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

11 In the Matter of:

12 ORANGE COUNTY TEACHERS FOR  
LOCAL CONTROL OF PUBLIC  
13 EDUCATION, STEPHANIE TELLEZ,  
KAREN RIDLEY, GEOFF  
14 MORGANSTERN,

15 Respondents.

FPPC Case No. 2018/00334

STIPULATION, DECISION AND ORDER

Date Submitted to Commission: March 2023

16  
17 **INTRODUCTION**

18 Orange County Teachers for Local Control of Public Education (the "Committee") is a primarily  
19 formed committee formed to support Mary Navarro ("Navarro") and David Boyd ("Boyd") for the  
20 Orange County Board of Education (the "Board") in the June 5, 2018 Primary Election. Furthermore, in  
21 the March 3, 2020 Primary Election, the Committee supported Jordan Brandman ("Brandman"), Andy  
22 Thorburn ("Thorburn"), and Becky Gomez ("Gomez") for the Board. The principal officer for the  
23 Committee was Karen Ridley ("Ridley"). The initial treasurer of the Committee was Geoff Morganstern  
24 ("Morganstern"), but Stephanie Tellez ("Tellez") took over on August 19, 2019 until June 1, 2020. After  
25 June 1, 2020 Ridley assumed the role of treasurer.

26 This case arose from a sworn complaint.  
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1 The Committee, Tellez, Ridley, and Morganstern violated the Political Reform Act<sup>1</sup> (“Act”) by  
2 failing to timely file campaign statements and reports, timely identify the Committee as primarily formed  
3 and properly name the committee, and comply with disclosure requirements for political advertisements.

#### 4 SUMMARY OF THE LAW

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

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

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

##### 15 **Duty to Identify Committee as Primarily Formed**

16 The Act defines “primarily formed committee” to include a committee which is formed or exists  
17 primarily to support or oppose a group of specific candidates being voted upon in the same city, county,  
18 or multicounty election.<sup>7</sup> A committee is primarily formed if its “primary purpose and activities” are to  
19 support or oppose the group of candidates.<sup>8</sup> Further, a committee is primarily formed if it makes more  
20 than 70 percent of its total contributions and expenditures on all candidates and measures on a specific  
21 single candidate or measure, or group of candidates or measures in the same election, during either the  
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24 <sup>1</sup> The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections  
25 81000 through 91014. All statutory references are to this code. The regulations of the Fair Political Practices Commission  
26 are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references  
27 are to this source.

28 <sup>2</sup> Section 81001, subdivision (h).

<sup>3</sup> Section 81003.

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

<sup>5</sup> Sections 84200, *et seq.*

<sup>6</sup> Section 81002, subdivision (f).

<sup>7</sup> Section 82047.5.

<sup>8</sup> Regulation 18247.5, subdivision (d)(2).

1 immediately preceding 24 months or the current two-year period beginning January 1 of an odd-  
2 numbered year.<sup>9</sup>

3 A committee that has reason to know it is close to triggering the applicable threshold for changing  
4 status because its spending is concentrated on candidate(s) must determine whether it is primarily formed  
5 quarterly at the end of March, June, September, and December.<sup>10</sup>

### 6 **Statement of Organization**

7 A recipient committee refers to a committee where a person or combination of persons receive  
8 contributions totaling two thousand dollars (\$2,000) or more in a calendar year.<sup>11</sup> A recipient committee  
9 must file a statement of organization within 10 days of the committee reaching the \$2,000 threshold.<sup>12</sup> If  
10 there is a change to any of the information contained in the statement of organization, an amendment  
11 shall be filed within 10 days to reflect the change.<sup>13</sup>

12 The name of a non-candidate controlled committee primarily formed to support or oppose one or  
13 more candidates must include the last name of each candidate whom the committee supports or opposes  
14 as listed on its statement of organization, the office sought, year of the election, and whether the  
15 committee supports or opposes the candidate.<sup>14</sup> Furthermore, a newly organized committee that files its  
16 initial statement of organization within six months of an election and makes contributions in connection  
17 with that election must determine whether it is primarily formed at the end of each month prior to the  
18 election unless the committee has not made contributions of \$1,000 or more to support or oppose  
19 candidates during that month.<sup>15</sup>

### 20 **Duty to File Campaign Statements**

21 The Act requires committees and treasurers to file campaign statements and reports at specific  
22 times disclosing information regarding contributions received and expenditures made by the campaign  
23 committees.<sup>16</sup>

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26 <sup>9</sup> Regulation 18247.5, subdivision (d)(3).

