

1 GALENA WEST  
Enforcement Chief  
2 RUTH YANG  
Commission Counsel  
3 Fair Political Practices Commission  
1102 Q Street, Suite 3000  
4 Sacramento, CA 95811  
Telephone: (916) 322-5660  
5 Facsimile: (916) 322-1932

6 Attorneys for Complainant  
Enforcement Division of the Fair Political Practices Commission  
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9 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**  
10 **STATE OF CALIFORNIA**

11  
12 In the Matter of:

FPPC No. 16/414

13 QUALITY EDUCATION IN SUPPORT  
OF RECALL LORONA, OROSCO,  
14 LOPEZ, SARA RODRIGUEZ,  
HARPREET PUREWAL, FRANK  
15 HOYT, and JOHN HOYT,

STIPULATION, DECISION, AND ORDER

16 Respondents.  
17

18 **INTRODUCTION**

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20 Quality Education in Support of Recall Lorona, Orosco, Lopez (the “Committee”) qualified as a  
committee primarily formed to support a recall of John Lorona, Roger Orosco, and Gilbert Lopez on or  
21 about April 21, 2015, when it received over \$1,000 in contributions. Sara Rodriguez (“Rodriguez”) was  
22 the Committee’s treasurer at all times while it was open. Harpreet Purewal (“Purewal”), Frank Hoyt  
23 (“F. Hoyt”), and John Hoyt (“J. Hoyt”) each were the Committee’s principal officers at all times while it  
24 was open. Respondents violated the Political Reform Act (the “Act”),<sup>1</sup> by receiving cash contributions of  
25 \$100 or more and failing to report nonmonetary contributions.  
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27  
28 <sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory  
references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110  
through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 **SUMMARY OF THE LAW**

2 The violations in this case occurred in 2015, and all legal references and discussions of law pertain  
3 to the Act’s provisions as they existed at that time.

4 Need for Liberal Construction and Vigorous Enforcement of the Act

5 When enacting the Act, the people of California found and declared that previous laws regulating  
6 political practices suffered from inadequate enforcement by state and local authorities.<sup>2</sup> Thus, it was  
7 decreed that the Act “should be liberally construed to accomplish its purposes.”<sup>3</sup> One purpose of the Act  
8 is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully  
9 and truthfully disclosed so that voters are fully informed and improper practices are inhibited.<sup>4</sup> Another  
10 purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously  
11 enforced.”<sup>5</sup>

12 Cash Contributions

13 No contribution of \$100 or more shall be made or received in cash.<sup>6</sup> All contributions of \$100 or  
14 more must be made in the form of a written instrument containing the name of the contributor and the  
15 name of the payee, and drawn from the account of the contributor.<sup>7</sup>

16 Duty to Disclose Nonmonetary Contributions

17 A contribution includes any goods received by a committee at no charge.<sup>8</sup> A nonmonetary  
18 contribution, also known as an in-kind contribution, is “made” by the contributor, and “received” by the  
19 committee, on the date that funds are expended by the contributor for goods or services, if the specific  
20 expenditure is made at the behest of the committee.<sup>9</sup>

21 Each campaign statement must include, for the corresponding reporting period, the total amount  
22 of contributions received, total cumulative amount of contributions received, and total amount of  
23 contributions received from persons who have given a cumulative amount of \$100 or more.<sup>10</sup> Once \$100

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25 <sup>2</sup> Section 81001, subd. (h).

26 <sup>3</sup> Section 81003.

27 <sup>4</sup> Section 81002, subd. (a).

28 <sup>5</sup> Section 81002, subd. (f).

<sup>6</sup> Section 84300, subd. (a).

<sup>7</sup> Section 84300, subd. (c).

<sup>8</sup> Regulation 18215, subd. (b)(3).

<sup>9</sup> Regulation 18421.1, subd. (f)(1).

<sup>10</sup> Section 84211, subs. (a) and (c).

