



## **NOTICE AND AGENDA Commission Meeting<sup>1</sup>**

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

Thursday, March 17, 2016  
10:00 A.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.

### **Approval of Commission Minutes**

- 2. Approval of February 2016 Commission Hearing Minutes.**

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<sup>1</sup>You 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](mailto:CommAsst@fppc.ca.gov).

The agenda and related documents are posted on the FPPC website at [www.fppc.ca.gov](http://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](mailto: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.

## Consent Calendar 3 – 28

### **Illegal Campaign Committee Coordination**

- 3. In the Matter of Patrick J. Furey, Pat Furey for Mayor 2014, Torrance Voters PAC to Support Pat Furey for Mayor 2014, Richard Roesch, and Tina McKinnor; FPPC Case No. 14/1118.** Staff: Senior Commission Counsel Neal Bucknell and Special Investigator Paul Rasey. Patrick J. Furey was a successful candidate for Mayor of Torrance in the June 3, 2014 Primary Election. Pat Furey for Mayor 2014 was his candidate controlled committee. Torrance Voters PAC to Support Pat Furey for Mayor 2014 was a recipient committee, which was wholly funded by McCormick Ambulance and the Torrance Firefighters PAC. The principal officer and the treasurer of Torrance Voters PAC were Richard Roesch and Tina McKinnor. Also, Roesch was President of McCormick Ambulance. On or about May 13 and 17, 2014, Torrance Voters PAC made non-monetary contributions to the Furey campaign totaling approximately \$35,000. These payments were improperly reported by the PAC as independent expenditures. Roesch, McKinnor, and the PAC were required to report the making of these contributions by filing a Form 497 within 24 hours of making each contribution, and they were required to report the contributions on a preelection campaign statement filed for the period ending May 17, 2014, but they failed to do so, in violation of Government Code Sections 84203, subdivisions (a) and (b) (2 counts); and 84211, subdivisions (b), (i), and (k) (1 count). Furey and his committee were required to report receipt of the contributions by filing a Form 497 within 48 hours of each contribution, and they were required to report the contributions on a preelection campaign statement filed for the period ending May 17, 2014, but they failed to do so, in violation of Government Code Sections 84203, subdivisions (a) and (b), and 84203.3, subdivision (b) (2 counts); as well as Section 84211, subdivisions (a), (c), and (f) (1 count). Also, on campaign statements filed for the periods ending May 17, 2014 and June 30, 2014, Roesch, McKinnor, and the PAC failed to report required information about payments to subvendors, in violation of Government Code Sections 84211, subdivision (k), and 84303 (1 count). Additionally, on campaign statements filed for the periods ending March 17, 2014 and May 17, 2014, Furey and his committee failed to report information regarding payments made to subvendors, in violation of Government Code Section 84211, subdivision (k), and 84303 (1 count). **Total Proposed Penalty: \$35,000.**

### **Laundered Campaign Contributions**

- 4. In the Matter of Stanislaus Republican Central Committee (State Acct.), and Gary McKinsey; FPPC No. 16/178.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Jeffrey Kamigaki. Stanislaus Republican Central Committee (State Acct.), also known as Stanislaus County Republican Party (SCRCP), was a political party

committee located in Modesto, CA. Gary McKinsey was the treasurer for SCRP. Anthony A. “Tony” Strickland served in the California Legislature for ten years. Strickland was an unsuccessful candidate for California State Controller in the November 2, 2010 General Election. Strickland for Controller 2010 was Strickland’s candidate controlled committee. In 2010, SCRP made a \$20,000 contribution to Strickland for Controller. However SCRP was not the true source of the contribution, and the true sources of the contribution were concealed. The parties violated the Act as follows: SCRP and McKinsey, while acting as the intermediary for two persons, failed to disclose both the intermediary and the original contributor information for \$20,000 in contributions from the persons in violation of Government Code Section 84302 (1 count); and filed an erroneous campaign statement for the reporting period of October 17, 2010 through November 20, 2010, which failed to disclose the true source by erroneously reporting that SCRP made \$20,000 in contributions to Strickland for Controller, when it was not the true source of the contributions and was the intermediary for the transactions, in violation of Government Code Section 84211, subdivision (k) (1 count). **Total Proposed Penalty: \$10,000.**

