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8	BEFORE THE FAIR POLITICAL PRACTICES COMMISSION		
9	STATE OF CALIFORNIA		
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11	In the Matter of	FPPC Case No. 17/146	
12	JOSEPH CANCIAMILLA, JOE	STIPULATION, DECISION AND ORDER	
13	CANCIAMILLA FOR CONTRA COSTA COUNTY CLERK/RECORDER		
14	2014/2018, and FRIENDS OF JOE CANCIAMILLA FOR JUDGE 2012/2014,		
15	Respondents.		
16	Respondents.		
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18	INTRODUCTION		
19	Joseph Canciamilla is the former Contra Costa County Clerk-Recorder and Registrar of Voters.		
20	He was appointed to this position in 2013, and he resigned on October 31, 2019.		
21	Beginning in October 2012, he controlled a committee known as Joe Canciamilla for Contra		
22	Costa County Clerk/Recorder 2014. Later, the committee would become known as Joe Canciamilla for		
23	Contra Costa County Clerk/Recorder 2018. (For ease of reference, this committee is referred to as		
24	Canciamilla's Clerk/Recorder committee.) In March 2017, Shawnda Deane began serving as the		
25	committee's treasurer. Prior to this, at all relevant times, Canciamilla was the treasurer of the committee		
26	In 2011, Canciamilla was a candidate for Contra Costa County Superior Court Judge. That year,		
27	he controlled a committee known as Friends of Joe Canciamilla for Judge 2012. Later, the committee		
28	would become known as Friends of Joe Canciamilla for Judge 2014. (For ease of reference, this		
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committee is referred to as Canciamilla's judge committee.) At all relevant times, Canciamilla was the treasurer of the committee.

This case arose from an audit performed by the Political Reform Audit Program of the Franchise Tax Board (FTB). The audit focused on the Clerk/Recorder committee from the date of its formation, in October 2012, through June 30, 2014. The audit findings included personal use of campaign funds, campaign reporting omissions/errors, and failure to timely file a pre-election campaign statement—in violation of the Political Reform Act.¹

Following the audit, investigation by the Enforcement Division of the Fair Political Practices

Commission determined that Canciamilla misled the FTB for the purpose of concealing other violations, including additional personal use of campaign funds, false reporting, and commingling of campaign funds with personal funds.

SUMMARY OF THE LAW

The Act and its regulations are amended from time to time. All legal references and discussions of law are intended to be citations to statutes and regulations as they existed at the time of the violations in this case.

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

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

One purpose of the Act is to help distinguish campaign contributions from gifts by ensuring that campaign contributions may not be used for personal purposes. In this regard, the Act provides that all contributions deposited into a campaign account are deemed to be held in trust for expenses associated

¹ The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections 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.

² Section 81001, subdivision (h).

³ Section 81003.

with the election of the candidate or for holding office.⁴ Another purpose of the Act is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁵ Along these lines, the Act includes a comprehensive campaign reporting system. Additionally, the Act imposes certain rules/safeguards, which are designed to aid the audit and enforcement process. These safeguards include a rule against commingling campaign funds with personal funds.⁷

Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced."8

Restrictions Against Personal Use of Campaign Funds

An expenditure of campaign funds must be reasonably related to a political purpose (in the case of seeking office)—or reasonably related to a legislative or governmental purpose (in the case of holding office). However, expenditures conferring a substantial personal benefit (of more than \$200)—and expenditures for travel expenses—must be directly related.⁹

Prohibition Against Commingling of Campaign Funds with Personal Funds

Campaign funds may not be commingled with personal funds. 10

Mandatory Reporting of Committee Receipts, Expenditures, and Balance of Cash on Hand

Each campaign statement that is filed by a committee must include certain required information, including accurate and truthful information regarding: committee receipts, expenditures, and the balance of cash on hand at the beginning and end of each reporting period.¹¹

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⁴ Section 89510, subdivision (b).

⁵ Section 81002, subdivision (a).

⁶ Sections 84200, et seq.

⁷ Section 84307.

⁸ Section 81002, subdivision (f).

⁹ See Sections 89510, subdivision (b); 89511; 89512; and 89513, subdivision (a).

¹⁰ Section 84307.

¹¹ Section 84211, subdivisions (a)-(f) and (i) through (l).

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Joint and Several Liability of Candidate and Committee

Campaign statements are required to be signed under penalty of perjury and verified by the filer.