1 or more is received from a contributor, the committee must report the contributor's full name, street  
2 address, occupation, and employer along with the date and amount of the contribution, and cumulative  
3 amount of contributions.<sup>11</sup>

4 Joint and Several Liability

5 It is the duty of a committee treasurer and principal officers to ensure that the committee complies  
6 with the Act.<sup>12</sup> A principal officer is an individual who is primarily responsible for approving the political  
7 activities of a committee.<sup>13</sup> If two or more individuals share the primary responsibility for approving the  
8 political activities of a committee, each individual is a principal officer.<sup>14</sup> A treasurer and principal officers  
9 for a committee may be held jointly and severally liable, along with the committee, for violations  
10 committed by the committee.<sup>15</sup>

11 **SUMMARY OF THE FACTS**

12 In February 2015, the Selma Unified School District Board, specifically Lorona, Orosco, and  
13 Lopez, voted 3-2 to release its superintendent from his contract. Rodriguez, Purewal, F. Hoyt, and J. Hoyt  
14 believed that the school board had made a mistake in firing the superintendent, so they got involved in the  
15 recall campaign against the three board members and formed the Committee. The Committee filed its  
16 initial statement of organization on March 11, 2015 to support that recall campaign. The Committee  
17 qualified on April 21, 2015 when it received over \$1,000 in contributions. During the reporting period of  
18 January 1, 2015 through June 30, 2015, there were five instances in which the Committee received cash  
19 contributions or money order that were \$100 or more. Those prohibited cash contributions totaled \$1,293.

20 Additionally, Purewal designed, ordered, and paid for magnets, signs, and billboards in support of  
21 the recall campaign. Purewal paid \$45.00 for a custom logo design on March 17, 2015; \$1,247.29 for 90  
22 magnets and 50 small signs (24 inches by 18 inches) on April 29, 2015; and \$1,312.23 for 50 small signs  
23 and 4 billboards (4 feet by 8 feet) on June 17, 2015. These nonmonetary contributions from Purewal  
24 totaled \$2,604.52. The Committee failed to report the nonmonetary contributions on its campaign  
25 statements.

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27 <sup>11</sup> Section 84211, subd. (f).

<sup>12</sup> Sections 81004, 84100, 84104, and 84213; Regulation 18427.

<sup>13</sup> Section 82047.6, subd. (a).

<sup>14</sup> Section 82047.6, subd. (b).

<sup>15</sup> Sections 83116.5 and 91006.

1 Because the Committee failed to identify the campaign related materials purchased by Purewal as  
2 nonmonetary contributions, it resulted in a failure to include a proper disclosure statement on the  
3 billboards. For this reason, the Enforcement Division does not pursue a count for an advertisement  
4 disclosure violation.

5 On November 3, 2015, voters recalled Lorona, Orosco, and Lopez. The Committee was terminated  
6 on December 29, 2015.

### 7 VIOLATION

#### 8 Count 1: Prohibited Cash Contributions of \$100 or More

9 The Committee, Rodriguez, Purewal, F. Hoyt, and J. Hoyt accepted cash contributions of \$100 or  
10 more, in violation of Government Code section 84300, subdivisions (a) and (c).

#### 11 Count 2: Failure to Timely Disclose Nonmonetary Contributions

12 The Committee, Rodriguez, Purewal, F. Hoyt, and J. Hoyt failed to timely disclose the receipt and  
13 remittance of nonmonetary contributions of campaign materials, in violation of Government Code section  
14 84211, subdivisions (a), (c), (f), and (k).

### 15 PROPOSED PENALTY

16 This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per  
17 count. Thus, the maximum penalty that may be imposed is \$10,000.

18 In determining the appropriate penalty for a particular violation of the Act, the Commission  
19 considers the facts of the case, the public harm involved, and the purpose of the Act. Also, the  
20 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of  
21 any intention to conceal, deceive, or mislead; (c) whether the violation was deliberate, negligent, or  
22 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective amendments  
23 voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior record of  
24 violations.<sup>16</sup> These three violations resulted in a lack of transparency for the public into the Committee's  
25 campaign due to various reporting issues, but the violations seems to have been negligent. Voluntary  
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<sup>16</sup> Regulation 18361.5, subd. (d).

1 corrective amendments were not necessary in this case, and none of the respondents have a prior history  
2 with the Enforcement Division.