### **Mass Mailings**

- 5. In the Matter of Phillips 66; FPPC No. 16/111.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Special Investigator Simon Russell. Phillips 66 is a corporation based in Houston, Texas. Phillips 66 owned and operated an oil and gas terminal in the City of Rialto. Prior to the 2012 General Election in Rialto, Phillips 66 paid for and caused to be sent a mass mailing opposing Measure V, a proposed tax increase on oil companies operating in Rialto, which failed to display required sender identification and instead identified a general purpose committee, Californians for Good Schools and Good Jobs, as the sender, in violation of Government Code Section 84305, subdivision (a), and California Code of Regulations, title 2, section 18435, subdivision (d) (2 counts). In addition, Phillips 66 failed to timely disclose costs associated with those mass mailings on a semiannual campaign statement, in violation of Government Code Section 84211, subdivision (k) (1 count) and failed to timely disclose late independent expenditures, in violation of Government Code Section 84204, subdivision (a) (1 count). **Total Proposed Penalty: \$16,000.**

## Campaign Reporting

- 6. In the Matter of Patricia López, Patty López for Assembly 2014, and Carolina Perez; FPPC Nos. 15/313 and 15/314.** Staff: Senior Commission Counsel Angela Brereton, Special Investigator Paul Rasey, and Program Specialist Soni Mangat. Patricia López was a successful candidate for Assembly District 39 in the June 3, 2014 Primary Election, and in the November 4, 2014 General Election. Patty López for Assembly 2014 was her candidate controlled committee. At all relevant times, Carolina Perez was the treasurer of the Committee. López, Patty López for Assembly 2014, and Perez failed to timely file one semiannual campaign statement and two preelection campaign statements for reporting periods in 2014 by the applicable due dates, in violation of Government Code Sections 84200, subdivision (a), 84200.5, subdivision (a), and 84200.7, subdivision (b) (1 count); failed to deposit contributions into a single, designated campaign bank account prior to expenditure, in violation of Government Code Sections 85201, subdivisions (c) and (e) (1 count); received cash contributions of \$100 or more totaling approximately \$1,300, and made cash expenditures of \$100 or more, totaling approximately \$1,220, in violation of Government Code Section 84300, subdivisions (a) and (b) (1 count); failed to maintain supporting records for contributions and loans received and expenditures made, in violation of Government Code Section 84104 (1 count); López failed to disclose required economic interests of real property and income in her Candidate Statement of Economic Interests, in violation of Government Code Sections 87206 and 87207 (1 count). **Total Proposed Penalty: \$7,500.**
  
- 7. In the Matter of Kenneth Hughey, Hughey 4 Judge 2012, and Harbor Financial Services, Inc.; FPPC Case Nos. 14/601 and 14/1318.** Staff: Senior Commission Counsel Neal Bucknell, Commission Counsel Milad Dalju, and Program Specialist Soni Mangat. This matter arose from an audit performed by the Political Reform Audit Program of the Franchise Tax Board. In 2012, Kenneth Hughey was an unsuccessful candidate for Los Angeles County Superior Court Judge. His controlled committee was Hughey 4 Judge 2012. Harbor Financial Services, Inc. qualified as a major donor committee in support of Hughey's candidacy. Harbor Financial Services made a loan to Hughey in the amount of \$50,000 for political purposes. Hughey deposited the check into his business account and then wrote a check in the same amount to his controlled committee. On or about March 22, 2012, Hughey filed a preelection campaign statement on behalf of Hughey 4 Judge 2012. The loan was disclosed on the filing, but instead of reporting that the true source of the loan was Harbor Financial Services, the loan was disclosed as a personal loan from Hughey to his own committee. No mention was made of Harbor Financial Services, in violation of Government Code Sections 84211, subdivisions (f) and (g), and 84216 (1 count). Also, Harbor Financial Services failed to file a major donor semiannual campaign statement for the reporting period of January 1,

2012 through June 30, 2012, in violation of Government Code Section 84200, subdivision (b) (1 count). **Total Proposed Penalty: \$6,500.**

