

1 GALENA WEST
Chief of Enforcement
2 CHRISTOPHER BURTON
Commission Counsel
3 Fair Political Practices Commission
1102 Q Street, Suite 3000
4 Sacramento, CA 95811
Telephone: (916) 322-5660

5 Attorneys for Complainant
6 Fair Political Practices Commission, Enforcement Division

7
8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA

10
11 In the Matter of:

12 COMMITTEE FOR YES ON MEASURE
13 B, SUNDER RAMANI, AND MARY
ALVORD,

14 Respondents.

FPPC Case No. 16/20101

STIPULATION, DECISION AND ORDER

15
16 INTRODUCTION

17 Committee for Yes on Measure B (the “Committee”) was a primarily formed ballot measure
18 committee supporting Burbank City Measure B, a measure on the ballot in the November 8, 2016
19 General Election that sought to approve the construction of a new terminal at the Burbank Airport.
20 Sunder Ramani (“Ramani”) was the Committee’s principal officer and Mary Alvord (“Alvord”) was the
21 Committee’s treasurer.

22 In 2016, Respondents committed multiple violations of the Political Reform Act (the “Act”),¹
23 including a failure to identify the Committee using the interest of its major donor, Burbank Hospitality
24 Association, in its name, along with a failure to identify the major donor in advertisements; and a failure
25 to timely file various 24-hour contribution reports.

26
27 ¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to this code.
28 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 **SUMMARY OF THE LAW**

2 The Act and its regulations are amended from time to time. The violations in this case occurred in
3 2016. For this reason, all legal references and discussions of law pertain to the Act’s provisions as they
4 existed at that time.

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

6 When enacting the Act, the people of California found and declared that previous laws regulating
7 political practices suffered from inadequate enforcement by state and local authorities.² To that end, the
8 Act is to be construed liberally to accomplish its purposes.³

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

14 Major Donor Disclosure in Committee Name

15 A primarily formed ballot measure committee’s name must clearly identify the economic or other
16 special interest of its major donors of \$50,000 or more.⁷ If the major donors do not have an ascertainable
17 economic interest likely to be affected by the ballot measure, the name must identify any goal or purpose
18 likely to be affected by the ballot measure. If the disclosable contributors do not share a goal or purpose,
19 the name must identify the various economic interests, goals, or purposes likely to be affected.⁸

20 If the committee’s name must change to identify a major donor, the committee must file an
21 amendment to its statement of organization with the Secretary of State within 10 days.⁹

22 ///

23
24 ² Section 81001, subd. (h).

25 ³ Section 81003.

26 ⁴ Section 81002, subd. (a).

27 ⁵ Sections 84200, *et seq.*

28 ⁶ Section 81002, subd. (f).

⁷ Section 84504, subd. (a); Regulation 18450.3, subd. (a).

⁸ Regulation 18450.3, subd. (b).

⁹ Section 84103, subd. (a).

1 Advertisement Disclosures

2 A committee must disclose its name as part of any advertisement.¹⁰ Further, any advertisement
3 for or against any ballot measure shall identify any person whose cumulative contributions are \$50,000
4 or more.¹¹ If there are more than two donors of \$50,000 or more, the committee is only required to
5 disclose the highest and second highest in that order.¹²

6 Broadcast or electronic media advertisement disclosures must be amended within five calendar
7 days after a new person qualifies as a disclosable contributor or after the committee name changes. Print
8 media, including billboards, must include accurate disclosure information every time an order to
9 reproduce the advertisement is placed.¹³

10 Duty to File 24-Hour Contribution Reports

11 Each candidate or committee that makes or receives a late contribution must file a report within
12 24 hours of making or receiving the contribution.¹⁴ A “late contribution” includes a contribution
13 aggregating \$1,000 or more that is made or received by a primarily formed committee during the 90-day
14 period preceding an election or on the date of the election.¹⁵

15 Joint and Several Liability of Committee, Principal Officer, and Treasurer

16 It is the duty of a committee treasurer to ensure that the committee complies with the campaign
17 reporting provisions of the Act.¹⁶ It is the duty of the committee’s principal officer to authorize the
18 content of communications made by the committee, authorize expenditures made by the committee, and
19 determine the committee’s campaign strategy.¹⁷ A treasurer and principal officer may be held jointly and
20 severally liable, along with the committee, for violations committed by the committee.¹⁸

21 ///

22
23 _____
24 ¹⁰ Section 84504, subd. (c).

