



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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# Third Quarter Update

Ethics – Gifts, Honorarium, Travel and Use of Campaign Funds

## Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning gifts, honorarium, travel, and use of campaign funds. 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 concerning questions about gifts, honorarium, travel, and use of campaign funds. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#).

None.

## Commission Opinions

None.

## Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

## Misuse of Campaign Funds

**In the Matter of Hallinan for Board of Equalization 2018, Hallinan for Supervisor 2020, Tom Hallinan and Hannah Burcaw; FPPC No. 20/861.** Staff: Bridgette Castillo, Senior Commission Counsel and Lance Hachigian, Special Investigator. This matter arose from an audit performed by the Audit Division of the Fair Political Practices Commission. Tom Hallinan was an unsuccessful candidate for Board of Equalization in the November 6, 2018 General Election. Hallinan for Board of Equalization 2018 ("2018 Committee") was Hallinan's candidate-controlled committee. Additionally, Hallinan was an unsuccessful candidate for Stanislaus County Board of Supervisors in the November 3, 2020 General Election. Hallinan for Supervisor 2020 ("2020 Committee") was Hallinan's candidate-controlled committee. Hannah Burcaw served as the Committee's treasurer for both the 2018 Committee and the 2020 Committee. The 2018 Committee, Hallinan, and Burcaw failed to timely file two semi-annual campaign statements, in violation of Government Code Section 84200 (1 count). The 2018 Committee, Hallinan, and Burcaw impermissibly contributed \$3,000 to the 2020 Committee after the funds

had become surplus, in violation of Government Code Section 89519 (1 count). The 2020 Committee, Hallinan, and Burcaw failed to properly disclose receipt of a contribution from the 2018 Committee, in violation of Government Code Section 84211 (1 count). **Total Penalty: \$7,500.**

### **Mass Mailings at Public Expense**

**In the Matter of North Yuba Water District; FPPC No. 20/917.** Staff: Jenna C. Rinehart, Senior Commission Counsel and Jay Gehres, Special Investigator. North Yuba Water District was represented by its General Legal Counsel, Paul Boylan. The North Yuba Water District sent seven mass mailings that featured an elected officer at public expense, in violation of Government Code Sections 89001 and 89002 (7 counts). **Total Penalty: \$22,000.**

### **Cash and In-Kind Contributions and/or Expenditures**

**[In the Matter of Sophia Rodriguez for Board of Supervisors 2020-District 1 and Sophia S. Rodriguez; FPPC No. 23/456.](#)** Staff: Bridgette Castillo, Senior Commission Counsel. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Sophia Rodriguez was an unsuccessful candidate for San Diego County Supervisor in the March 3, 2020 Primary Election. Sophia Rodriguez for Board of Supervisors 2020-District 1 was Rodriguez's candidate-controlled committee. Rodriguez served as the Committee's treasurer. The Committee and Rodriguez accepted cash contributions of \$100 or more, in violation of Government Code Section 84300 (1 Count). Chief Discretion was used in this matter. **Total Penalty: \$502 (Tier One).**

## **Legislation**

### **[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.

**AB 2041 (Bonta) - Use of Campaign Funds for Security Expenses [CHAPTERED]**

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

**Coauthor:** Senator Ashby

**Short Summary:** AB 2041 would authorize a candidate or elected officer to use campaign funds for the reasonable costs of installing and monitoring a home or office security electronic security systems for, and for the reasonable costs of providing personal security to, the candidate, elected officer, or their immediate family or staff, and for any other tangible item related to security.

**Detailed Summary:**

*Expansion to personal security expenses and other items:* Existing law allows campaign funds to be used for home or office electronic security systems under certain conditions. AB 2041 would expand permitted campaign fund use to also include payments for the reasonable costs of providing personal security and for other tangible items related to security. The bill would specifically provide that it does not authorize campaign funds to be spent on payments to a relative or on firearms for these purposes.

*Expansion to family and staff:* Existing law allows campaign funds to be used only for electronic security systems at the home or office of the candidate or elected officer. AB 2041 would allow campaign funds to be used additionally for home or office electronic security systems, personal security expenses, and other tangible items for the immediate family or staff of the candidate or elected officer.

*Repeal of existing verification requirement:* Existing law allows campaign funds to be used for home or office security systems only if (1) the candidate or elected officer has received threats to their physical safety, (2) the threats arise from their activities, duties or status as a candidate or elected officer, and (3) the threats have been reported to and verified by law enforcement. The bill would repeal the verification requirements described in (1) and (3), and would also authorize use of funds for threats arising from staff's position as staff of the candidate or elected officer.

*New self-verification requirement:* The bill requires a candidate or elected officer to submit a report to the FPPC, signed under penalty of perjury, that describes and verifies the threat or potential threat that necessitated the expenditure or reimbursement.

