

NOTICE AND AGENDA Commission Meeting¹

California Fair Political Practices Commission 1102 Q Street, Suite 3800 Sacramento, CA 95811

> Thursday, November 21, 2024 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. Members of the public may listen to the meeting by phone by calling (669) 444-9171; meeting ID 9856036268; or watch the meeting via Webinar at <u>YouTube</u>. To participate in real time, visit <u>http://mediasite.fppc.ca.gov/</u> or call (669) 444-9171; meeting ID 9856036268.

To view the new procedure to participate by telephone, visit our public comment page.

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), <u>CommAsst@fppc.ca.gov</u> (e-mail) and <u>ADACoordinator@fppc.ca.gov</u>. 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.

The Commission may take action on any item listed on this agenda.

Welcome

Adam E. Silver, Chair

Public Comment

1. Public Comment for Items not on Agenda. During this comment period, any person is invited to speak on any topic that is not listed on this agenda. Action may not be taken on any matter raised during this public comment period until the matter is specifically listed on a future agenda. Those who wish to comment on an item that has been listed on this agenda may comment when that item has been opened for consideration by the Commission and before any action is taken.

¹You can obtain further information about the meeting by contacting the Commission Assistant, 1102 Q Street, Suite 3050, Sacramento, CA, 95811, 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 <u>CommAsst@fppc.ca.gov</u>. To participate in real time, visit <u>http://mediasite.fppc.ca.gov/</u>.

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

Approval of Commission Minutes

2. Approval of October 2024 Commission Meeting Minutes.

Consent Calendar 3-16

Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be removed from consent, in which case it will be discussed separately in the meeting.

3. Adoption of the 2024/2025 Statement of Economic Interests, Form 700. Staff: Chloe Hackert, Manager, Education and External Affairs Unit, Legal Division. Forms and related documents have been revised to reflect relevant dates, filing deadlines, updated gift limit, and resulting changes from the passage of recent legislation. The Commission will consider the revised forms for adoption.

Staff Memo Form 700 Form 700 Amendments Form 700-A Form 700-U Form 700 FAQ Reference Pamphlet

4. Adoption of Proposed Form 463, Report of Security Expenses. Staff: Chloe Hackert, Manager, Education & External Affairs Unit, Legal Division. Staff presents proposed Form 463 for the disclosure of specified information that documents, under penalty of perjury, the threat or potential threat that necessitated the expenditures of campaign funds for security purposes, as required by legislation effective September 22, 2024. The Commission will consider the proposed form for adoption.

Staff Memo Draft Form 463

Behested Payment

5. In the Matter of Newsom for Governor 2018 and Gavin Newsom; FPPC Nos. 21/299 and 21/644. Staff: Marissa Corona, Senior Commission Counsel. Respondents were represented by Tom Willis of Olson Remcho LLP. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Gavin Newsom was a successful candidate for Governor of California in the November 6, 2018 General Election. Newsom for Governor 2018 was Newsom's candidate-controlled committee. The Committee and Newsom failed to timely report subvendor payments on a pre-election campaign statement, in violation of Government Code Sections 84303, and 84211, subdivision (k) (1 count). Between 2019 and 2024, Newsom failed to timely file behested payment reports from various payors, in violation of Government Code Section 84224 (7 counts). Total Proposed Penalty \$13,000.

Campaign Bank Account

6. In the Matter of Steve Grasha for Mission Springs Water District 2018, Steve Grasha for Desert Water Agency 2022, and Steve Grasha; FPPC No. 18/1268. Staff: Marissa Corona, Senior Commission Counsel and Ann Flaherty, Special Investigator. Steve Grasha was a successful candidate for Mission Springs Water District Board of Directors in the November 6, 2018 and November 8, 2022 General Elections. Steve Grasha for Mission Springs Water District 2018 (the "2018 Committee") and Steve Grasha for Desert Water Agency 2022 (the "2022 Committee") were Grasha's candidate-controlled committee. The 2018 Committee and Grasha failed to timely file five 24-Hour Reports, in violation of Government Code Section 84203 (1 count); two pre-elections 84200.5, 84200.8, and 84200 (1 count). The 2018 Committee also failed to establish a designated campaign bank account, in

violation of Government Code Section 85201 (1 count), and include the proper advertisement disclosure on mass emails, in violation of Government Code Section 84305, subdivision (c)(1) (1 count). The 2022 Committee and Grasha failed to timely file four 24-Hour Reports, in violation Government Code Section 84203 (1 count), two pre-election campaign statements and one semi-annual campaign statement, in violation of Government Code Sections 84200.5, 84200.8, and 84200 **Total Proposed Penalty: \$20,000.**