25 ¹¹ Section 84503, subd. (a).

26 ¹² Section 84503, subd. (b).

27 ¹³ Regulation 18450.5.

28 ¹⁴ Section 84203.

¹⁵ Section 82036.

¹⁶ Sections 81004, 84100, 84104, and 84213; Regulation 18427.

¹⁷ Section 82047.6; Regulation 18402.1, subd. (b).

¹⁸ Sections 83116.5 and 91006.

1 **SUMMARY OF THE FACTS**

2 The Committee qualified on September 15, 2016. According to its campaign statements, in 2016,
3 the Committee received a total of \$152,715 in contributions and made a total of \$152,715 in
4 expenditures. The Committee terminated as of December 16, 2016. Measure B was approved by voters in
5 the November 8, 2016 General Election, with 69.68 percent of the vote.

6 On September 23, 2016, the Committee received a \$50,000 contribution from the Burbank
7 Hospitality Association (“BHA”), also known as Visit Burbank, a non-profit corporation created by the
8 Burbank City Council to administer funds generated by a one percent tax on hotel stays in Burbank. As a
9 result, as a ballot measure committee, the Committee was required to identify the economic or special
10 interest of BHA, as a major donor, in its name, and identify BHA on its advertisements; however, it did
11 not do so. The Committee produced numerous advertisements during its campaign in support of Measure
12 B, including at least 45,000 copies of two different mass mailers; 10,000 copies of a door hanger; 1,000
13 yard signs; and walk cards, none of which identified BHA as a major donor.

14 The Committee also failed to timely file 24-hour contribution reports for the following
15 contributions received:

16

17 Statement/ Report Type	Contribution Date	Due Date	Date Filed	Amount of Contribution
18 24-Hour Contribution	9/15/16	9/16/16	n/a	\$5,000
19 24-Hour Contribution	9/15/16	9/16/16	n/a	\$10,000
20 24-Hour Contribution	9/15/16	9/16/16	n/a	\$1,000
21 24-Hour Contribution	9/19/16	9/20/16	n/a	\$10,000
22 24-Hour Contribution	9/23/16	9/26/16	n/a	\$3,000
23 24-Hour Contribution	9/23/16	9/26/16	n/a	\$5,000
24 24-Hour Contribution	9/23/16	9/26/16	n/a	\$10,000

25
26
27
28

24-Hour Contribution	9/23/16	9/26/16	n/a	\$50,000
24-Hour Contribution	9/30/16	10/3/16	n/a	\$3,000
24-Hour Contribution	10/5/16	10/6/16	n/a	\$15,000
24-Hour Contribution	10/6/16	10/7/16	n/a	\$5,000
24-Hour Contribution	10/13/16	10/14/16	n/a	\$1,000
24-Hour Contribution	10/19/16	10/20/16	n/a	\$5,000
24-Hour Contribution	10/20/16	10/21/16	n/a	\$2,500
24-Hour Contribution	10/20/16	10/21/16	n/a	\$1,000
24-Hour Contribution	10/28/16	10/31/16	n/a	\$10,000
24-Hour Contribution	10/28/16	10/31/16	n/a	\$1,000
24-Hour Contribution	10/28/16	10/31/16	n/a	\$5,000
24-Hour Contribution	11/2/16	11/3/16	n/a	\$5,000
24-Hour Contribution	11/8/16	11/9/16	n/a	\$3,000
TOTAL:				\$150,500

All of the aforementioned late contributions were otherwise disclosed on timely-filed campaign statements.¹⁹ Five of the contributions were received during the reporting period of October 23 to December 16, 2016, and timely disclosed on a semiannual campaign statement; however, that statement was not due (and filed) until after the election. Therefore, those five contributions, amounting to \$24,000,

¹⁹ The Committee's campaign statement for the period of September 25 to October 22, 2016 was filed one day late.