27 <sup>10</sup> Regulation 18247.5, subdivision (d)(1).

28 <sup>11</sup> Section 82013, subdivision (a).

<sup>12</sup> Section 84101.

<sup>13</sup> Section 84103, subdivision (a).

<sup>14</sup> Regulation 18402, subdivision (c)(3).

<sup>15</sup> Regulation 18247.5, subdivision (d)(2)(A).

<sup>16</sup> See Section 84200, *et seq.*

1 If the filing due date for a statement or report falls on a Saturday, Sunday, or official state  
2 holiday, then the filing due date shall be extended to the next regular business day.<sup>17</sup> This extension does  
3 not apply to 24-hour contribution reports when the due date for these reports falls on a Saturday, Sunday,  
4 or official state holiday immediately prior to an election.<sup>18</sup>

### 5 **Pre-Election Campaign Statements**

6 All committees primarily formed to support or oppose a candidate or candidates appearing on the  
7 ballot to be voted on at the next election shall file the applicable pre-election campaign statements.<sup>19</sup> The  
8 first pre-election campaign statement, for the period ending 45 days before the election, shall be filed no  
9 later than 40 days before the election.<sup>20</sup> The second pre-election campaign statement, for the period  
10 ending 17 days before the election, shall be filed no later than 12 days before the election.<sup>21</sup>

### 11 **Semi-Annual Campaign Statements**

12 A recipient committee shall file semi-annual campaign statements each year no later than July 31  
13 for the period ending June 30, and no later than January 31 for the period ending December 31.<sup>22</sup>

### 14 **24-Hour Contribution Reports**

15 A “late contribution” includes a contribution that totals in the aggregate \$1,000 or more and is  
16 made to or received by a committee formed or existing primarily to support or oppose a measure during  
17 the 90-day period preceding the date of the election, or on the date of the election, at which the measure  
18 is to be voted on.<sup>23</sup> Each committee that makes or receives a late contribution shall report the late  
19 contribution within 24 hours of the time it is made or received.<sup>24</sup>

### 20 **24-Hour Independent Expenditure Reports**

21 A “late independent expenditure” means any independent expenditure which totals in the  
22 aggregate \$1,000 or more and is made for or against any specific candidate or measure involved in an  
23 election within 90 days before the date of the election.<sup>25</sup> When a committee makes a late independent  
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25 <sup>17</sup> Regulation 18116, subdivision (a).

26 <sup>18</sup> Regulation 18116, subdivision (b).

27 <sup>19</sup> Section 84200.5, subdivision (a).

28 <sup>20</sup> Section 84200.8, subdivision (a).

<sup>21</sup> *Id.*

<sup>22</sup> Section 84200.

<sup>23</sup> Section 82036, subdivision (a).

<sup>24</sup> Section 84203, subdivisions (a)-(b).

<sup>25</sup> Section 82036.5.