*Lifetime expenditure limit:* Existing law allows up to \$5,000 to be used cumulatively by a candidate or elected officer for electronic security systems. AB 2041 instead imposes a lifetime expenditure limit of \$10,000 per person who is a candidate or elected officer for these security expenses. This limit would apply regardless of whether the person is a candidate or elected officer for multiple offices.

*Return or reimbursement requirement:* Existing law requires the candidate or elected officer to reimburse the campaign fund account for the costs of the security system upon sale of the property where the security equipment is installed, based on the fair market value of the security equipment at the time the property is sold. AB 2041 instead requires either return of, or reimbursement for, the security system equipment and any other items within one year of when the official is no longer in office or the candidate is no longer a candidate for the office for which the security equipment was purchased, or, if applicable, upon sale of the property on which the security equipment is located, whichever occurs sooner. Return or reimbursement would be required for all security equipment and any other tangible items purchased with campaign funds.

*Extension for ongoing threats:* If there is a continuing threat to the physical safety of the candidate or elected officer and certain other conditions are met, AB 2041 would instead require return or reimbursement within one year after the threat ceases, or, if applicable, upon sale of the property on which the security system is installed, whichever is sooner.

*Reporting and recordkeeping:* Existing law requires candidates or elected officers who use campaign funds for electronic security systems to report this expenditure to the Commission and information including when the threat was reported to law enforcement, the contact information of the law enforcement agency, and a description of the threat. The bill would instead require candidates and elected officers to report expenditures and any reimbursement under these provisions on the candidate or elected officer's campaign statements. The bill would also require the candidate or elected officer to maintain certain detailed records.

*Urgency:* This bill took effect immediately as urgency legislation.

**FPPC Position:** Support

**FPPC Costs:** \$130,503 in the first year and \$123,503 ongoing thereafter, for one position in the Legal Division.

### **[AB 2573 \(M. Fong and Lee\) – Gifts: Services of a Fellow \[CHAPTERED\]](#)**

**Status:** Approved by the Governor and Chaptered on 9/14/24

**Coauthors:** Assemblymembers Kalra, Low, Muratsuchi, and S. Nguyen

**Short Summary:** AB 2573 would clarify that the services of a policy fellow provided specified associations are not a “gift” to a state elective or appointive officer for purposes of the gift limit.

#### **Detailed Summary:**

*Existing law and advice:* Existing law defines “gift” to mean, in relevant part, “any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received [...]” The FPPC has provided advice that the services of a fellow to a state

agency or the Legislative branch are not gifts under the Act, since these services do not confer a personal benefit to any public official.

*Clarification in the law:* AB 2573 would provide that the services of a policy fellow provided by the following associations are not a “gift” to a state elective or appointive officer for purposes of the gift limit:

1. The Asian Pacific Islander Capitol Association.
2. The California Legislative Black Staff Association.
3. The Capitol LGBTQ Association.
4. The California Latino Capitol Association Foundation.

*Changes to other areas of law:* AB 2573 would make similar changes to other areas of law outside of the PRA.

**FPPC Position:** No position

**FPPC Costs:** Minor and absorbable

### **AB 2803 (Valencia) – Use of Campaign Funds for Legal Defense: Criminal Convictions** **[CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/25/24

**Principal Coauthor:** Senator Umberg

**Coauthor:** Assemblymember Chen

**Short Summary:** AB 2803 would prohibit expenditure of campaign funds for attorney’s fees, other legal defense costs, or any fine, penalty, judgment, or settlement relating to a conviction for a felony involving fraud or other specified felonies.

#### **Detailed Summary:**

*Existing law; use of campaign funds for legal costs:* Expenditure of campaign funds for attorney’s fees and other legal costs is permitted under certain conditions.

*Existing law; contributions held in trust:* Existing law provides that all contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

*Existing law; political, legislative, or governmental purpose:* Existing law requires expenditures that confer a substantial personal benefit to be directly related to a political, legislative, or governmental purpose. Legal fees and costs are directly related to a political, legislative, or governmental purpose if the litigation (1) is directly related to activities of a committee that are consistent with its primary objectives or (2) arises directly out of a committee’s activities or out of a candidate’s or elected officer’s activities, duties, or status as a candidate or elected officer.

*Existing law; disqualification for candidacy and election:* Existing law in the Elections Code provides that a person shall not be considered a candidate for, and is not eligible to be elected to, any state or local elective office if the person has been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

*Prohibition on use of campaign funds associated with certain criminal convictions:* AB 2803 would further restrict campaign funds from being used to pay, or pay reimbursement for, a fine, penalty, judgment, or settlement relating to, or attorney's fees and other costs in connection with, criminal litigation if the litigation results in a conviction of the candidate or elected officer for a felony involving fraud, or for a felony listed in the Elections Code section referenced above.

**FPPC Position:** No position