



NOTICE AND AGENDA Commission Meeting¹

California Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814

Thursday, November 17, 2016
1:00 P.M.

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The section further states that the portion of the teleconferenced meeting that is required to be open to the public must be audible to the public at the location specified in the notice of the meeting. The Commission may take action on any item listed on this agenda.

Welcome

Jodi Remke, FPPC Chair

Public Comment

- 1. Public Comment.** This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.

¹You can obtain further information about the meeting by contacting the Commission Assistant, 428 J Street, Suite 620, Sacramento, CA, 95814, Tel. (916) 322-5745. Written comments on agenda items should be submitted to the Commission no later than 12:00 p.m. the day before the meeting in order to afford the Commissioners adequate time to fully consider the comments. Email comment letters directly to CommAsst@fppc.ca.gov.

The agenda and related documents are posted on the FPPC website at www.fppc.ca.gov. Materials submitted by the public regarding each agenda item will be made available at the meeting and on the website.

Members of the public may listen to the meeting by phone by calling (877) 411-9748; access code 723284; or watch the meeting via Webinar at [meeting via YouTube](#).

The meeting location is accessible to the disabled. Persons who, due to a disability, need assistance in order to participate in this meeting should, prior to the meeting, contact the Commission Assistant at (916) 322-5745 (voice), CommAsst@fppc.ca.gov (e-mail) or in writing. TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodations for persons with disabilities. Please allow a reasonable period of time between the request and the meeting date.

Approval of Commission Minutes

2. Approval of October 2016 Commission Hearing Minutes.

Consent Calendar 3 – 36

Laundered Campaign Contributions/Over-the-Limit Contributions/Controlled Committees/Campaign Reporting

Items 3-5. In 2012, Senator Tony Mendoza moved \$50,000 through his two controlled committees to Rudy Bermudez’s controlled committee. The committees were not properly identified as controlled committees, contributions over the limit were made, and the public was denied adequate disclosure. Much of the money ended up supporting three state candidates running in the June 2012 primary election, one of them being Bermudez. The following three cases stem from this activity.

- 3. In the Matter of Antonio “Tony” Mendoza, Yes We Can, Educating Voters, Freddie Scott, Alfred Mendoza, Mendoza for Assembly 2010, and Central Basin Municipal Water District 2012; FPPC No. 14/646.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Ann Flaherty. Respondent Antonio “Tony” Mendoza has served in the California Legislature for eight years and is currently a State Senator for the 32nd District. Senator Mendoza was an unsuccessful candidate for the Central Basin Municipal Water District in the June 5, 2012 election. In 2011/2012, Senator Mendoza was Chair of the California Latino Legislative Caucus. Respondent Yes We Can was a state general purpose committee established and controlled at all relevant times by Senator Mendoza. Respondent Educating Voters was a state general purpose committee established and controlled by Senator Mendoza. At all relevant times, Respondent Freddie Scott was the treasurer and Respondent Alfred Mendoza was the principal officer for Educating Voters. Respondent Mendoza for Assembly 2010 was Senator Mendoza’s candidate controlled election committee. Respondent Mendoza for Central Basin Municipal Water District 2012 was Senator Mendoza’s candidate controlled election committee. As detailed in the stipulation, the Enforcement Division is recommending that the Commission approve a settlement for these seven respondents for 12 counts, including making contributions over the limit, improperly controlling both a committee for election or office and two general purpose committees that made expenditures to support or oppose state candidates, failing to properly identify and name a controlled committee, filing inaccurate campaign statements, and failing to timely report contributions. **Total Proposed Penalty: \$57,000.**
- 4. In the Matter of Rudolf “Rudy” Bermudez, Bermudez for Assembly 2012, Residents for Good Government and David Gould; FPPC No. 12/288.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Ann Flaherty. Respondent Rudolf “Rudy” Bermudez was an unsuccessful candidate for the State

Assembly, 57th District in the June 5, 2012 Primary Election. Respondent Bermudez for Assembly 2012 was Bermudez's candidate controlled election committee. At all relevant times, Respondent David Gould was the treasurer of Bermudez for Assembly 2012 and Residents for Good Government, a state general purpose committee which was established to provide "voter education and awareness." At all relevant times, Residents for Good Government was Bermudez's controlled committee. As detailed in the stipulation, the Enforcement Division is recommending that the Commission approve a settlement for these four respondents for seven counts, including making contributions over the limit, improperly controlling both a committee for election or office and a general purpose committee that made expenditures to support or oppose state candidates, failing to properly identify and name a controlled committee, filing inaccurate campaign statements, and failing to timely report contributions. **Total Proposed Penalty: \$30,000.**