1 expenditure, the committee must disclose the expenditure in a 24-hour independent expenditure report  
2 filed at each office with which the committee is required to file its next campaign statement within 24  
3 hours of making the late independent expenditure.<sup>26</sup>

#### 4 **Advertisement**

5 The Act generally requires that advertisements paid for by and distributed by committees must  
6 include disclosure to allow the public to identify the responsible parties. Advertisement is defined to  
7 mean any general or public communication that is authorized and paid for by a committee for the  
8 purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure of  
9 ballot measures.<sup>27</sup> Advertisements paid for by a committee, other than a candidate controlled committee  
10 or political party committee, must include the words “Ad paid for by” followed by the name of the  
11 committee as it appears on the most recent Statement of Organization filed pursuant to Section 84101.<sup>28</sup>  
12 Any advertisement paid for by a committee, other than a candidate controlled committee or political  
13 party committee, must include the words, “committee major funding from,” followed by the names of  
14 the top contributors to the committee paying for the advertisement.<sup>29</sup> If fewer than three contributors  
15 qualify as top contributors, only those contributors that qualify shall be disclosed pursuant to this  
16 section.<sup>30</sup> Top contributor is defined as a person from whom the committee paying for the advertisement  
17 has received its three highest cumulative contributions of fifty thousand dollars (\$50,000) or more.<sup>31</sup>

18 An advertisement supporting or opposing a candidate that is paid for by an independent  
19 expenditure shall include a statement that it was not authorized by a candidate or a committee controlled  
20 by a candidate. If the advertisement was authorized or paid for by a candidate for another office, the  
21 expenditure shall instead include a statement that “This advertisement was not authorized or paid for by  
22 a candidate for this office or a committee controlled by a candidate for this office.”<sup>32</sup>

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26 <sup>26</sup> Section 84204.

27 <sup>27</sup> Section 84501, subdivision (a)(1).

28 <sup>28</sup> Section 84502, subdivision (a)(1).

<sup>29</sup> Section 84503.

<sup>30</sup> *Id.*

<sup>31</sup> Section 84501, subdivision (c)(1).

<sup>32</sup> Section 84506.5.

1 **Format of Advertisement Disclosure**

2 A print advertisement designed to be individually distributed, including, but not limited to, a  
3 mailer, flyer, or door hanger, that is paid for by a committee, other than a political party committee or a  
4 candidate-controlled committee, shall include the required disclosures for the name of the committee  
5 and the top contributors as follows: The disclosure area shall have a solid white background and shall be  
6 in a printed or drawn box on the bottom of at least one page that is set apart from any other printed  
7 matter. All text in the disclosure area shall be in contrasting color and centered horizontally in the  
8 disclosure area. The text shall be in an Arial equivalent type with a type size of at least 10-point. The top  
9 of the disclosure area shall include the name of the disclosure area and the top contributors, if  
10 applicable. The text of the disclosure shall be underlined if there are any top contributors. The top  
11 contributors shall each be disclosed on a separate horizontal line separate from any other text, in  
12 descending order, beginning with the top contributor who made the largest cumulative contributions on  
13 the first line. The name of each top contributors shall be centered horizontally in the disclosure are and  
14 shall not be underlined. The names of the top contributors shall not be printed in a type that is  
15 condensed to be narrower than a normal condensed Arial equivalent type.<sup>33</sup>

16 **SUMMARY OF THE FACTS**

17 **Committee Activity**

18 The Committee formed as a general purpose committee that qualified on February 14, 2018,  
19 according to the statement of organization filed on February 20, 2018. However, the Committee qualified  
20 as a primarily formed committee in support of Navarro and Boyd in the June 5, 2018 Primary Election.  
21 Excluding overhead expenses, 100 percent of the Committee’s expenditures were spent on supporting  
22 Navarro and Boyd from the formation of the Committee in February through June 30, 2018. Navarro and  
23 Boyd lost their elections with 24.8% and 34.6% of the vote, respectively.

24 Between March 15, 2018 and May 10, 2018, the Committee spent \$105,792 on advertisements in  
25 support of Navarro and Boyd. The Committee sent out approximately 108,250 mailers supporting Navarro  
26 and 108,000 mailers supporting Boyd for the Board.

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<sup>33</sup> Section 84504.2.