- 8. In the Matter of Barry Chang, Barry Chang for City Council 2014, Sue Chang, Barry Chang for Assembly 2014, and John Bartas; FPPC No. 14/1275.** Staff: Senior Commission Counsel Zachary W. Norton and Special Investigator Jay Martin. Barry Chang was a successful candidate for re-election to the Cupertino City Council in the November 4, 2014 General Election. Barry Chang also ran unsuccessfully for Assembly in the June 3, 2014 Primary Election. Barry Chang, Barry Chang for City Council 2014, and Sue Chang failed to disclose on campaign statements 160 contributions received totaling \$24,280 and occupation and employer information for approximately 35 individual contributors, in violation of Government Code Section 84211, subdivisions (a), (c), and (f) (1 count), and Barry Chang, Barry Chang for Assembly 2014, and John Bartas failed to disclose on campaign statements occupation and employer information for approximately 231 individual contributors, in violation of Government Code Section 84211, subdivision (f) (1 count). **Total Proposed Penalty: \$3,500.**

#### **Campaign Non-Filer**

- 9. In the Matter of Vallejo Citizens Deserve Better and Richard Grant; FPPC No. 13/1132. (Default Decision)** Staff: Senior Commission Counsel Bridgette Castillo, Commission Counsel Tanya Smith, and Special Investigator Jeffrey Kamigaki. Richard Grant and his primarily formed committee, Vallejo Citizens Deserve Better, opposed three Vallejo City Council candidates running in the November 5, 2013 General Election. Grant and Vallejo Citizens Deserve Better failed to: file a late independent expenditure report by October 17, 2013, in violation of Government Code Section 84204 (1 count); timely file a semiannual campaign statement for the period October 20, 2013 through December 31, 2013, in violation of Government Code Section 84200 (1 count); and file a semiannual campaign statement for the period of January 1, 2014 through June 30, 2014, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$11,500.**

- 10. In the Matter of John Brosnan and John Brosnan for District 3 Supervisor 2014; FPPC No. 14/1387.** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Paul Rasey. John Brosnan was a successful candidate in the June 3, 2014 Primary Election and an unsuccessful candidate in the November 4, 2014 General Election for Lake County Supervisor. John Brosnan for District 3 Supervisor 2014 was Brosnan's candidate controlled committee. At all relevant times, Brosnan was treasurer of the Committee. Brosnan and the Committee failed to file four preelection campaign

statements and one semiannual campaign statement by the applicable due dates in 2014, in violation of Government Code Sections 84200, subdivision (a), 84200.5, subdivision (a), and 84200.7, subdivisions (a) and (b) (1 count); and received cash contributions of \$100 or more totaling \$5,000, in violation of Government Code Section 84300, subdivision (a) (1 count). **Total Proposed Penalty: \$4,000.**

**11. In the Matter of California Society of Enrolled Agents Political Action Committee, Cap Porterfield and Don Stacy; FPPC No. 14/1361.** Staff: Senior Commission Counsel Bridgette Castillo. California Society of Enrolled Agents Political Action Committee is a state general purpose committee. Cap Porterfield was the committee treasurer from August 1, 2011 through August 2, 2012. Don Stacy was the committee treasurer from August 3, 2012 through July 21, 2013. California Society of Enrolled Agents Political Action Committee and Porterfield failed to file a preelection campaign statement for the reporting period of January 1, 2012, through March 17, 2012, and the committee and Stacy failed to file a preelection campaign statement for the reporting period of July 1, 2012 through September 30, 2012, in violation of Government Code Sections 84200.5 and 84200.7, subdivision (a)(1) and (b)(1) (1 count). **Total Proposed Penalty: \$2,500.**

**12. In the Matter of Mike Boudreaux and Friends of Mike Boudreaux for Sheriff 2014; FPPC No. 15/1312.** Staff: Commission Counsel Zachary W. Norton and Program Specialist Patricia Ballantyne. Mike Boudreaux was a successful candidate for Tulare County Sherriff in the June 3, 2014 Primary Election, and Friends of Mike Boudreaux for Sheriff 2014 was his candidate controlled committee. Mike Boudreaux and Friends of Mike Boudreaux for Sheriff 2014 failed to file five 24-hour reports, in violation of Government Code Section 84203 (5 counts). **Total Proposed Penalty: \$1,068.**