5. **In the Matter of Antonio "Tony" Mendoza, Yes We Can, and John Valencia; FPPC No. 16/19816.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Ann Flaherty. Respondent Senator Tony Mendoza, discussed above, was a candidate who controlled Respondent Yes We Can, a state general purpose committee established by Senator Mendoza in his capacity as Chair of the California Latino Legislative Caucus to independently facilitate the election of Latino candidates in state elections. At all relevant times, Yes We Can was Senator Mendoza's controlled committee. Respondent John Valencia was at all relevant times the treasurer for Yes We Can. As detailed in the stipulation, the Enforcement Division is recommending that the Commission approve a settlement for these three respondents for two counts, including failing to identify Senator Mendoza as the controlling candidate in Yes We Can's statement of organization and failing to add his name in the committee's name, and failing to timely file a preelection campaign statement for Yes We Can disclosing that it made a \$50,000 contribution to Educating Voters, another state general purpose committee controlled by Senator Mendoza. **Total Proposed Penalty: \$6,000.**

Campaign Reporting

6. **In the Matter of For the Children of West County and Kenneth Pon, Treasurer; FPPC No. 14/403.** Staff: Commission Counsel Michael W. Hamilton and Program Specialist Bob Perna. For the Children of West County and Kenneth Pon failed to file 24-hour reports in 2011 and 2014, in violation of Government Code Section 84203 (2 counts). The Committee failed to change its status to a primarily formed ballot measure committee in 2012 and 2014, and failed to change its name to reflect the economic interest of a contributor in 2012, in violation of Government Code Sections 84103, 84107, and 84504 (3 counts). Additionally, the Committee and Pon failed to report payments to sub-vendors in 2012, in violation of Government Code Sections 84303 and 84211, subdivision (k)(6) (2 Counts). **Total Proposed Penalty: \$25,000.**

- 7. In the Matter of Save Our Forest and Ranchlands Opposed to Measure B Sponsored by California Local Energy Advancing Renewables, Jana Clark Sanders and Duncan McFetridge, Treasurer; FPPC No. 16/19753.** Staff: Senior Commission Counsel Angela Brereton. Save Our Forest and Ranchlands Opposed to Measure B Sponsored by California Local Energy Advancing Renewables is a primarily formed sponsored committee opposing Measure B in San Diego County, which is on the ballot for the November 8, 2016 General Election. Sanders is the committee treasurer and McFetridge is the principal officer. The committee, Sanders and McFetridge failed to timely file a statement of organization by the September 22, 2016 due date, in violation of Government Code Section 84101, subdivision (a) (1 count); failed to timely file two 24-hour contribution reports for receiving a \$110,000 contribution on September 12, 2016, and for making a \$45,000 contribution on September 21, 2016, in violation of Government Code Section 84203, subdivisions (a) and (b) (1 count); and failed to timely file one pre-election campaign statement for the reporting period of January 1, 2016 through September 24, 2016, in violation of Government Code Sections 84200.5, subdivision (a), and 84200.8 (1 count). **Total Proposed Penalty: \$5,000.**
- 8. In the Matter of Steven Detrick, Detrick for Council 2012, and Janice Detrick; FPPC No. 16/709.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Assistant Political Reform Consultant Chloe Hackert. Steven Detrick is an incumbent candidate for City of Elk Grove City Council. Detrick for Council 2012 is his candidate controlled committee. Janice Detrick is the committee treasurer. The Detricks and the Committee failed to timely disclose occupation and employer information for contributors, in violation of Government Code Section 84211, subdivision (f) (1 count); and failed to timely disclose the dates of loans received by the committee, in violation of Government Code Section 84211, subdivision (g) (1 count). **Total Proposed Penalty: \$3,500.**

Conflicts of Interest

- 9. In the Matter of Susan Peters; FPPC No. 14/0611.** Staff: Senior Commission Counsel Bridgette Castillo and Special Investigator Jeffrey Kamigaki. Susan Peters, a member of the Sacramento Board of Supervisors, made governmental decisions in which she had a financial interest in real property located within 500 feet from the boundary of the Mather Field Airport. Peters voted to approve: 1) Abatement and Demolition project and 2) conveyance of land from the U.S. Air Force, in violation of Government Code Section 87100 (2 counts). **Total Proposed Penalty: \$9,500.**