1 The Committee remained a primarily formed committee after the June 5, 2018 election when they  
2 did not make a single expenditure, other than overhead expenses, until January 19, 2020. Beginning in  
3 January 2020, the Committee resumed its spending, this time with 100 percent of its expenditures in  
4 support of Brandman, Thorburn, and Gomez in the March 3, 2020 election. Brandman and Thorburn lost  
5 their respective elections with 17.6% and 40.8% of the vote and Gomez won with 58.9% of the vote. Since  
6 February 2020, the Committee has not made any expenditures in support of or opposition to any candidates  
7 and is still active as of the time of this stipulation was drafted.

### 8 **Failure to Timely File Campaign Statements**

9 As a primarily formed committee, the Committee was required to file pre-election campaign  
10 statements for the June 5, 2018 and March 3, 2020 elections. The Committee failed to timely file pre-  
11 election campaign statements for the reporting periods ending April 21, 2018, January 18, 2020, and  
12 February 15, 2020. Furthermore, the Committee had a duty to file semi-annual campaign statements but  
13 failed to timely file for the reporting periods ending June 30, 2019, December 31, 2019, June 30, 2021,  
14 and December 31, 2021. The rest of the required pre-election and semi-annual campaign statements were  
15 timely filed by the Committee.

### 16 **Failure to Timely Identify Committee as Primarily Formed and Properly Name Committee**

17 A primarily formed committee exists when more than 70 percent of a committee's total  
18 contributions and expenditures are made on a group of specific candidates being voted upon in the same  
19 city or county.<sup>34</sup> Here, the Committee qualified as a primarily formed committee because it spent 100  
20 percent of its expenditures in support of Navarro and Boyd for the Orange County Board of Education in  
21 2018. Furthermore, a newly organized committee that files its initial statement of organization within six  
22 months of an election and makes contributions in connection with that election must determine whether it  
23 is primarily formed at the end of each month prior to the election. Here, the Committee became a  
24 primarily formed committee sometime prior to April 21, 2018 because the Committee spent \$129,231 on  
25 Navarro and Boyd on its semi-annual ending on that date. However, we are unable to determine the exact  
26 date the Committee qualified as a primarily formed committee, so we will use the latest possible date of  
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<sup>34</sup> Regulation 18247.5, subdivision (c)(3) and Section 82047.5, subdivision (c).

1 April 21, 2018. Thus, the Committee should have filed a statement of organization listing the committee  
2 as primarily formed beginning in May 2018.

3 Furthermore, the Committee qualified as a different primarily formed committee in January 2020  
4 after spending 100 percent of its expenditures in support of Brandman, Thorburn, and Gomez for the  
5 Orange County Board of Education.

6 For the purposes of determining whether a committee is primarily formed under the test above, a  
7 committee must count the expenditures in the time period of either the immediately preceding 24 months  
8 or the current two-year period, beginning with January 1 of an odd-numbered year.<sup>35</sup> In addition, the  
9 Committee should have included Boyd and Navarro's names, office sought, and year of election  
10 beginning in February 2018, and Brandman, Thorburn, and Gomez's names, office sought, and year of  
11 election beginning in January 2020.

12 Furthermore, the Committee remained primarily formed throughout the life of the Committee  
13 because of both the preceding 24 months rule and the two-year period rule. For instance, beginning on  
14 January 1, 2019 through December 31, 2020, the Committee spent 100% of its expenditures on specific  
15 candidates, minus overhead expenses. The same rule applies for the prior two-year period as well.

16 However, in the interest of settlement, the Enforcement Division recommends not charging this  
17 violation separately, and considering it as aggravation for the advertisement counts charged.

### 18 **Failure to Timely File 24-hour Reports**

19 The Committee was required to file various 24-hour contribution and independent expenditure  
20 reports. The Committee failed to timely file two 24-hour contribution reports for contributions received  
21 on March 15, 2018 and January 14, 2020, for contributions received in the amount of \$20,000 and \$7,000  
22 respectively. The Committee never filed the 24-hour contribution reports. Additionally, the Committee  
23 failed to timely file two 24-hour independent expenditure reports for independent expenditures made on  
24 March 20, 2018 and April 5, 2018, for expenditures made in the amount of \$3,009 and \$2,300. As of the  
25 date this stipulation was drafted, the 24-hour contribution and independent expenditure reports have not  
26 been filed.