**13. In the Matter of Salvador Contreras and Committee to Elect Salvador Contreras to City Treasurer – 2011; FPPC No. 13/1142.** Staff: Senior Commission Counsel Angela Brereton and Political Reform Consultant Teri Rindahl. Salvador Contreras was a successful candidate for Maywood City Treasurer in the November 8, 2011 General Election. He unsuccessfully ran for re-election to the same office in the November 3, 2011 General Election. Committee to Elect Contreras to City Treasurer – 2011 was Contreras' controlled committee and he was its treasurer. Contreras and Committee to Elect Salvador Contreras to City Treasurer - 2011 failed to timely file two semiannual campaign statements for the reporting periods of October 23, 2011 through December 31, 2011, and January 1, 2012 through June 30, 2012, in violation of Government Code Section 84200 (2 counts). **Total Proposed Penalty: \$423.**

**14. In the Matter of Sonoma County Law Enforcement Association PAC and Damian Evans, Treasurer; FPPC No. 15/2262.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents Sonoma County Law Enforcement Association PAC and Damian Evans as Treasurer failed to timely file one semiannual statement Form 460 covering the period of October 19, 2014 through December 31, 2014, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$271.**

**15. In the Matter of Friends of Saugus Schools – Yes on EE and Louis G. Varga, Treasurer; FPPC No. 15/1621.** Staff: Political Reform Consultant Jeanette Turvill. Friends of Saugus Schools, Yes on EE, was a primarily formed local ballot measure committee. Measure EE was on the ballot at the November 4, 2014 General Election. Friends of Saugus Schools – Yes on EE and Varga, failed to timely file a semiannual campaign statement for the reporting period of January 1, 2015 through June 30, 2015, in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$200.**

### **Lobbying Reporting**

**16. In the Matter of California-Hawaii State Conference of the NAACP; FPPC No. 14/1350.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Sean Creadick. California-Hawaii State Conference of the NAACP is a lobbyist employer who failed to timely file three lobbyist employer reports for the reporting periods of October 1, 2013 through December 31, 2013, April 1, 2014 through June 30, 2014, and October 1, 2014 through December 31, 2014, in violation of Government Code Sections 86115, 86116, and 86117 (3 counts). **Total Proposed Penalty: \$3,000.**

**17. In the Matter of Stoneriver Pharmacy Solutions; FPPC No. 14/1081.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Sean Creadick. Helios/Stoneriver Pharmacy Solutions is a lobbyist employer formed on January 1, 2013. Helios/Stoneriver Pharmacy Solutions failed to timely file two lobbyist employer reports for the reporting periods of January 1, 2014 through March 31, 2014, and October 1, 2014 through December 31, 2014, in violation of Government Code Section 86115 (2 counts). **Total Proposed Penalty: \$799.**

### **Statement of Economic Interests – Non-Filer**

**18. In the Matter of Jose Molina; FPPC No. 14/1328.** Staff: Assistant Chief of Enforcement Dave Bainbridge and Law Clerk Sean Creadick. Jose Molina, a former Alternate Commissioner of the Los Angeles Gateway Region Integrated Regional Water Management Authority, failed to timely file a 2013 Annual Statement of Economic

Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**19. In the Matter of Logan Carnell, FPPC No. 15/1203.** Staff: Political Reform Consultant Adrienne Korchmaros. Logan Carnell, as a Board Member on the North Tahoe Fire Protection District, failed to timely file an Assuming Office Statement of Economic Interests covering the period of January 1, 2014 through January 1, 2015, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**20. In the Matter of Frank Chavez; FPPC No. 16/028.** Staff: Political Reform Consultant Teri Rindahl. Frank Chavez, as a Member with the Santa Clara County Alum Rock Union Elementary School District, failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

**21. In the Matter of David Schwarz; FPPC No. 15/1584.** Staff: Political Reform Consultant Teri Rindahl. David Schwarz, as a Commissioner with the Little Hoover Commission, failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$300.**

**22. In the Matter of Mary Bartlett; FPPC No. 16/051.** Staff: Political Reform Consultant Teri Rindahl. Mary Bartlett, as a Board Member with the Santa Clara County Fairgrounds Management Corporation, failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