Personal Use of Campaign Funds

- 10. In the Matter of Jose Solorio; FPPC No. 16/19767.** Staff: Senior Commission Counsel Neal Bucknell, Special Investigator Ann Flaherty, and Assistant Political

Reform Consultant Chloe Hackert. Solorio is a candidate for the Santa Ana City Council in the General Election held on November 8, 2016. In 2016, Solorio used campaign funds totaling approximately \$2,866 to pay part of the rent for an apartment where he maintains that he lived and worked on his campaign, in violation of Government Code Section 89517 (1 count). **Total Proposed Penalty: \$3,500.**

Advertisements

- 11. In the Matter of Silicon Valley Progressive Women for Equity and Oportunidad Supporting Vicki Veenker for Assembly 2016; FPPC No. 16/19728.** Staff: Commission Counsel Michael W. Hamilton. Silicon Valley Progressive Women for Equity and Oportunidad Supporting Vicki Veenker for Assembly 2016 failed to print on its advertisement the words “paid for by” in 14-point font, failed to identify in its advertisement that it was primarily formed to support a candidate, and failed to include on its advertisement an independent expenditure disclaimer, in violation of Government Code Sections 84507, 84506, subd. (a)(1), 84506.5, subd. (a) (1 count). **Total Proposed Penalty \$2,500.**

Mass Mailings

- 12. In the Matter of Citizens for Yes on Measure B, Kevin Berger, and Jim L. Theis; FPPC No. 14/1147.** Staff: Senior Commission Counsel Neal Bucknell, Commission Counsel Tanya Smith, Special Investigator George Aradi, and Political Reform Consultant Teri Rindahl. In 2014, the Citizens for Yes on Measure B was a primarily formed city ballot measure committee in the city of Turlock. Berger was the committee treasurer and Theis was the principal officer. In September 2014, the Committee, Berger, and Theis sent a mass mailing supporting Measure B without identifying the Committee as the sender, in violation of Government Code Section 84305, subdivision (a) (1 count). **Total Proposed Penalty: \$2,500.**

Lobbying Reporting

- 13. In the Matter of Angels Baseball; FPPC No. 15/308.** Staff: Commission Counsel Toren Lewis. Angels Baseball failed to file eight lobbyist employer reports for the periods of October 1, 2013 through September 30, 2015, in violation of Government Code Section 86117 (8 counts). **Total Proposed Penalty: \$3,200.**

Statement of Economic Interests Non-Reporters

- 14. In the Matter of John Wuo; FPPC No. 15/1540.** Staff: Commission Counsel Michael W. Hamilton and Special Investigator Garrett Micheels. John Wuo, a former member of the Arcadia City Council, failed to disclose on his 2014 and 2015 Annual Statements of Economic Interests that he received income from US Fine Arts Investments and that he had a business position as an officer with 24 HD

Surveillance, in violation of Government Code Sections 87203, 87207, and 87209 (2 counts). **Total Proposed Penalty: \$2,000.**

15. In the Matter of David Singer; FPPC No. 14/1405. Staff: Assistant Chief of Enforcement Dave Bainbridge and Special Investigator Jay Martin. David Singer, a member of the San Francisco Health Commission, failed to disclose a business position with Nodality, Inc. on an Assuming Office, 2013, and 2014 Annual Statements of Economic Interests, in violation of Government Code Section 87300 (3 counts). **Total Proposed Penalty: \$300.**

16. In the Matter of Michael Murray; FPPC No. 14/1317. Staff: Senior Commission Counsel Bridgette Castillo and Special Investigator Jay Martin. Michael Murray, a City of Napa Planning Commissioner, failed to timely disclose sources of income, including Napa Recycling and Napa on Ice, LLC, on his 2011 and 2014 Annual Statements of Economic Interests, in violation of Government Code Section 87207 (2 counts). **Total Proposed Penalty: \$200.**