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<sup>35</sup> Regulation 18247.5, subdivision (d)(3).



1                   **Failure to Comply with Disclosure Requirements for Political Advertisements**

2                   The Committee spent a total of \$105,792 on advertisements in support of Navarro and Boyd. The  
3 Committee sent out approximately 108,250 mailers supporting Navarro and 108,000 mailers supporting  
4 Boyd for the Board. The advertisements failed to make numerous disclosures.

5                   First, 10,000 6 x 11 mailed cards with a handwritten message invoiced on March 15, 2018, failed  
6 to include the appropriate primarily formed committee name as discussed above, the disclaimer in a  
7 printed or drawn box, and the “not authorized by” disclosure.

8                   Second, 11,000 5.5 x 8.5 mailed cards invoiced on April 26, 2018, failed to include the  
9 appropriate primarily formed committee name as discussed above, include the “not authorized by”  
10 disclosure, include the disclaimer in a printed or drawn box, and include the top contributors disclosure.

11                   Third, 91,000 8.5 x 11 mailed cards invoiced on May 1, 2018, failed to include the appropriate  
12 primarily formed committee name as discussed above, include the “not authorized by” disclosure,  
13 include the disclaimer in a printed or drawn box, and include the top contributor disclosure.

14                   Fourth, 94,250 8.5 x 11 mailed cards invoiced on May 10, 2018, failed to include the appropriate  
15 primarily formed committee name as discussed above, include the “not authorized by” disclosure,  
16 include the disclaimer in a printed or drawn box, and include the top contributor disclosure.

17                   The top contributor disclosure was required because of a \$63,600 contribution from the California  
18 Teachers Association (“CTA”) received by the Committee on April 11, 2018. As a result, the  
19 advertisements after that date were required to include “Committee major funding from the California  
20 Teachers Association” as a contributor of \$50,000 or more.

21                   The “not authorized by” disclosure was required because the advertisements were independent  
22 expenditures that were not authorized by the relevant candidate.

23   **VIOLATIONS**

24   **Count 1**

25   **Failure to Timely File Campaign Statements**

26                   The Committee, Morganstern, Ridley, and Tellez failed to timely file the Committee’s pre-  
27 election campaign statements for the reporting periods ending April 21, 2018, January 18, 2020, and  
28 February 15, 2020 and semi-annual campaign statements for the reporting periods ending June 30, 2019,

1 December 31, 2019, June 30, 2021, and December 31, 2021, in violation of Government Code Sections  
2 84200 and 84200.5.

3 **Count 2**

4 **Failure to Timely File 24-hour Reports**

5 The Committee, Morganstern, Ridley, and Tellez failed to timely file two 24-hour contribution  
6 reports for contributions received on March 15, 2018 and January 14, 2020, and the Committee,  
7 Morganstern, and Ridley failed to timely file two 24-hour independent expenditure reports for  
8 expenditures made on March 20, 2018 and April 5, 2018, in violation of Government Code sections  
9 84203 and 84204.

10 **Count 3**

11 **Failure to Comply with Disclosure Requirements for Political Advertisements**

12 The Committee and Ridley failed to include the proper name of the committee, in violation of  
13 Government Code section 84502.

14 **Count 4**

15 **Failure to Comply with Disclosure Requirements for Political Advertisements**

16 The Committee and Ridley failed to disclose a top contributor, in violation of Government Code  
17 section 84503.

18 **Count 5**

19 **Failure to Comply with Disclosure Requirements for Political Advertisements**

20 The Committee and Ridley failed to include the disclaimer in a printed or drawn box on print  
21 advertisements, in violation of Government Code section 84504.2.

22 **Count 6**

23 **Failure to Comply with Disclosure Requirements for Political Advertisements**

24 The Committee and Ridley failed to include a “not authorized” disclaimer, in violation of  
25 Government Code section 84506.5.