A candidate may be held jointly and severally liable, along with the committee, for violations of the Act. 12

SUMMARY OF THE FACTS

On and between May 27, 2011 and June 15, 2015, Canciamilla commingled campaign funds with personal funds—and he made personal use of campaign funds totaling approximately \$130,529. This spending included personal travel expenses for a vacation in Asia—as well as unrefunded airfare for Canciamilla and his spouse for a canceled trip to London and Washington, DC. Also, this spending included payments for personal credit card charges, which were incurred by Canciamilla in connection with the remodeling of a home that he owned in Hawaii.

Nearly all of this activity was concealed on Canciamilla's campaign filings through a mixture of non-reporting, over-statement of available cash on hand, and other reporting violations.

Between October 1, 2013 and October 19, 2015, Canciamilla partially reimbursed his Clerk/Recorder committee—in the approximate amount of \$43,121. The committee was required to report receipt of these funds on its campaign filings, but receipt of the reimbursements was not reported.

FTB audited Canciamilla and his Clerk/Recorder committee. The audit focused on the Clerk/Recorder committee from the date of its formation, in October 2012, through June 30, 2014.

In May 2019, the Enforcement Division discovered that in connection with this audit, Canciamilla presented false information to FTB, including altered bank records. This (along with a pattern of non-reporting on campaign statements, over-statement of available cash on hand, other campaign reporting violations, and a convoluted series of bank transactions) served to fraudulently conceal additional violations by Canciamilla and his committees, including older violations that otherwise would fall outside the statute of limitations.¹³

The violations in this case are set forth below.

¹² See Sections 81004, 83116.5, and 91006.

¹³ The statute of limitations for administrative prosecution is five years, but this time period is tolled in the case of fraudulent concealment. See Section 91000.5.

Counts 1 and 2

Judge Committee – Personal Use of Campaign Funds

In 2011, on or about May 27 and June 2, Canciamilla made two disbursements for personal purposes in the amounts of \$9,300 and \$4,400, respectively, from his judge committee's checking account. Both disbursements were unrelated to any political, legislative, or governmental purpose of the committee. In this way, Canciamilla committed two violations of Sections 89510, subdivision (b); and 89512.

Count 3

Judge Committee – Commingling of Campaign Funds

On or about June 27, 2011, Canciamilla opened a money market account for his judge committee. That same day, he: (a) transferred \$70,000 from the committee's checking account to a personal checking account; (b) transferred \$65,000 from the personal checking account to a second personal account; (c) transferred \$65,000 from a third personal account into the second personal account; and (d) transferred \$70,000 from this second personal account to the newly opened money market account for his judge committee. In this way, Canciamilla and his judge committee commingled campaign funds with personal funds—in violation of Section 84307.

Counts 4 - 9

Judge Committee – Personal Use of Campaign Funds

In 2011, on and between July 7 and September 30, Canciamilla made six disbursements—totaling \$69,500—from his Judge committee's money market account to a personal checking account. The disbursements, which were for personal purposes, ranged in amounts from \$1,000 to \$35,000. Virtually all of these funds were used for personal purposes that were unrelated to any political, legislative, or governmental purpose of the committee. In this way, Canciamilla committed six violations of Sections 89510, subdivision (b), and 89512.

Count 10

Clerk/Recorder Committee – Personal Use of Campaign Funds

On or about March 11, 2014, the Contra Costa County Auditor-Controller's office issued a refund of filing fees in the amount of \$5,310 for Canciamilla's Clerk/Recorder committee (for over-payment of

filing fees). However, instead of depositing the funds into a committee account, Canciamilla deposited the funds into a personal account—on or about April 15, 2014. In this way, Canciamilla used the funds for personal purposes—in violation of Sections 89510, subdivision (b), and 89512.

Counts 11 - 15

Clerk/Recorder Committee – Personal Use of Campaign Funds – Asia Trip

In 2014, on and between June 13 and December 3, Canciamilla made five disbursements of campaign funds from his Clerk/Recorder committee, totaling approximately \$36,119. Investigation by the Enforcement Division revealed that these were personal travel expenses for a vacation in Asia—which were not directly related to any political, legislative, or governmental purpose of the committee. In this way, Canciamilla committed five violations of Sections 89510, subdivision (b); 89512; and 89513, subdivision (a).