Statement of Economic Interests Non-Filers

17. In the Matter of Nancy Bui-Thompson and Nancy Bui-Thompson for SMUD 2012; FPPC No. 15/1586. Staff: Commission Counsel Tanya Smith and Law Clerk Elizabeth Enea. Nancy Bui-Thompson is a member of the Sacramento Municipal Utility District Board of Directors. Her controlled committee was Nancy Bui-Thompson for SMUD 2012. Bui-Thompson and her committee failed to timely file three semiannual campaign statements covering the periods of January 1, 2014 through June 30, 2014, and January 1, 2015 through December 31, 2015, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$3,000.**

18. In the Matter of Carlos Baker; FPPC No. 15/820. Staff: Commission Counsel Tanya Smith. Carlos P. Baker, Jr. is a retired superior court judge who worked 30 or more days in 2014. Baker, Jr. failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$1,500.**

19. In the Matter of Scott Lewis; FPPC No. 16/686. Staff: Chief of Enforcement Galena West, Enforcement Intake Manager Adrienne Korchmaros, and Enforcement Division Intern Dylan Levine. Scott Lewis, as a Board Member for the Revolving Loan Fund in the City of Richmond, failed to timely file his 2015 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Campaign Non-Filer

- 20. In the Matter of Terri Valladolid, and Friends of Terri Valladolid for Southwestern College School Board 2010; FPPC No. 15/1763.** Staff: Commission Counsel Tanya Smith and Political Reform Consultant Teri Rindahl. Terri Valladolid was on the Southwestern Community College District Governing Board. Her controlled committee was Friends of Terri Valladolid for Southwestern College School Board 2010. Valladolid and her committee failed to timely file three semiannual campaign statements covering the period of July 1, 2014 through December 31, 2015, in violation of Government Code Section 84200 (3 counts) and failed to pay the 2015 and 2016 \$50 annual fees to the Secretary of State's Office, in violation of Government Code Section 84101.5 (1 count). **Total Proposed Penalty: \$9,000.**
- 21. In the Matter of Citizens for Quality Kerman Schools, Charles H. Jones, and Julie Gragnani; FPPC No. 16/19661.** Staff: Assistant Chief of Enforcement Dave Bainbridge, Graduate Legal Assistant Amanda Kelly, and Staff Services Analyst Katie Trumbly. Citizens for Quality Kerman Schools is a local ballot measure committee in Fresno County. Jones is the committee treasurer and Gragnani is the principal officer. The Committee, Jones, and Gragnani failed to timely file a pre-election campaign statement for the reporting period of July 1, 2016 through September 24, 2016, in violation of Government Code Section 84200.5 (1 count) and failed to timely file three late contribution reports, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$3,000.**
- 22. In the Matter of the Stanislaus County Democratic Club and Robert Farrace, Treasurer; FPPC No. 14/1367** Staff: Commission Counsel Michael W. Hamilton. The Stanislaus County Democratic Club and Farrace failed to timely file five semi-annual campaign statements for the period of July 1, 2013 through December 31, 2015, in violation of Government Code Section 84200 (5 counts). Additionally, the committee and Farrace failed to file three pre-election statements for the period of January 1, 2012 through March 17, 2012 and July 1, 2012 through October 20, 2012, in violation of Government Code Section 84200.5 (3 Counts). **Total Proposed Penalty \$1,746.**
- 23. In the Matter of Friends of San Juan USD, Yes on P, and Kathy Byars; FPPC No. 16/19681.** Staff: Assistant Chief of Enforcement Dave Bainbridge, Graduate Legal Assistant Amanda Kelly, Assistant Political Reform Consultant Chloe Hackert, and Staff Services Analyst Dominika Wojenska. Friends of San Juan USD, Yes on P is a local ballot measure committee in Sacramento County. Byars is the committee treasurer. The Committee and Byars failed to timely file a pre-election campaign statement for the reporting period of July 1, 2016 through September 24, 2016, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$1,500.**