Conflicts of Interest

- 7. In the Matter of Armando Jaramillo; FPPC No. 19/419. Staff: Bridgette Castillo, Senior Commission Counsel and George Aradi, Special Investigator. Armando Jaramillo was a public official as a former Systems Integration Analyst for the Imperial County Office of Education ("ICOE") for purposes of Government Code Section 1090. Jaramillo participated in making six contracts between ICOE and Pixabytes Solutions, Inc., a business owned by Jaramillo, in violation of Government Code Section 1090 (3 counts). Total Proposed Penalty: \$15,000.
- 8. In the Matter of Yu Meng aka Ben Meng; FPPC No. 20/629. Staff: Angela Brereton, Assistant Enforcement Chief, and Alethea Perez, Special Investigator. Meng was represented by Jennie Unger Skelton of Politicom Law LLP. Meng, as Chief Investment Officer for the California Public Employees' Retirement System (CalPERS), made two governmental decisions that had a reasonably foreseeable material financial effect on Meng's financial interest, The Blackstone Group Inc., in violation of Government Code section 87100 (2 counts). Total Proposed Penalty: \$10,000.
- **9.** In the Matter of Lynda Hopkins; FPPC No. 22/207. Staff: Jenna C. Rinehart, Senior Commission Counsel, and George Aradi, Special Investigator. Lynda Hopkins, a member of the Sonoma County Board of Supervisors, representing District 5, made a governmental decision that had a reasonably foreseeable material financial effect on a source of income financial interest, in violation of Government Code Section 87100 (1 count). Total Proposed Penalty: \$3,000.

Advertisements

10. In the Matter of Safe & Affordable San Francisco; Voters for a Real Change, Opposing Mark Leno for Mayor 2018; Tony Winnicker; Kim Lutz; Derek Jansen; Sonia Hidalgo; and Robb Birkhead; FPPC No. 18/341. Staff: Neal Bucknell, Senior Commission Counsel and Ann Flaherty, Special Investigator. Respondents are represented by Tom Willis of Olson Remcho LLP. In 2018, Safe & Affordable San Francisco (the SASF PAC) qualified as a city general purpose committee. Kim Lutz was the SASF PAC treasurer, and Derek Jansen was a principal officer of the SASF PAC. That same year, Voters for a Real Change, Opposing Mark Leno for Mayor 2018 (the VFRC PAC) qualified as a committee primarily formed to oppose Mark Leno for Mayor of San Francisco in the special mayoral election held June 5, 2018. Sonia Hidalgo was the VFRC PAC treasurer, and Robb Birkhead was a principal officer of the VFRC PAC. Tony Winnicker was an advisor/fundraiser for the SASF PAC and also an advisor to the VFRC PAC. In this matter, the SASF PAC, Lutz, and Jansen: failed to file required 24-Hour Reports with the San Francisco Ethics Commission (SF Ethics), in violation of Government Code Section 84203 (1 count); failed to timely file a Statement of Organization with SF Ethics, in violation of Government Code Section 84101, subdivision (a) (1 count); and failed to timely file a pre-election campaign statement with SF Ethics for the reporting period ending May 19, 2018, in violation of Government Code Section 84200.5, subdivision (e) (1 count). The VFRC PAC, Hidalgo, Winnicker, and Birkhead failed to timely file a Statement of Organization with SF Ethics, in violation of Government Code Section 84101, subdivision (a) (1 count). Additionally, Winnicker, the VFRC PAC, the SASF PAC, Birkhead, Lutz, and Jansen avoided required top contributor advertising disclosures, in violation of Government Code Section 84505, subdivision (a) (2 counts). Total Proposed Penalty: \$18.000.

Mass Mailings at Public Expense

11. In the Matter of Poway Unified School District; FPPC No. 20/350. Staff Alex Rose, Senior Commission Counsel and George Aradi, Special Investigator. The respondent was represented by William B. Tunick of Dannis Woliver Kelley. On October 4, 2019, the District sent a prohibited campaign-related mass mailing at public expense, in violation of Government Code Section 89001 and Regulation 18901.1 (1 count), and failed to include the proper advertising disclosures on the mass mailing, in violation of Government Code Sections 84502 and 84504.2 (1 count). The District also failed to timely file a semi-annual campaign statement for the period ending December 31, 2019, in violation of Government Code Section 84200, subdivision (b) (1 count). Total Proposed Penalty: \$13,500.

