



EXECUTIVE STAFF REPORTS

November 17, 2022 Commission Hearing

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I. ENFORCEMENT DIVISION

STAFF: ANGELA BRERETON, CHIEF

A. Overview

During the period of October 1, 2022 through October 31, 2022 the Enforcement Division received 338 complaints, opened 47 for investigation, and rejected 68. Enforcement Division received 357 referrals during this time. The Enforcement Division closed a total of 68 cases including:

- 27 warning letters – advertisement violation (1), behested payment violation (1), campaign violations (14), conflict of interests violation (1), statement of economic interests violations (10);
- 9 no action closure letters: PREP completed – statement of economic interests violations (9);
- 15 no action closure letters alleging – advertisement violation (2), campaign violations (2), conflict of interests violations (3), gift over-the-limit violation (1), lobbying reporting (4), and statement of economic interests violations (3);
- 6 approved stipulations from the September and October Commission meetings;
- 1 approved default from the August Commission meeting;
- 9 committees were administratively terminated;
- And 2 closed as duplicates.

The Division had 1,439 cases in various stages of resolution at the time of the October Monthly Report and currently has approximately 1,422 cases in various stages of resolution, including the 13 cases before the Commission as listed in the November Agenda.

B. Annual Statistics

On the next page, you will find a chart that details the annual statistics for enforcement complaints, referrals and cases. This chart includes the data from 2021, in which the Enforcement Division had a 16% increase in Streamline Penalties compared to 2020 after the Commission updated the Streamline Program regulations with the goal of making the Streamline Program more inclusive. The information in the chart has been gathered from public reports, information from the defunct and inactive database, and data that has been converted into current form, so the numbers are close estimates in some instances.

| | Year | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|---|-------------|-------------|-------------|-------------|-------------|
| 1 | Complaints Received | 564 | 1,352 | 744 | 1,390 | 606 |
| 2 | Referrals Received | 1,616 | 1,529 | 1,950 | 1,518 | 1,751 |
| 3 | Total Complaint and Referrals Received | 2,180 | 2,881 | 2,694 | 2,908 | 2,357 |
| 4 | Cases opened | 1,480 | 1,561 | 1,820 | 1,155 | 1,185 |
| 5 | Cases closed ³ | 1,477 | 1,243 | 1,465 | 1,526 | 1,058 |
| 6 | Cases with penalties ¹ | 340 | 235 | 343 | 278 | 269 |
| | a Streamline cases | 262 | 173 | 263 | 194 | 234 |
| | b Mainline cases | 66 | 56 | 73 | 77 | 32 |
| | c Default cases | 12 | 6 | 7 | 7 | 3 |
| 7 | Total fines imposed | \$1,126,933 | \$499,606 | \$797,384 | \$1,940,107 | \$472,248 |
| 8 | Warning letters issued | 505 | 554 | 584 | 777 | 475 |
| 9 | Administrative terminations | 297 | 177 | 104 | 62 | 59 |
| 10 | Cases closed with violations found ² | 1,142 | 966 | 1,031 | 1,117 | 803 |
| 1 | Advisory letters issued | 17 | 20 | 9 | 7 | 16 |
| 12 | No action closure letters | 318 | 252 | 423 | 402 | 237 |

¹ Total for lines 6a, 6b, and 6c.

² Total for lines 6, 8, and 9.

³ Total cases closed includes Commission approved cases from the previous year and Commission approved administrative judgements. It does not include Commission approved cases not yet closed.

C. Prior Year's Workload – 2022 Quarterly Summary

| Jan-22 | | Apr-22 | |
|-------------|------------------------|-------------|------------------------|
| Year Opened | Existing Case Workload | Year Opened | Existing Case Workload |
| 2015 | 1 | 2015 | 0 |
| 2016 | 12 | 2016 | 10 |
| 2017 | 28 | 2017 | 19 |
| 2018 | 195 | 2018 | 174 |
| 2019 | 287 | 2019 | 268 |
| 2020 | 381 | 2020 | 361 |
| 2021 | 561 | 2021 | 476 |

| Jul-22 | | Oct-22 | | |
|-------------|------------------------|-------------|------------------------|-----------------------------|
| Year Opened | Existing Case Workload | Year Opened | Existing Case Workload | Difference in Case Workload |
| 2015 | 0 | 2015 | 0 | 0 |
| 2016 | 7 | 2016 | 5 | -2 |
| 2017 | 12 | 2017 | 7 | -5 |
| 2018 | 154 | 2018 | 119 | -35 |
| 2019 | 253 | 2019 | 223 | -30 |
| 2020 | 335 | 2020 | 322 | -13 |
| 2021 | 451 | 2021 | 425 | -26 |

D. Presentations

None to Report

E. Unexecuted Streamline Stipulations

Streamline penalty stipulations are approved by the Chief of Enforcement and reported to the Commission for discussion only before they are executed. The following streamline stipulations are presented for that purpose. After the close of the hearing, the Chief of Enforcement may execute all or any of the streamline penalty stipulations, at the Chief's discretion per Regulation 18360.2.

Since the last Monthly Report, the Enforcement Chief has not used discretion to increase the penalties for Tier Two advertising violations resulting in public confusion, under Regulation 18360.3(d)(7)(B)(i)(b), or to increase the penalties for Tier Two violations involving the same candidate, committee, or principal officer who has paid a Tier One penalty to the Commission or received a Warning Letter from the Commission for the same type of violation occurring within the last five years, based on the resulting public harm.