- 24. In the Matter of Quality Schools for All Children Yes on Measure M Committee and James “Jim” Koenig; FPPC No. 16/19683.** Staff: Assistant Chief of Enforcement Dave Bainbridge, Graduate Legal Assistant Amanda Kelly, Assistant Political Reform Consultant Chloe Hackert, and Staff Services Analyst Dominika Wojenska. Quality Schools for All Children Yes on Measure M Committee is a local ballot measure committee in Monterey County. Koenig is the committee treasurer. The Committee and Koenig failed to timely file a pre-election campaign statement for the reporting period of July 1, 2016 through September 24, 2016, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$1,500.**
- 25. In the Matter of Mt. San Jacinto College Faculty Association Citizens for Quality Higher Education, and Karen Cranney; FPPC No. 16/329.** Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Mt. San Jacinto College Faculty Association Citizens for Quality Higher Education is a local general purpose committee located in Riverside County. Cranney is the committee treasurer. The Committee and Cranney failed to timely file four semiannual campaign statements for the reporting periods of July 1, 2014 through June 30, 2016, in violation of Government Code Section 84200 (4 counts). The committee also failed to timely pay the 2013 and 2014 \$50 annual fee to the Secretary of State’s Office, in violation of Government Code Section 84101.5 (2 counts). **Total Proposed Penalty: \$1,200.**
- 26. In the Matter of Yes on N – Support Visalia’s Safety and Security and Terry Lee Culotta; FPPC No. 16/19650.** Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Yes on N – Support Visalia’s Safety and Security is a locally formed ballot measure committee supporting Measure N on the November 8, 2016 General Election ballot in the city of Visalia. Culotta is the committee treasurer. The Committee and Culotta failed to timely file a pre-election statement, in violation of Government Code Section 84200.5 (1 count). The Committee also failed to timely file three late contribution reports, in violation of Government Code Section 84203 (3 counts). **Total Proposed Penalty: \$1,041.**
- 27. In the Matter of Dan Munsey, and Committee to Elect Dan Munsey; FPPC No. 16/132.** Staff: Chief of Enforcement Galena West and Staff Services Analyst Dominika Wojenska. Dan Munsey was a successful candidate for Hi-Desert Water District Board of Directors in the November 4, 2014 General Election. Committee to Elect Dan Munsey is his candidate controlled recipient committee. The committee failed to timely file two pre-election campaign statements and one semiannual campaign statement for the reporting period of July 1, 2014 through December 31, 2014, in violation of Government Code Section 84200.5 (2 counts) and 84200 (1 count). The Committee also failed to timely pay the 2013 and 2014 \$50 annual fees to

the Secretary of State's Office, in violation of Government Code Section 84101.5 (2 counts). **Total Proposed Penalty: \$1,012.**

- 28. In the Matter of Bakersfield Elementary Teachers Association PAC, and Tanisha Ross; FPPC No. 16/19703.** Staff: Assistant Chief of Enforcement Dave Bainbridge, Graduate Legal Assistant Amanda Kelly, Assistant Political Reform Consultant Chloe Hackert, and Staff Services Analyst Dominika Wojenska. Bakersfield Elementary Teachers Association PAC is a county general purpose committee. Tanisha Ross is the committee treasurer. The Committee and Ross failed to timely file a pre-election campaign statement for the reporting period of July 1, 2016 through September 24, 2016, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$415.**
- 29. In the Matter of For the Community of Richmond, Yes on C & D and Kenneth Pon; FPPC No. 16/19642** Staff: Commission Counsel Michael W. Hamilton and Program Specialist Bob Perna. For the Community of Richmond, Yes on C & D and Pon failed to file a 24-hour report in 2011, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$300.**
- 30. In the Matter of Albert Gonzalez for School Board 2016 and Albert Gonzalez; FPPC No. 16/19719.** Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Albert Gonzalez is a candidate for the Santa Clara Unified School District Governing Board in Santa Clara County on the November 8, 2016 General Election ballot. Albert Gonzalez for School Board 2016 is his candidate controlled committee. The Committee and Gonzalez failed to timely file a pre-election statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$251.**
- 31. In the Matter of Committee to Elect Rachel Perez Trustee, Rachel Perez and Lucy Olivares, Treasurer; FPPC No. 16/19710.** Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Rachel Perez is a candidate for the Gavilan Joint Community College Board of Trustees on the November 8, 2016 General Election ballot. Elect Rachel Perez Trustee is her candidate controlled committee. The Committee and Perez failed to timely file a pre-election statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$233.**
- 32. In the Matter of Friends of Isabel Machado for SCUD Board 2016 and Isabel Machado; FPPC No. 16/19668.** Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Isabel Machado is a candidate for Clovis Unified School District Board of Trustees, on the November 8, 2016 General Election ballot in the City of Fresno. Friends of Isabel Machado for SCUD Board 2016 is her

candidate controlled committee. The Committee and Machado failed to timely file a pre-election statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$217.**

