training course that satisfies certain requirements.

Detailed Summary:

Existing law: Existing law, passed in 2005, requires local agency officials to receive at least two hours of ethics training every two years, which includes training on the Political Reform Act. After passage of the bill adding this requirement, the FPPC voluntarily created a free online local ethics training course that would satisfy these training requirements.

Establishes a permanent program: AB 2631 would codify a requirement that the FPPC, in consultation with the Attorney General, create, maintain, and make available to local agency officials an ethics training course that satisfies these training requirements, thereby making this a permanent program.

FPPC Position: Support (Sponsor)

FPPC Costs: \$234,000 in the first year and \$227,000 annually thereafter for one position in IT and education software. Note: This funding was approved in the 2024-2025 State Budget.

SB 1111 (Min) – Section 1090: Conflicts of Interest in Governmental Contracts: Financial Interests of Public Officer’s Child [CHAPTERED]

Status: Approved by the Governor and Chaptered on 9/20/24

Short Summary: SB 1111 would require a public officer to disclose if the public officer’s child has a specified financial interest in a contract entered into by the body or board of which the officer is a member, if this information is actually known to the public officer. The body or board must authorize, approve, or ratify the contract in good faith without counting the vote of the public officer whose child has that interest.

Detailed Summary:

Existing law- general rule: Existing law prohibits Members of the Legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in a contract made by them in their official capacity or by any body or board of which they are

members, subject to specified exceptions.

Existing law- remote interests: Existing law provides that a public officer shall not be deemed financially interested in contract if the officer only has a remote interest. Existing law identifies certain remote interests, including the interest of a parent in the earnings of his or her minor child for personal services. In order to be deemed not interested in the relevant contract due to a remote interest, a public officer must disclose the interest, and the body or board must authorize, approve, or ratify the contract in good faith without counting the vote of the public officer with the remote interest.

New remote interest for the financial interest of the public officer's child: SB 1111 would add a new remote interest for a public officer if the public officer's child is an officer or director of, or has an ownership interest of 10% or more in, a party to a contract entered into by the body or board of which the officer is a member, if this information is actually known to the public officer.

Delayed operative date: The change described above would take effect commencing January 1, 2026.

FPPC Position: No position

FPPC Costs: ½ position in the Legal Division

SB 1156 (Hurtado) - Financial Disclosures for Groundwater Sustainability Agencies **[CHAPTERED]**

Status: Approved by the Governor and Chaptered on 9/22/24

Coauthor: Assemblymember Bennett

Short Summary: The bill would require members of the board of directors and the executive of a groundwater sustainability agency to file their Statements of Economic Interests directly with the FPPC using the FPPC's electronic filing system.

Detailed Summary:

Existing law; financial disclosures: Existing law requires every local government agency to adopt and promulgate a Conflict of Interest Code pursuant to the PRA. Individuals designated in a Conflict of Interest Code must submit annual Statements of Economic Interests (SEI). Additionally, all officials listed in Section 82000 must submit SEIs.

Groundwater sustainability agencies: State law in the Water Code provides for the formation, duties, and authority of groundwater sustainability agencies, which are generally responsible for developing, implementing, and enforcing a program for managing groundwater at a local level. Groundwater sustainability agencies are local government agencies under the PRA.

Direct filing with the FPPC: SB 1156 would require members of the board of directors, and the executive director, general manager, or other person with an equivalent position, of a groundwater sustainability agency to file their SEIs directly with the FPPC using the FPPC's electronic filing system.

FPPC Position: No position

FPPC Costs: \$20,000 - \$40,000 annually for the cost of expanding the filer capacity of the FPPC's electronic filing system.

SB 1476 (Blakespear) - State Bar of California [CHAPTERED]

Status: Approved by the Governor and Chaptered on 9/22/24

Coauthor: Senator Umberg

Short Summary: SB 1476 would clarify that the State Bar of California is required to adopt a Conflict of Interest Code and its designated employees are required to submit Statements of Economic Interests.

Detailed Summary:

Existing law: Existing law in the Business and Professions Code provides that state law that restricts or prescribes a mode of procedure for the exercise of powers of state public bodies or state agencies is not applicable to the State Bar, unless the Legislature expressly so declares.

Existing law; PRA: Existing law in the PRA references the State Bar of California in four sections, including one section that provides for who the code reviewing body is for the State Bar. Existing law in the PRA implies, but does not explicitly state, that the State Bar of California must adopt a Conflict of Interest Code and that its designated employees must submit Statements of Economic Interests (SEIs).

Existing law; public official: Existing law in the PRA excludes a member of the Board of Governors and designated employees of the State Bar of California from the definition of "public official," thus excluding these individuals from the prohibition on participating in government decisions in which the public official has a financial interest and related provisions.

Clarifies which provisions apply to the State Bar: SB 1476 would add to the definition of "public official" designated employees of, and Members of the Board of Trustees of, the State Bar of California, thereby clearly imposing the PRA's Conflict of Interest Code and SEI requirements, and the general conflicts of interest requirements and restrictions, on the State Bar and its employees and Board of Trustees.

FPPC Position: No position

FPPC Costs: Minor and absorbable