3 The Commission also considers penalties in prior cases with comparable violations. Recent cases  
4 with a similar violation include the following:

5 Count 1

6 *In the Matter of Committee to Elect Sandra Brown for Sheriff 2014, Sandra Brown, and Edward*  
7 *Murray*; FPPC No. 17/017. (The Commission approved a stipulated agreement on April 19, 2018.) The  
8 committee received twelve cash contributions of \$100 or more totaling approximately \$1,750. The  
9 Commission approved a penalty of \$2,000 for this violation.

10 Count 2

11 *In the Matter of Ben Allen, Ben Allen for State Senate 2014, and David Gould*; FPPC No. 14/1071.  
12 (The Commission approved a stipulated agreement on August 20, 2015.) The committee received the use  
13 of an office space for campaign headquarters through two discounted four-month leases. With each four-  
14 month lease, respondents received a nonmonetary contribution of \$4,100. These undisclosed contributions  
15 equated less than one percent of the total contributions received by the committee. The Commission  
16 approved a penalty of \$2,000 each for two violations.

17 Like *Allen*, the Committee failed to disclose a similar amount of nonmonetary contributions.  
18 Unlike *Allen*, the nonmonetary contributions received by the Committee accounted for almost fifteen  
19 percent of the total contributions. However, the total value of the nonmonetary contributions received in  
20 this case was small.

21 For the foregoing reasons, the following penalties are recommended:

Count	Violation	Proposed Penalty
1	Prohibited Cash Contributions of \$100 or More	\$2,000
2	Failure to Timely Disclose Nonmonetary Contributions	\$2,000
<b>Total</b>		<b>\$4,000</b>

25 **CONCLUSION**

26 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
27 Respondents Quality Education in Support of Recall Lorona, Orosco, Lopez, Sara Rodriguez, Harpreet  
28 Purewal, Frank Hoyt, and John Hoyt hereby agree as follows:

1           1.       Respondents violated the Act as described in the foregoing pages, which are a true and  
2 accurate summary of the facts in this matter.

3           2.       This stipulation will be submitted for consideration by the Fair Political Practices  
4 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.

5           3.       This stipulation resolves all factual and legal issues raised in this matter—for the purpose  
6 of reaching a final disposition without the necessity of holding an administrative hearing to determine  
7 the liability of the Respondents pursuant to Section 83116.

8           4.       The Respondents have consulted their attorney(s) and understand, and hereby knowingly  
9 and voluntarily waive, any and all procedural rights set forth in Sections 83115.5, 11503, 11523, and  
10 Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to appear personally  
11 at any administrative hearing held in this matter, to be represented by an attorney at the Respondents'  
12 own expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses  
13 to testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing  
14 officer, and to have the matter judicially reviewed.

15           5.       The Respondents agree to the issuance of the decision and order set forth below. Also, the  
16 Respondents agree to the Commission imposing against it an administrative penalty in the amount of  
17 \$4,000. One or more cashier's checks or money orders totaling said amount—to be paid to the General  
18 Fund of the State of California—is/are submitted with this stipulation as full payment of the  
19 administrative penalty described above, and same shall be held by the State of California until the  
20 Commission issues its decision and order regarding the matter.

21           6.       If the Commission declines to approve this stipulation—then this stipulation shall become  
22 null and void, and within fifteen business days after the Commission meeting at which the stipulation is  
23 rejected, all payments tendered by the Respondents in connection with this stipulation shall be reimbursed  
24 to the Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing  
25 before the Commission becomes necessary, neither any member of the Commission, nor the Executive  
26 Director, shall be disqualified because of prior consideration of this Stipulation.

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1 The foregoing stipulation of the parties “In the Matter of Quality Education in Support of Recall  
2 Lorona, Orosco, Lopez, Sara Rodriguez, Harpreet Purewal, Frank Hoyt, and John Hoyt,” FPPC No.  
3 16/414, is hereby accepted as the final decision and order of the Fair Political Practices Commission,  
4 effective upon execution below by the Chair.  
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6 IT IS SO ORDERED.  
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8 Dated: \_\_\_\_\_

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10 Alice T. Germond, Chair  
11 Fair Political Practices Commission  
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