Campaign Late Filer

- 12. In the Matter of AIDS Healthcare Foundation, Yes on 21 Renters and Homeowners United to Keep Families in Their Homes, Sponsored by AIDS Healthcare Foundation, and Beverly Grossman Palmer; FPPC Nos. 20/338, 20/759, 20/760, & 20/818. Staff: Jenna Rinehart, Senior Commission Counsel, Paul Rasey, Special Investigator. The AIDS Healthcare Foundation ("AHF") is represented by Bradley W. Hertz of Law Offices of Bradley W. Hertz and the Yes on 21 Committee is represented by Beverly Grossman Palmer of Strumwasser & Woocher LLP. AHF, qualified as a lobbyist employer in 2019 and as a state major donor committee in 2020. The Yes on 21 Committee is a primarily formed state ballot measure committee for Proposition 21 on the November 3, 2020 General Election ballot sponsored by AHF. Palmer serves as the Yes on 21 Committee's treasurer. AHF, as a lobbyist employer, failed to timely disclose, on its lobbyist employer reports, other payments to influence, in violation of Government Code Sections 86116 and 86117 (2 counts). Next, AHF, as a major donor committee, failed to timely disclose, on a major donor campaign statement, non-monetary contributions made along with the payee information and source of funds used, in violation of Government Code Sections 84211 and 84222 (1 count). Additionally, AHF failed to timely disclose non-monetary contributions made and failed to timely file 24-Hour Reports, in violation of Government Code Sections 84211 and 84203 (1 count). The Yes on 21 Committee and Palmer failed to timely file 10-day reports, in violation of Government Code Section 85309 (1 count), and failed to timely file 24-Hour Reports, in violation of Government Code Sections 85309, 84203, and 84203.3 (4 counts). Total Proposed Penalty: \$27,000.
- 13. In the Matter of Karen Paz Dominguez, Karen Paz Dominguez for Auditor-Controller 2018, and Re-Elect Karen Paz Dominguez for Auditor Controller 2022; FPPC No. 19/1534. Staff: Cinthya Bernabé, Commission Counsel. Karen Paz Dominguez was a successful candidate for Auditor-Controller of Humbolt County in the June 5, 2018 election, and an unsuccessful candidate in the June 7, 2022 re-election. Karen Paz Dominguez for Auditor-Controller 2018 and Re-Elect Karen Paz Dominguez for Auditor-Controller 2022 were Dominguez's candidate-controlled committees. The Committee and Dominguez failed to timely file nine semi-annual campaign statements, in violation of Government Code Section 84200 (9 counts), two 24-Hour Reports, in violation of Government Code Sections 84200.8 and Regulation 18405 (1 count). Total Proposed Penalty: \$13,000.

Statement of Economic Interests Late Filer

14. In the Matter of Karen Paz Dominguez; FPPC No. 19/1459. Staff: Cinthya Bernabé, Commission Counsel. Karen Paz Dominguez, Auditor-Controller for the County of Humboldt, failed to timely file an Assuming Office, a 2019 Annual, a 2021 Annual, and a Leaving Office Statement of Economic Interest, in violation of Government Code Section 87300 (4 counts). Total Proposed Penalty: \$4,000.

Default Proceedings Default Proceedings Requesting Commission Action

- 15. In the Matter of Sandy Genis for Costa Mesa City Council 2016, Sandy Genis for Costa Mesa Mayor 2018, Sandy Genis for Costa Mesa Mayor 2020, and Sandy Genis; FPPC No. 18/1359. Staff: Marissa Corona, Senior Commission Counsel. Sandy Genis was a successful candidate in the November 8, 2016 General Election, and an unsuccessful candidate in the November 6, 2018 and November 3, 2020 General Elections. Sandy Genis for Costa Mesa City Council 2016 (the "2016 Committee"), Sandy Genis for Costa Mesa Mayor 2018 (the "2018 Committee"), and Sandy Genis for Costa Mesa Mayor 2020 (the "2020 Committee") were Genis' candidate-controlled committees. The 2016 Committee and Genis failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 and 84200.8 (1 count), and eight semi-annual campaign statements in violation of Government Code Section 84200 (5 counts). The 2018 Committee and Genis failed to timely file two pre-election campaign statements, in violation of Government Code Sections 84200.5 and 84200.8 (1 count), and nine semi-annual campaign statements, in violation of Government Code Section 84200 (5 counts). The 2020 Committee and Genis failed to file an amended Statement of Organization, in violation of Government Code Section 84101 (1 count); failed to report contributor information, in violation of Government Code Section 84211 (1 count); failed to timely file two preelection campaign statements, in violation of Government Code Sections 84200.5 and 84200.8 (1 count), and seven semi-annual campaign statements, in violation of Government Code Section 84200 (5 counts). Total Proposed Penalty: \$68,000.
- 16. In the Matter of Miguel Magallanes; FPPC No. 23/211. Staff: Laura Columbel, Commission Counsel. Miguel Magallanes, Planning Commissioner for the City of Filmore, failed to timely file the 2020, 2021, and 2022 Annual Statements of Economic Interests, in violation of Government Code Sections 87200 and 87203 (3 counts). Total Proposed Penalty: \$12,000.