1 **PROPOSED PENALTY**

2 This matter consists of six proposed counts. The maximum penalty that may be imposed is \$5,000  
3 per count for proposed Counts 1 – 2. Regarding proposed Counts 3 - 6, the Commission may impose,  
4 under Section 84510, an administrative fine up to three times the cost of an advertisement when it finds a  
5 violation of Section 84503, the requirement to disclose a top contributor. The Committee spent  
6 \$105,792.23 on advertisements that were required to disclose a top contributor, a violation of Section  
7 84503. Under Section 84510, the maximum penalty is up to \$332,376. In this case, the Enforcement  
8 Division recommends against pursuing a penalty under Section 84510 as there is no evidence to suggest  
9 that the omission was deliberate or that there was an intent to conceal the top contributor.

10 This matter does not qualify for the streamline penalty program. While advertisement violations  
11 are part of the streamline program, a Committee is ineligible where there are four or more errors with a  
12 disclosure statement and these errors include the top contributor is not listed, the “not authorized”  
13 disclosure is missing, and the committee name is incorrect. Further, campaign non-filer violations are  
14 ineligible where a campaign statement exceeds the \$100,000 threshold necessary for Tier Two treatment.  
15 Here, the Committee’s pre-election campaign statement for the reporting period ending on April 21, 2018  
16 reported \$129,231 in contributions.

17 In addition, failure to timely file campaign statements and reports are part of the streamline  
18 program. While certain campaign non-filer violations alone would have qualified for the streamline  
19 program on its own, they are excluded since there are other violations that are excluded from the  
20 program. Furthermore, in the interest of settlement, the Enforcement Division will not pursue a separate  
21 charge for the committee name violation and considers it as aggravation for the advertisement counts  
22 charged.

23 In determining the appropriate penalty for a particular violation of the Act, the Enforcement  
24 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an  
25 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division  
26 considers the facts and circumstances of the violation in the context of the following factors set forth in  
27 Regulation 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused  
28 by the specific violation; (2) The level of experience of the violator with the requirements of the Political

1 Reform Act; (3) Penalties previously imposed by the Commission in comparable cases; (4) The presence  
2 or absence of any intention to conceal, deceive or mislead; (5) Whether the violation was deliberate,  
3 negligent or inadvertent; (6) Whether the violator demonstrated good faith by consulting the Commission  
4 staff or any other governmental agency in a manner not constituting complete defense under Government  
5 Code Section 83114(b); (7) Whether the violation was isolated or part of a pattern and whether the  
6 violator has a prior record of violations of the Political Reform Act or similar laws; and (8) Whether the  
7 violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

8 With respect to the first factor, the public harm is in the failure to identify the top contributor,  
9 identify as a primarily formed committee, and identify independent expenditures and a top contributor in  
10 several advertisements. The Act promotes disclosure of large contributors to campaigns and requires that  
11 these top contributors be referenced in advertisements. The Committee's failure to include this  
12 information deprived the public of this disclosure. In mitigation, the Committee was responsive to  
13 Enforcement's contacts and worked with Enforcement to regain compliance on late-filed campaign  
14 statements. In addition, the public harm is in the lack of transparency for the public into the Committee's  
15 campaign activities. The Committee failed to timely disclose over \$32,309 of late contributions and  
16 expenditures, and \$236,246 in contributions and \$103,090 in expenditures. In aggravation, \$136,230 in  
17 contributions and \$5,317 expenditures from the amount above were pre-election activity.

18 With respect to the second factor, Tellez, Ridley, and Morganstern were inexperienced as  
19 treasurers.

20 With respect to the third factor, the following cases were considered as comparable cases:

21 Counts 1 and 2

- 22 • *In the Matter of Committee for Friends of Long Beach City College – Yes on Measure LB and*  
23 *Lexi Donovan*; FPPC No. 17/1003. Respondent was a primarily formed ballot measure committee  
24 that failed to timely file two pre-election campaign statements, two semi-annual campaign  
25 statements, and \$306,900 in 24-hour contribution reports. In September 2021, the Commission  
26 approved a penalty of \$11,500 on one count of failure to timely file pre-election and semi-annual  
27 campaign statements and three counts of failure to timely file 24-hour contribution reports.

