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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
STATE OF CALIFORNIA
9

10 In the Matter of:

11 BLOOM FOR ASSEMBLY 2014,
12 RICHARD H. BLOOM, and DAVID L.
GOULD,

13 Respondents.

FPPC Case No. 16/456

STIPULATION, DECISION AND ORDER

14
15 **INTRODUCTION**

16 Respondent Bloom for Assembly 2014 (“Committee”) was the candidate-controlled committee
17 for Richard H. Bloom’s (“Bloom”) run for Assembly District 50 in the 2014 General Election. David L.
18 Gould (“Gould”) was the treasurer. The Committee was the subject of an audit by the Franchise Tax
19 Board (“FTB”). FTB’s audit found, and the Enforcement Division of the Fair Political Practices
20 Commission confirmed, that the Committee, Bloom, and Gould violated the Political Reform Act¹
21 (“Act”) by failing to timely file reports in violation of Sections 84203 and 85309, subdivision (a).

22 **SUMMARY OF THE LAW**

23 The Act and its regulations are amended from time to time. The violations in this case occurred in
24 2014. For this reason, all legal references and discussions of law pertain to the Act’s provisions as they
25 existed at that time—unless otherwise noted.

26
27 ¹ The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections
28 81000 through 91014. 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. All regulatory references
are to this source.

1 **Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act**

2 When enacting the Political Reform Act, the people of California found and declared that
3 previous laws regulating political practices suffered from inadequate enforcement by state and local
4 authorities.² Thus, it was decreed that the Act “should be liberally construed to accomplish its
5 purposes.”³

6 One purpose of the Act is to promote transparency by ensuring that receipts and expenditures in
7 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper
8 practices are inhibited.⁴ Along these lines, the Act includes a comprehensive campaign reporting system.⁵
9 Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be
10 “vigorously enforced.”⁶

11 **Duty to File 24-Hour Contribution Reports**

12 Each candidate or committee that makes or receives a late contribution must file a report within
13 24 hours of making or receiving the contribution.⁷ A “late contribution” includes a contribution, in total
14 or in the aggregate, of \$1,000 or more that is made or received by a candidate or his or her controlled
15 committee within 90 days before the date of the election in which the candidate is to be voted on.⁸ A
16 “late contribution” includes any contribution that totals \$1,000 or more which is made to or received by
17 a political party committee within 90 days before the date of a state election.⁹ A candidate for elective
18 state office who has a total cumulative reportable activity of \$25,000 or more is required to file online
19 with the Secretary of State.¹⁰ This includes filing 24-hour reports online for contributions of \$1,000 or
20 more received during an election cycle.¹¹

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23 ² Section 81001, subdivision (h).

24 ³ Section 81003.

25 ⁴ Section 81002, subdivision (a).

26 ⁵ Sections 84200, et seq.

27 ⁶ Section 81002, subdivision (f).

28 ⁷ Section 84203

⁸ Section 82036, subdivision (a).

⁹ Section 82036, subdivision (b).

¹⁰ Section 84605.

¹¹ Section 85309, subdivision (a).

1 **Joint and Several Liability of Committee, Candidate, and Treasurer**

2 It is the duty of a committee treasurer to ensure that the committee complies with the Act’s
3 campaign reporting.¹² A treasurer and candidate may be held jointly and severally liable, along with the
4 committee, for violations committed by the committee.¹³

5 **SUMMARY OF THE FACTS**

6 The Committee was the candidate-controlled committee for Bloom during his successful re-
7 election as Assembly Member for District 50 in the Primary and General Election of 2014. According to
8 the statements filed with the Secretary of State, the Committee received a total of \$643,650 contributions
9 and made a total of \$597,928 expenditures. The Committee was required to file electronically with the
10 Secretary of State, having a total cumulative reportable amount of activity of more than \$25,000. The
11 Committee was the subject of an audit by the Franchise Tax Board (“FTB”). The audit covered the time
12 period of January 1, 2012 to December 31, 2014 and determined that the Committee failed to file or
13 timely file numerous 24-hour reports.

14 Reports Not Filed

15 On March 25, 2014, a Special State Primary Election was held for Senate District 23. The 90-day
16 reporting period started on December 25, 2013. On January 9, 2014, the Committee made a contribution
17 of \$34,000 to the California Democratic Party/Candidate Support Fund committee.¹⁴ The recipient filed a
18 report disclosing receipt of the contribution. The Committee was required to file a 24-hour report with
19 the Secretary of State, but failed to do so.