1 were not disclosed prior to the election.

2 **VIOLATIONS**

3 Count 1: Failure to Timely Change Committee Name to Reflect Interest of Major Donor

4 The Committee, Ramani, and Alvord failed to identify the Committee using a name or phrase that
5 clearly identifies the economic or other special interest of its major donor, and failed to identify its major
6 donor in advertisements, in violation of Sections 84103, 84503, and 84504, subdivision (a); and
7 Regulation 18450.3.

8 Counts 2 and 3: Failure to Timely File 24-Hour Contribution Reports

9 The Committee, Ramani, and Alvord failed to timely file a 24-hour contribution report for eight
10 different late contributions, amounting to \$94,000, received during the reporting period of July 1, 2016 to
11 September 24, 2016; and seven different late contributions, amounting to \$32,500, received during the
12 reporting period of September 25, 2016 to October 22, 2016, in violation of Section 84203.

13 Count 4: Failure to Timely File 24-Hour Contribution Reports

14 The Committee, Ramani, and Alvord failed to timely file a 24-hour contribution report for five
15 different late contributions, amounting to \$24,000, received during the reporting period of October 23,
16 2016 to December 31, 2016, in violation of Section 84203.

17 **PROPOSED PENALTY**

18 This matter consists of four counts. The maximum penalty that may be imposed is \$5,000 per
19 count. Thus, the maximum penalty that may be imposed is \$20,000.²⁰

20 In determining the appropriate penalty for a particular violation of the Act, the Commission
21 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the
22 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
23 any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or
24 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective
25 amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior
26 record of violations.²¹

27 _____
²⁰ Section 83116, subd. (c).

28 ²¹ Regulation 18361.5, subd. (d).

1 In this case, during its investigation, the Enforcement Division did not discover any evidence
2 displaying an intention by Respondents to conceal, deceive, or mislead the public. Respondents also do
3 not have a prior history of violating the Act. However, given the public nature of BHA and its funding,
4 Respondents' failure to disclose BHA as its major funder amounts to a more serious example of this
5 particular violation.

6 The Commission also considers penalties in prior cases involving similar violations. Comparable
7 cases in which a penalty was charged for a committee's failure to disclose major donors in its name and
8 advertisements include the following:

9 • *In the Matter of Public and Mental Health Advocates Against 64, Sponsored and Major Funding*
10 *by Sam Action, Inc. and California Public Safety Institute, John Lovell, and David Bauer*; FPPC No.
11 16/19760. Respondents, a primarily formed ballot measure committee, and its principal officer and
12 treasurer, failed to timely amend the Committee's name to identify the economic or special interest of its
13 major donor, SAM Action, Inc., and failed to timely amend the Committee's advertising disclosures to
14 identify its major donor, in violation of Sections 84101, 84503, and 84504; and Regulation 18450.5. In
15 April 2017, the Commission approved a penalty of \$3,500 on one count.

16 As to Count 1, Respondents are deserving of a penalty higher than that approved in the
17 comparable case. In *Public and Mental Health Advocates*, although the respondents failed to timely
18 disclose the economic or other special interest of its major donor, the respondents eventually added the
19 name of the donor to the committee name and, later, the special interests of the donor, on both its
20 statement of organization and advertisements, all prior to the election. Here, Respondents did not disclose
21 either the name of BHA or its interest prior to the election.

22 The public harm inherent in campaign reporting violations is that the public is deprived of
23 important, time-sensitive information regarding political contributions. Generally, these types of
24 violations are considered to be more serious where the public is deprived of information that was
25 required to be disclosed before an election because this has the potential to affect how votes are cast—so
26 greater public harm is involved, and a higher penalty is warranted. Another factor that influences the
27 amount of the penalty is whether the public harm was mitigated because some of the reportable activity
28 was disclosed to the public on another campaign filing.