1 Count 3

- 2 • *In the Matter of San Bernardino Residents for Responsible Local Government, A Committee*  
3 *Opposing Valdivia for Mayor 2018 and Corey Addison*; FPPC No. 18/00321. The Committee and  
4 Addison paid for mailer advertisements that did not include the correct name of the Committee,  
5 requisite “Paid for by” phrase, or disclosure that the mailer was not authorized by a candidate or  
6 candidate-controlled committee; and failed to place the disclosures in a printed or drawn box, in  
7 violation of Sections 84502, 84504.2, subdivision (a), and 84506.5. In December 2018, the  
8 Commission approved a penalty of \$5,000.

9 Counts 4 and 5

- 10 • *In the Matter of Committee for Yes on Measure B, Sunder Ramani, and Mary Alvord*; FPPC No.  
11 16/20101. The Committee, Ramani, and Alvord failed to identify the Committee using a name or  
12 phrase that clearly identifies the economic or other special interest of its major donor, and failed  
13 to identify its major donor in advertisements, in violation of Sections 84103, 84503, and 84504,  
14 subdivision (a); and Regulation 18450.3. In February 2019, the Commission approved a penalty  
15 of \$11,500.

16 Count 6

- 17 • *In the Matter of Placer County Impact Republicans PAC and George E. Park Jr.*; FPPC No.  
18 16/19865. The Committee and Park failed to include the required “not authorized” statement on  
19 five separate mass mailings that supported or opposed candidates, in violation of Government  
20 Code Section 84506.5. In October 2016, the Commission approved a penalty of \$8,000.

21  
22 As to Count 1, Respondents are deserving of a penalty less than the \$3,500 approved in the Long  
23 Beach case. In Long Beach, the respondents failed to timely report \$373,147 in contributions and  
24 \$374,182 in expenditures across two preelection and two semiannual campaign statements but reported a  
25 majority of the missing activity prior to the election. In the present case the Respondents failed to timely  
26 report \$236,336 in contributions and \$103,090 in expenditures across three pre-election and four semi-  
27 annual campaign statements and reported a majority of the missing activity prior to the election. While  
28 more statements were untimely filed in the present case, less activity was present. In mitigation, three out

1 of four of the semi-annual campaign statements had less than \$2,000 in activity and 93% of the late  
2 contributions and expenditures were timely filed on 24-hour reports. As a result, a penalty of \$2,000 is  
3 recommended.

4 As to Count 2, Respondents are deserving of a penalty slightly less than the \$2,500 penalty  
5 imposed in the Long Beach matter. There, one count for failure to timely file 24-hour contribution  
6 reports for seven late contributions received totaling \$32,500 was similar to the four late reports in the  
7 present case totaling \$32,309. Here, in mitigation, the Committee timely filed twenty-five other 24-hour  
8 contribution and expenditure reports and it appears that the two reports in question must have slipped  
9 through the cracks. As a result, a penalty of \$2,000 is recommended.

10 As to Counts 3 through 6, Respondents are deserving of a penalty similar or higher than the  
11 comparable cases. In San Bernardino, the committee spent \$8,668 on 16,000 mailers and were charged  
12 \$5,000 for one count by failing to include “paid for by” and “not authorized” disclosures in a drawn box.  
13 In Measure B, the committee was charged one major donor count in the amount of \$5,000 for producing  
14 45,000 mass mailers, 10,000 door hangers, and 1,000 yard signs. In Placer County, the committee  
15 produced a video advertisement that failed to include the “not authorized” disclosure for a penalty of  
16 \$2,500. Here, the number of violation types, amount of mailers, and cost were all substantially higher  
17 than any recent comparable case. In the present case, there are 26 discrete advertising disclaimer  
18 violations on 216,250 individual advertisement mailers that had a total cost of \$105,792.23, the  
19 Respondents were successful in their local campaign efforts, but had no prior history of enforcement.  
20 Therefore, it is recommended to charge four separate counts for the advertisement violations, with a  
21 \$5,000 penalty for each count.