20 The Committee failed to file several 24-hour reports with respect to contributions made or
21 received. The Primary Election in 2014 was held on June 3, 2014 and the 90-day reporting period for this
22 election started on March 5, 2014. Respondent Bloom, Autumn Burke, and John A. Perez, were
23 candidates on the ballot in the Primary Election. On April 25, 2014, the Committee made a \$1,000
24 contribution to Burke’s committee and on June 2, 2014, the Committee made a \$1,000 contribution to
25

26
27 ¹² Sections 81004, 84100, and Regulation 18427.

28 ¹³ Sections 83116.5 and 91006.

¹⁴ A contribution made to a political party is a late contribution under the definition in Section 82036, subdivision (b).

Perez’s committee. The recipients filed a report disclosing receipt of the contribution, however, the Committee failed to file a 24-hour report for these contributions.

The General Election in 2014 was held on November 4, 2014 and the 90-day reporting period for this election started on August 6, 2014. On September 18, 2014, the Committee made a \$25,000 contribution to the California Democratic Party/Excess Funds committee. On September 24, 2014, the Committee received \$1,500 from Judi Barker. On November 4, 2014, the Committee received a contribution of \$2,500 from Joseph Otting. The Committee failed to file a 24-hour report for these contributions.

The table below summarizes the failure to file 24-hour reports:

Received	Made	Contributor/Payee	Amount
	01/09/14	California Democratic Party/Candidate Support Fund	\$34,000
	04/25/14	Autumn Burke For Assembly 2014	\$1,000
	06/02/14	John A. Perez for Controller 2014	\$1,000
	09/18/14	California Democratic Party/Excess Funds	\$25,000
09/24/14		Judi Barker	\$1,500
11/04/14		Joseph Otting	\$2,500
		TOTAL	\$65,000

Reports Not Timely Filed

Five (5) 24-Hour reports were not filed on time. Specifically, the Committee failed to timely file four (4) 24-hour reports after receiving contributions from eight (8) sources and failed to file the fifth report for a contribution the Committee made. Due to the late filing, two contributions totaling \$5,400 were not disclosed until after the election. The Committee reported these contributions late, as detailed below:

Received	Contributor	Amount	Date Due	Date Filed	Days Late
03/12/14	Anheuser Busch Companies	\$1,000	03/13/14	03/17/14	4
	Association of CA Life & Health Insurance Companies PAC	\$1,000			
	Frederick W. Noble	\$2,100			
	Political Action for Classified Employees of CA School Employees Small Contributor Committee	\$1,300			
04/23/14	Paramount Pictures	\$1,000	04/24/14	04/30/14	6
09/30/14	Kiesel Law LLP	\$2,620	10/02/14	10/07/14	5

10/31/14	American Federation of State, County & Municipal Employees-CA People Small Contributor Committee	\$4,100	11/01/14	11/12/14	11
	rePlanet, LLC	\$1,300			
Made	Payee	Amount	Date Due	Date Filed	Days Late
10/01/14	Snell for Santa Monica College Trustee 2014	\$1,000	10/02/14	10/21/14	19

VIOLATIONS

Count 1

Failure to File a 24-Hour Contribution Reports

The Committee, Bloom, and Gould failed to file six (6) 24-hour reports for a total of \$65,000 in reportable activity in violation of Sections 84203 and 85309, subdivision (a).

Count 2

Failure to Timely File 24-Hour Contribution Reports

The Committee, Bloom, and Gould failed to timely file five (5) 24-hour reports for a total of \$15,420 in reportable activity in violation of Sections 84203 and 85309, subdivision (a).

PROPOSED PENALTY

This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per count. Thus, the maximum penalty that may be imposed is \$10,000.¹⁵

In determining the appropriate penalty for a particular violation of the Act, the Commission considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior

¹⁵ See Section 83116, subdivision (c).

1 Complainant, the Enforcement Division of the Fair Political Practices Commission, and Bloom
2 for Assembly 2014, Richard H. Bloom, and David L. Gould hereby agree as follows:

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

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

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

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

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

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