1 Comparable cases in which a penalty was charged for violating Section 84203 include the
2 following:

- 3 • *In the Matter of Yes on Measure U – Kids Need U and Kelly Brown*; FPPC No. 16/19824.

4 Respondents, a primarily formed ballot measure committee and its treasurer, failed to timely file six 24-
5 hour contribution reports for \$70,500 in contributions, in violation of Section 84203. However, although
6 late, the respondents filed a 24-hour report disclosing the subject late contributions prior to the election.
7 In January 2017, the Commission approved a penalty of \$2,000 on one count.

8 As to Counts 2 and 3, per count penalties similar to the fine approved in *Yes on Measure U* are
9 justified given the similar amounts of financial activity involved.

10 As to Count 4, a fine higher than that in *Yes on Measure U* is recommended, given the fact that
11 the subject late contributions were not otherwise reported prior to the election, which wholly foreclosed
12 any opportunity for the public to learn of the contributions before the pertinent election.

13 In aggravation of all counts, Respondents also failed to timely report \$33,100 in subvendor
14 payments made during the reporting period of September 25 to October 22, 2016; and \$23,410.33 in
15 subvendor payments made during the reporting period of October 23 to December 31, 2016. However,
16 in the interest of settlement, these violations are not being charged herein. Further, in conjunction with
17 this settlement, Respondents filed amendments to the Committee’s campaign statements disclosing these
18 subvendor payments.

19 Based on the foregoing, the following penalties are recommended:

20 Count	Violation	Proposed Penalty
21 1	Failure to Timely Change Committee Name to Reflect Interest of Major 22 Donor	\$4,000
23 2	Failure to Timely File 24-Hour Contribution Reports	\$2,000
24 3	Failure to Timely File 24-Hour Contribution Reports	\$2,000
25 4	Failure to Timely File 24-Hour Contribution Reports	\$2,500
26	TOTAL:	\$10,500

1 **CONCLUSION**

2 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
3 Respondents, Committee for Yes on Measure B, Sunder Ramani, and Mary Alvord, hereby agree as
4 follows:

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

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

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

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

19 5. Respondents agree to the issuance of the decision and order set forth below. Also,
20 Respondents agree to the Commission imposing against them an administrative penalty in the amount of
21 \$10,500. One or more cashier’s checks or money orders totaling said amount—to be paid to the General
22 Fund of the State of California—is/are submitted with this stipulation as full payment of the
23 administrative penalty described above, and same shall be held by the State of California until the
24 Commission issues its decision and order regarding this matter.

25 6. If the Commission declines to approve this stipulation—then this stipulation shall become
26 null and void, and within fifteen business days after the Commission meeting at which the stipulation is
27 rejected, all payments tendered by Respondents in connection with this stipulation shall be reimbursed to
28 Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing

1 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
2 Director, shall be disqualified because of prior consideration of this Stipulation.

3 7. The parties to this agreement may execute their respective signature pages separately. A
4 copy of any party's executed signature page including a hardcopy of a signature page transmitted via fax
5 or as a PDF email attachment is as effective and binding as the original.

6
7 Dated: _____
8 Galena West, Chief of Enforcement
9 Fair Political Practices Commission

10 Dated: _____
11 Sunder Ramani, individually and on behalf of
12 Committee for Yes on Measure B

13 Dated: _____
14 Mary Alvord, individually and on behalf of Committee
15 for Yes on Measure B
16
17
18
19
20
21
22
23
24
25
26
27
28

1 The foregoing stipulation of the parties “In the Matter of Committee for Yes on Measure B, Sunder
2 Ramani, and Mary Alvord,” FPPC Case No. 16/20101 is hereby accepted as the final decision and order
3 of the Fair Political Practices Commission, effective upon execution below by the Chair.

4
5 IT IS SO ORDERED.

6
7 Dated: _____
8 Alice T. Germond, Chair
9 Fair Political Practices Commission
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28