22 With respect to the fourth factor, the Enforcement Division did not find evidence to support a  
23 finding that there was intent to conceal, deceive, or mislead.

24 With respect to the fifth factor, the Enforcement Division did not find evidence to support a  
25 finding that the violations were deliberate. The evidence supports that the violations were most likely  
26 negligent. The Respondents demonstrated a willingness to make corrections. For example, after the  
27 Committee failed to timely file its first campaign statement in 2018, it timely filed the remaining 2018,  
28 2019, and all but one campaign statement in 2020. Furthermore, all but the January 14, 2020 independent

1 expenditure were disclosed on other campaign statements prior to the relevant elections. Additionally, the  
2 failure to properly name the committee and failure to identify CTA as a top contributor were due to a  
3 lack of experience with and understanding of the Act.

4 With respect to the sixth factor, there is no relevant information available for this factor.

5 With respect to the seventh factor, the violations appear to be isolated and limited to the  
6 violations in the present case. There is no prior enforcement history for any of the Respondents.

7 With respect to the eighth factor, the Committee filed the delinquent campaign statements upon  
8 Enforcement's request, but the mailed advertisements were unable to be corrected.

9 After considering the factors listed in Regulation 18361.5 and penalties in prior similar cases, a  
10 penalty of \$24,000 is recommended. A breakdown of the counts and penalties are as follows:

11 <b>Count</b>	12 <b>Violation</b>	13 <b>Penalty</b>
14 #		15 <b>Amount</b>
16 1	17 Failure to Timely File Campaign Statements	18 \$2,000
19 2	20 Failure to Timely File 24-hour Reports	\$2,000
21 3	22 Failure to Comply with Disclosure Requirements for Political Advertisements	\$5,000
23 4	24 Failure to Comply with Disclosure Requirements for Political Advertisements	\$5,000
25 5	26 Failure to Comply with Disclosure Requirements for Political Advertisements	\$5,000
27 6	28 Failure to Comply with Disclosure Requirements for Political Advertisements	\$5,000
	Total	\$24,000

### 21 CONCLUSION

22 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
23 Committee, Morganstern, Ridley, and Tellez hereby agree as follows:

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

26 2. This stipulation will be submitted for consideration by the Fair Political Practices  
27 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.  
28

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

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

11           5.       Respondents agree to the issuance of the decision and order set forth below. Also,  
12 Respondents agree to the Commission imposing against them an administrative penalty in the amount of  
13 \$24,000. One or more payments totaling said amount—to be paid to the General Fund of the State of  
14 California—is/are submitted with this stipulation as full payment of the administrative penalty described  
15 above, and same shall be held by the State of California until the Commission issues its decision and  
16 order regarding this matter.

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

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



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Dated: \_\_\_\_\_

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Christopher B. Burton, Acting Chief of Enforcement  
Fair Political Practices Commission

Dated: \_\_\_\_\_

\_\_\_\_\_  
Stephanie Tellez, individually and on behalf of  
Orange County Teachers for Local Control of Public  
Education

Dated: \_\_\_\_\_

\_\_\_\_\_  
Karen Ridley, individually and on behalf of  
Orange County Teachers for Local Control of Public  
Education

Dated: \_\_\_\_\_

\_\_\_\_\_  
Geoff Morganstern, individually and on behalf of  
Orange County Teachers for Local Control of Public  
Education

The foregoing stipulation of the parties Orange County Teachers for Local Control of Public Education, Tellez, Ridley, and Morganstern, FPPC Case No. 2018-00334 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective upon execution below by the Chair.

IT IS SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Richard C. Miadich, Chair  
Fair Political Practices Commission