33. In the Matter of Committee to Elect Richard Caglia SCCC School Board 2012, Richard Caglia and Don Milligan; FPPC No. 16/19656. Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Richard Caglia is a candidate for the State Center Community College District Board of Education on the November 8, 2016 General Election ballot in the City of Fresno. Committee to Elect Richard Caglia SCCC School Board 2012 is his candidate controlled committee. Milligan is the committee treasurer. The Committee and Milligan failed to timely file a pre-election statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$214.**

34. In the Matter of Garlenia Davis for Council District 2 - 2016 and Garlenia Davis; FPPC No. 16/19704. Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Garlenia Davis is a candidate for Palmdale City Council on the November 8, 2016 General Election ballot. Garlenia Davis for Council District 2 – 2016 is her candidate controlled committee. The Committee and Davis failed to timely file a pre-election statement, in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$201.**

35. In the Matter of Grasty for Eastside School Board, Derek Grasty and Tony Corrales, Treasurer; FPPC No. 16/19718. Staff: Chief of Enforcement Galena West and Staff Services Analyst Katie Trumbly. Derek Grasty is a candidate for the Eastside Union High School Governing Board in Santa Clara County on the November 8, 2016 General Election. Grasty for Eastside School Board 2016 is his candidate controlled committee. The Committee and Grasty failed to timely file a pre-election statement in violation of Government Code Section 84200.5 (1 count). **Total Proposed Penalty: \$200.**

Annual Fees

36. In the Matter of Committee to Elect Jill Hardy; FPPC No. 16/635. Staff: Commission Counsel Toren Lewis. Jill Hardy is a member of the Huntington Beach City Council. Committee to Elect Jill Hardy is her candidate controlled committee. The committee and Hardy failed to pay the 2014, 2015, and 2016 \$50 annual fees to the Secretary of State's Office, in violation of Government Code Section 84101.5 (3 counts). **Total Proposed Penalty: \$600.**

General Items (37-39)

37. Disgorgement of Laundered Campaign Contributions (No Action, Informational Item) - In the Matter of AB&I Foundry, a Division of McWane, Inc.; FPPC No. 15/74. Staff: Senior Commission Counsel Neal Bucknell and Special Investigator Jeffrey Kamigaki. On July 21, 2016, the Commission approved a stipulation in the Matter of AB&I Foundry, a Division of McWane, Inc. (FPPC Case No. 15/74). The Commission imposed a penalty in the amount of \$100,000 for 20 counts of campaign money laundering, in violation of Government Code Section 84301. One of the recipients of these laundered campaign contributions was Desley Brooks who ran for Oakland City Council in 2014. After the settlement, and pursuant to Government Code Section 85701, the Enforcement Division contacted Brooks regarding her committee's duty to pay \$2,100 to the General Fund of the State of California, as this was the total amount of laundered campaign contributions that were received by her committee. Her full payment has been received. The funds will be turned over to the General Fund of the State of California in connection with the complete resolution of this matter.

38. Biennial Cost of Living Adjustments (COLA) to Statutory Limits stated in the Political Reform Act. Amend Regulations 18544, 18545, 18700, 18730, and 18940.2 Staff: General Counsel Hyla Wagner and Commission Counsel Karen Harrison. Government Code sections 83124, 85316, and 89503 charge the Commission with making cost of living adjustments to reflect changes in the Consumer Price Index (CPI), in January of every odd-numbered year, to the following statutory limits:

- Contribution limits and voluntary expenditure ceilings applicable to candidates for elective state office (sections 85301, 85302, 85303, and 85400; Regulation 18545),
- State Officeholder account contribution limits (section 85316(b); Regulation 18545), and
- Gift limit (section 89503; Regulations 18700, 18730 and 18940.2).

Staff proposes amendments to the regulations listed above to update the limitation amounts as required by the Act.

39. Adoption of the 2016/17 Statement of Economic Interests, Form 700 and related documents. Staff: Tara Stock, External Affairs and Education Division Manager. Forms and related documents have been revised to reflect current dates and filing deadlines as well as to clarify existing information.

Executive Staff Reports Item 40

40. Executive Staff Reports.

Enforcement Division. Galena West, Enforcement Chief

Legal Division. Hyla P. Wagner, General Counsel

External Affairs and Education. Tara Stock, Manager