#### **Annual Fee**

**23. In the Matter of Esterlina Lugo for City Council; FPPC No. 15/822** Staff: Commission Counsel Michael W. Hamilton. Esterlina Lugo, candidate for City Council member of Bell Gardens, failed to pay the 2013 \$50 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Total Proposed Penalty: \$200.**

**24. In the Matter of Sachs for City Council 2014 and Ed Sachs, Treasurer; FPPC No. 15/2143** Staff: Commission Counsel Michael W. Hamilton. Ed Sachs, candidate for Mission Viejo City Council, failed to pay the 2014 \$50 annual fee to the Secretary of



State's Office, in violation of Government Code Section 84101.5. **Total Proposed Penalty: \$200.**

**25. In the Matter of Asian Pacific American Democratic Club and James Lau, Treasurer; FPPC 15/2146** Staff: Commission Counsel Michael W. Hamilton. Asian Pacific American Democratic Club, a state general purpose committee, and James Lau failed to pay the 2014 \$50 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Total Proposed Penalty: \$200.**

**26. In the Matter of Mario Chavez for L.A. City Council 2015 and Michelle Moore Sanders, Treasurer; FPPC No. 15/2177.** Staff: Senior Commission Counsel Bridgette Castillo. Mario Chavez, an unsuccessful candidate for L.A. City Council, Mario Chavez for L.A. City Council 2015 and Michelle Moore Sanders failed to pay the 2014 \$50 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Total Proposed Penalty: \$200.**

**27. In the Matter of Juli Costanzo for San Gabriel City Council 2015 and Cheryl Weissend, Treasurer; FPPC No. 15/2261** Staff: Commission Counsel Michael W. Hamilton. Juli Costanzo, candidate for San Gabriel City Council, and Cheryl Weissend failed to pay the 2014 \$50 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Total Proposed Penalty: \$200.**

**28. In the Matter of Ron Rowlett for City Council 2012 and Ben Espinoza, Treasurer; FPPC No. 15/2270** Staff: Commission Counsel Michael W. Hamilton. Ron Rowlett, member of the Vacaville City Council, and Ben Espinoza failed to pay the 2014 \$50 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Total Proposed Penalty: \$200.**

#### **General Items 29-31**

**29. Assignment of Hearing to Administrative Law Judge (ALJ): In the Matter of Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren; FPPC No. 14/1109.** Staff: Chief of Enforcement Galena West and Senior Commission Counsel Angela Brereton. The Executive Director and the Chief of Enforcement are recommending that a hearing be conducted before an ALJ pursuant to Section 11512, subdivision (a). The ALJ will make a recommendation to the Commission on the findings of fact, law and penalty, if applicable, in the matter. The Commission will then have the opportunity to make the

final determination on the case. If the Commission agrees with this recommendation, no action is required.

- 30. Amend Regulation 18239, Lobbying Definition: Ride-Along Exception** Staff: Hyla Wagner, General Counsel, and Heather Rowan, Senior Commission Counsel. Staff proposes that the Commission amend Regulation 18239. A lobbyist is defined as any individual who receives \$2,000 or more in a calendar month or whose principal duties as an employee are to communicate directly with a qualifying official to influence legislative or administrative action. Regulation 18239 provides an exception, known as the ride-along exception, to what activity qualifies as “direct communication” and therefore who qualifies as a lobbyist. The proposed amendments seek to curb potential abuses by clarifying this narrow exception applies only to employees who are subject matter experts who attend meetings with a lobbyist to add substantive information on a particular issue.
- 31. Legislative Update for March 2016.** Staff: Phillip Ung, Legislative and External Affairs Director. The Legislature began the second year of the 2015-2016 session on January 4, 2016. This report includes a summary of the 24 bills and one constitutional amendment currently pending that would impact the Political Reform Act and Government Code Section 1090.

**Executive Staff Reports Item 32**

- 32. Executive Staff Reports.**  
Enforcement Division. Galena West, Enforcement Chief  
Legal Division. Hyla P. Wagner, General Counsel  
External Affairs and Education. Tara Stock, Manager