Count 16

Clerk/Recorder Committee – Personal Use of Campaign Funds – London/DC Trip

On or about June 15, 2015, Canciamilla made a disbursement of campaign funds from his Clerk/Recorder committee in the amount of \$5,900. This was a personal travel expense for a trip to London and Washington, DC for Canciamilla and his spouse that was canceled. The expenditure was unrelated to any political, legislative, or governmental purpose of the committee. In this way,

Canciamilla violated Sections 89510, subdivision (b); 89512; and 89513, subdivision (a).

Counts 17 - 21

Judge Committee – Campaign Reporting Violations

For reporting periods covering January 1, 2011 through October 1, 2012, Canciamilla's judge committee filed five semi-annual campaign statements (including one amended campaign statement). During this time, Canciamilla failed to report the expenditures totaling approximately \$83,200, which are described in Counts 1, 2, and 4 through 9 above. Investigation by the Enforcement Division revealed that the committee's balance of cash on hand was over-stated on each campaign filing, which served to conceal the unreported expenditures. In a similar fashion, when the judge committee terminated and transferred all of its assets to the new Clerk/Recorder committee, the final campaign filing for the judge

committee over-stated the amount reportedly transferred to the new committee. In this way, Canciamilla and his judge committee committed five violations of Section 84211, subdivisions (b), (e), (i), and (k).

Counts 22 - 30

Clerk/Recorder Committee – Campaign Reporting Violations

For reporting periods covering October 3, 2012 through June 30, 2019, Canciamilla's Clerk/Recorder committee filed more than 30 semi-annual and pre-election campaign statements (including various amendments). Investigation by the Enforcement Division revealed that each campaign filing over-stated the balance of the Clerk/Recorder committee's cash on hand (as received from the judge committee), which served to conceal the violations described in Counts 1, 2, and 4 through 9.

Also, when the Contra Costa County Auditor-Controller's office issued a refund of filing fees (totaling \$5,310) for Canciamilla's Clerk/Recorder committee—as described in Count 10—the funds were deposited by Canciamilla into a personal account, but the committee's campaign statement for that period falsely reported that the funds were received by the committee. This resulted in a further overstatement of the balance of the committee's cash on hand for that reporting period and future periods.

Additionally, regarding the personal travel expenses noted above (for the Asia vacation and for the unrefunded airfare for the trip to London and Washington, DC), these expenses were not reported on initial campaign statements. This resulted in a further over-statement of the balance of the committee's cash on hand. Later, these expenditures were reported through a series of amendments, but they were described, falsely, as legitimate expenses of the committee.

On and between October 1, 2013 and October 19, 2015, Canciamilla partially reimbursed his Clerk/Recorder committee in the approximate amount of \$43,121. The committee was required to report receipt of these funds on its campaign filings, but receipt of the reimbursements was not reported.

In this way, Canciamilla and his Clerk/Recorder committee committed nine violations of Section 84211, subdivisions (c), (e), (f), and (l).

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PROPOSED PENALTY

This matter consists of 30 counts. The maximum penalty that may be imposed is \$5,000 per count.¹⁴

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 record of violations. Additionally, the Commission considers penalties in prior cases with comparable violations.

When a public official makes personal use of campaign funds, it is a serious violation of the Act that erodes public confidence in the political process by creating the appearance that lawful campaign contributions are personal gifts to the public official. In this case, the Enforcement Division found evidence of intentional violations—coupled with deliberate concealment.

In the Matter of Mark Peterson; FPPC Case No. 16/7 (approved Jan. 19, 2017), the Commission imposed a penalty in the amount of \$45,000 against the Contra Costa County District Attorney, who used campaign funds for personal expenditures totaling approximately \$66,372 during calendar years 2011 through 2015. This unlawful spending was concealed through false campaign filings, which omitted the personal expenditures—and which omitted Peterson's subsequent reimbursements to his committee. Also, these filings falsely over-stated the committee's balances of cash on hand.

In October 2015, Peterson received notice that his committee was selected for an FTB audit. At that point in time, he had reimbursed his committee for approximately 45% of the total amount taken. Upon learning of the FTB audit, he reimbursed his committee for an additional 50% of the total amount taken, and he self-reported his violations to the FPPC's Enforcement Division. In 2016, he reimbursed his committee for the remaining five percent of what was taken—prior to settling his case.

¹⁴ Section 83116, subdivision (c).