General Items 17-24

17. Prenotice Discussion Biennial Cost of Living Adjustments (COLA) to monetary limits in the Political Reform Act. Proposed Amendments to Regulations 18545, 18700, 19730, 18940.2 Staff Dave Bainbridge, General Counsel and Amanda Apostol, Regulations Coordinator. Government Code sections 83124, 85316, and 89503 obligate the Commission to make cost of living adjustments to reflect changes in the Consumer Price Index (CPI), in January of every odd-numbered year to various monetary limits contained in the Act. Staff proposes amendments to the above listed regulations updating the monetary limits as required by the Act for prenotice discussion.

Staff Memo Proposed Amendments to Regulation 18545 Proposed Amendments to Regulation 18700 Proposed Amendments to Regulation 18730 Proposed Amendments to Regulation 18940.2

18. Adoption of Proposed Amendment of Regulation 18531.2; Refunding of General Election Contributions after Withdrawal of Candidate, and Amendment of Regulation 18537.1; Carry Over of Contributions. Staff: Zachary W. Norton, Senior Commission Counsel. Staff presents for adoption proposed amendments to Regulations 18531.2 and 18537.1 in response to the passage of SB 948.

Staff Memo Proposed Amendments to Regulation 18537.1 Proposed Amendments to Regulation 18531.2 **19.** Adoption of Amendments to Regulation 18703, Public Generally Exception to Conflict of Interest Prohibition Staff: John M. Feser Jr., Senior Commission Counsel, Legal Division. Staff proposes amendments to Regulation 18703 that would add a provision to subdivision (e) to enable consistent application of the public generally exception to decisions concerning a permit, license, or entitlement for use from a government entity primarily responsible for managing an airport or harbor. Staff presented this proposal for pre-notice discussion in September and now presents it for adoption.

Staff Memo Proposed Amendments to Regulation 18703

20. 2024/2025 Fiscal Year First Quarter Expenditure Report. Staff: Jue Wang, Chief of Administration.

First Quarter Expenditure Report

21. Summary of Data and Trends for Donor Advised Fund, Proceeding, and Relationship Disclosure. Staff: Cole Smith, Executive Researcher. Staff presents a report that examines the patterns and trends resulting from the Fair Political Practices Commission's recent adoption of regulations expanding the behested payment reporting requirements. The regulations introduced requirements related to "Donor Advised Fund," "Proceeding," and "Relationship" disclosure and established a protocol for "Good Faith Estimate" reporting. The report summarizes data collected from state and local filings, analyzes reporting trends, and identifies findings of note.

Staff Memo

22. Legislative Update. Staff: Lindsey Nakano, Senior FPPC Legislative Counsel. The Commission will review and discuss potential sponsored and other legislation. The Commission will provide direction on future legislation to be sought by the agency.

Legislative Update

23. Executive Staff Reports.

Enforcement Division. James M. Lindsay, Chief. Audits and Assistance Division. Shrdha Shah, Chief. Legal Division. Dave Bainbridge, General Counsel. Administration and Technology Division. Jue Wang, PhD, Chief. Executive Director Update. Galena West, Executive Director.

Executive Staff Report

24. Commissioner Comments and Proposed Future Agenda Items.

Note: Although any Commissioner may identify a topic of interest, the Commission may not substantially discuss or take action on any matter raised during the meeting that is not included on this agenda, except to decide to place the matter on the agenda of a future meeting. (Government Code Sections 11125 & 11125.7(a).)