¹⁵ Regulation 18361.5, subdivision (d).

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Peterson's personal use of campaign funds involved approximately 600 transactions. Nine counts were charged, and the maximum penalty of \$5,000 per count was imposed.

The current case is similar to *Peterson* in many ways.

Both cases involve the same types of violations. Both cases involve sophisticated, high-ranking public officials in Contra Costa County—with ample reason to be familiar with the Political Reform Act. Peterson was the county's District Attorney. Canciamilla also is an attorney, and prior to becoming the Contra Costa County Clerk-Recorder/Registrar of Voters, Canciamilla spent many years serving as a school board member, a Councilmember and the Mayor for the City of Pittsburg, a Contra Costa County Supervisor—and as a member of the California State Assembly.

Both cases involve concealment through false reporting on campaign filings, and both cases involve respondents who do not have a history of prior, similar violations of the Act. Additionally, both cases involve respondents who cooperated with the Enforcement Division by agreeing to an early settlement, and in the current case, Canciamilla agreed to a tolling agreement with respect to the statute of limitations. Another similarity is that the violations in both cases generally occurred around the same time—and during a period when each candidate was serving as his own treasurer. Also, both cases involve respondents who fully reimbursed their committees with respect to the campaign funds that were misused. (In *Peterson*, most of the reimbursement occurred well before settlement with the Enforcement Division. In the current case, approximately one-third of the misused funds were reimbursed previously. The remaining two-thirds, totaling approximately \$87,408, has been reimbursed as well.)

Peterson illustrates that the maximum penalty of \$5,000 per count is warranted in these types of cases. Also, *Peterson* illustrates that the Commission has approved of some flexibility with respect to the number of counts that need to be charged—in order to ensure that the penalty fits the wrongdoing.

Technically, each transaction or disbursement of campaign funds for personal purposes may be charged as a separate count. The same is true for each instance of commingling campaign funds with personal funds—and for each false campaign statement filed.

In *Peterson*, the false campaign filings were not charged due to the large number of personal use transactions (approximately 600). Nine counts of personal use were charged—for a total penalty of

\$45,000. Thus, a penalty was imposed equal to about two-thirds of the campaign funds that were used for personal purposes (which totaled approximately \$66,372).

However, in the current case, a higher penalty is warranted than what was imposed in the *Peterson* case because Canciamilla's impermissible spending was about double the amount spent by Peterson.

Also, when Peterson learned that he was being audited by FTB, he self-reported his violations to the Enforcement Division. In contrast, investigation by the Enforcement Division revealed that when Canciamilla learned he was being audited, he presented false information to FTB, which served to conceal many of the violations that are described above. Additionally, regarding the personal travel expenses noted above (which were not reported on campaign statements initially), investigation revealed that Canciamilla falsely characterized these as legitimate committee expenses (in his communications with FTB, on his amendments to campaign statements, and in his dealings with the Enforcement Division).

Another consideration is that this case involves other violations besides those noted above. For settlement purposes, these other violations are not being charged as additional counts, but they are being noted as aggravating information. Generally, these violations involve commingling of campaign funds with personal funds, late filing of campaign statements, and campaign reporting errors/omissions, including failure to report dividends, interest, and value fluctuations with respect to campaign funds that were invested in equities.

Taking all of the circumstances into consideration, 30 counts are recommended—at the maximum penalty of \$5,000 per count—for a total penalty in the amount of \$150,000.

These counts consist of a mixture of personal use, false reporting, and commingling of campaign funds with personal funds. One count is recommended for each personal use transaction (Counts 1, 2, and 4 - 16), plus one commingling count for the convoluted bank transfers, which later would serve as concealment in Canciamilla's dealings with FTB and the Enforcement Division (Count 3). Also, five counts are recommended for the judge committee's false campaign filings (Counts 17 - 21). With respect to the Clerk/Recorder committee's false campaign filings, more than 30 counts could be charged, but for

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settlement purposes, nine counts are recommended (Counts 22 - 30). These counts are listed in the chart below:

Count(s)	Description	Respondent(s)	Penalty
1 – 2	Judge Committee – Personal Use of Campaign Funds. (Penalty of \$5,000 per count.)	Canciamilla	\$10,000
3	Judge Committee – Commingling of Campaign Funds.	Canciamilla and Judge Committee	\$5,000
4 – 9	Judge Committee – Personal Use of Campaign Funds. (Penalty of \$5,000 per count.)	Canciamilla	\$30,000
10	Clerk/Recorder Committee – Personal Use of Campaign Funds.	Canciamilla	\$5,000
11 – 15	Clerk/Recorder Committee – Personal Use of Campaign Funds – Asia Trip. (Penalty of \$5,000 per count.)	Canciamilla	\$25,000
16	Clerk/Recorder Committee – Personal Use of Campaign Funds – London/DC Trip.	Canciamilla	\$5,000
17 – 21	Judge Committee – Campaign Reporting Violations. (Penalty of \$5,000 per count.)	Canciamilla and Judge Committee	\$25,000
22 – 30	Clerk/Recorder Committee – Campaign Reporting Violations. (Penalty of \$5,000 per count.)	Canciamilla and Clerk/Recorder Committee	\$45,000
Total: \$150,000			

Pursuant to Section 89513, subdivisions (c)(1)(B)(i) and (ii)—as in effect on and after January 1, 2015—campaign funds are not allowed to be used to pay the penalty imposed for Counts 1, 2, and 4 through 16 (totaling \$75,000)—because those counts involve personal use of campaign funds.

By this Stipulation, Decision and Order (hereinafter "Stipulation"), Canciamilla admits to committing violations of the Political Reform Act in an administrative enforcement action by the Fair Political Practices Commission. This Stipulation—and Canciamilla's signature thereon—do not constitute an admission or confession in any subsequent civil or criminal action relative to these allegations and equally do not constitute a waiver of Canciamilla's right against self-incrimination in a criminal investigation or prosecution or proceeding, or in any other matter, of any nature.

Canciamilla resigned from his official position on October 31, 2019, and as a condition of settlement, he has filed corrective amendments as to all campaign statements for the past five years.

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents Joseph Canciamilla, Joe Canciamilla for Contra Costa County Clerk/Recorder 2014/2018, and Friends of Joe Canciamilla for Judge 2012/2014 hereby agree as follows:

- 1. Respondents violated the Act as described in the foregoing pages, which are a true and accurate summary of the facts in this matter.
- 2. This stipulation will be submitted for consideration by the Fair Political Practices

 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.
- 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose of reaching a final disposition without the necessity of holding an administrative hearing to determine the liability of Respondents pursuant to Section 83116.
- 4. Respondents have consulted with—and are represented by—the Law Office of Andreas Rockas and the Law Offices of Wayne Ordos. Respondents understand and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially reviewed.
- 5. Respondents agree to the issuance of the decision and order set forth below. Also, Respondents agree to the Commission imposing against them an administrative penalty in the amount of \$150,000. One or more payments totaling this amount—to be paid to the General Fund of the State of California—is/are submitted with this stipulation as full payment of the administrative penalty described above, and they will be held by the State of California until the Commission issues its decision and order regarding this matter.
- 6. If the Commission refuses to approve this stipulation—then this stipulation shall become null and void, and within fifteen business days after the Commission meeting at which the stipulation is rejected, all payments tendered by Respondents in connection with this stipulation shall be reimbursed to

1	Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing		
2	before the Commission becomes necessary, neither any member of the Commission, nor the Executive		
3	Director, shall be disqualified because of prior consideration of this Stipulation.		
4	7. The parties to this agreement may execute their respective signature pages separately. A		
5	copy of any party's executed signature page—including a hardcopy of a signature page transmitted via		
6	fax or as a PDF email attachment—is as effective and binding as the original.		
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9	Dated: Galena West, Chief of Enforcement		
10	Fair Political Practices Commission		
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13	Dated: Joseph Canciamilla, individually, and on behalf of Joe		
14	Canciamilla for Contra Costa County Clerk/Recorder 2014/2018, and Friends of Joe Canciamilla for Judge		
15	2012/2014, Respondents		
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17	The foregoing stipulation of the parties "In the Matter of Joseph Canciamilla, Joe Canciamilla for		
18	Contra Costa County Clerk/Recorder 2014/2018, and Friends of Joe Canciamilla for Judge 2012/2014,"		
19	FPPC Case No. 17/146, is hereby accepted as the final decision and order of the Fair Political Practices		
20	Commission, effective upon execution below by the Chair.		
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22	IT IS SO ORDERED.		
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24	Dated: Richard C. Miadich, Chair		
25	Fair Political Practices Commission		
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