The Enforcement Chief used discretion under Regulation 18360.2 to exclude violations in the following streamline cases presented with this report: In the Matter of Keep Dana Point Friendly, Deanna Slocum, and Jason Colaco; FPPC No. 2018-01242 [Lack of experience or knowledge of the Act's requirements caused multiple violations with minimal public harm that were corrected upon contact, and the Committee raised and spent less than \$10,000]; In the Matter of Nicole Ryan for ECC Board of Trustees 2020 and Nicole Ryan; FPPC No. 2021-00744 [Lack of experience or knowledge of the Act's requirements caused multiple violations with minimal public harm that were corrected upon contact, and the committee raised and spent less than \$10,000]; In the Matter of Mike Juarez for Supervisor 2020 and Mike Juarez; FPPC No. 2020-00221 [The committee raised and spent less than \$10,000 and lack of experience or knowledge of the Acts requirements caused multiple violations with minimal public harm that were corrected upon contact].

Recordkeeping

In the Matter of Perea for Insurance Commissioner 2018, and Henry Perea; FPPC No. 21/897. Staff: Alex Rose, Commission Counsel and Katelin Angeloni, Special Investigator. Henry T. Perea was an unsuccessful candidate for Insurance Commissioner in the June 5, 2020 Primary Election. Perea for Insurance Commissioner 2018 was Perea's candidate-controlled committee. The Committee and Perea failed to maintain bank statements for the two reporting periods ending in December 31, 2017 and March 22, 2018, in violation of Government Code Section 84104 (2 counts). **Total Penalty: \$1,200 (Tier Two).**

Advertisements

In the Matter of Keep Dana Point Friendly, Deanna Slocum, and Jason Colaco; FPPC No. 18/1242. Staff: Alex Rose, Commission Counsel and Ann Flaherty, Special Investigator. Keep Dana Point Friendly is a local independent expenditure committee. Jason Colaco and Deanna Slocum are the Committee's treasurers. The Committee, Slocum, and Colaco failed to timely file a 24-Hour Independent Expenditure Report, in violation of Government Code Section 84204 (1 count). Additionally, the Committee, Slocum, and Colaco failed to include the proper advertising "not authorized" disclosure on yard signs, in violation of Section 84506.5 (1 count). **Total Penalty: \$958 (Tier Two).**

Lobbying Reporting

In the Matter of Dan Gerawan; FPPC No. 19/901. Staff: Alex Rose, Commission Counsel and Lance Hachigian, Special Investigator. The respondent is represented by Bell, McAndrews & Hiltachk, LLP. Dan Gerawan, a lobbyist, failed to timely file one Report of Persons Spending \$5,000 or More to Influence Legislative or Administrative Action, in violation of Government Code Section 86116 (1 count). **Total Penalty: \$296 (Tier One).**

Campaign Late Reporter

In the Matter of Committee to Re-Elect Cardenas for Imperial Irrigation District 2022 – Division 1; Alex Cardenas; and Karina Alvarez; FPPC No. 22/408. Staff: Angela Brereton,

Chief of Enforcement and Ginny Brown, Political Reform Consultant. Alex Cardenas was a successful candidate for Imperial Irrigation District in the June 7, 2022 Primary Election. Committee to Re-Elect Cardenas for Imperial Irrigation District 2022 – Division 1 was Cardenas' candidate-controlled committee, and Karina Alvarez served as treasurer. The Committee, Cardenas, and Alvarez failed to timely disclose contributor and expenditure information on two pre-election campaign statements, in violation of Government Code Section 84211 (2 counts). **Total Penalty: \$491 (Tier One).**

In the Matter of Jared Milrad for City Council 2018, Jared Milrad, and David Gould; FPPC No. 18/255. Staff: Alex Rose, Commission Counsel and Paul Rasey, Special Investigator. Jared Milrad was an unsuccessful candidate for Long Beach City Council in the November 6, 2018 General Election. Jared Milrad for City Council 2018 was Milrad's candidate-controlled committee and David Gould was the treasurer. The Committee, Milrad, and Gould failed to timely disclose expenditures on a semi-annual and a pre-election campaign statement, in violation of Government Code Section 84211 (2 counts). **Total Penalty: \$224 (Tier One).**

In the Matter of John Saunders and John Saunders / Saunders Property Company / London Coin Galleries Wholesale / CoreRealtyHoldings LLC / MV Unisys LLC / General Partners, Inc; FPPC No. 19/1383. Staff: Jenna C. Rinehart, Commission Counsel and Ann Flaherty, Special Investigator. John Saunders / Saunders Property Company / London Coin Galleries Wholesale / CoreRealtyHoldings LLC / MV Unisys LLC / General Partners, Inc, a state major donor committee, and its responsible officer, John Saunders, failed to timely report a candidate's name for which an independent expenditure was made to support, in violation of Government Code Section 84211 (1 count). **Total Penalty: \$146 (Tier One).**

Campaign Late Filer

In the Matter of Nicole Ryan for ECC Board of Trustees 2020, Nicole Ryan; FPPC No. 21/744. Staff: Marissa Nash, Commission Counsel. Nicole Ryan was an unsuccessful candidate for the El Camino Community College District Governing Board in the November 3, 2020 General Election. Nicole Ryan for ECC Board of Trustees 2020 was Ryan's candidate-controlled committee and Ryan served as the Committee's treasurer. The Committee and Ryan failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count). **Total Penalty: \$550. (Tier Two).**

In the Matter of Friends of Joseph R. Passalacqua for Judge 2022, Joseph R. Passalacqua, and Kaylene Hirtzer; FPPC No. 22/567. Staff: Angela Brereton, Chief of Enforcement and Ginny Brown, Political Reform Consultant. Joseph R. Passalacqua was an unsuccessful candidate for Sonoma County Superior Court Judge in the June 7, 2022 Primary Election. Friends of Joseph R. Passalacqua for Judge 2022 was Passalacqua's candidate-controlled committee. Kaylene Hirtzer was the Committee's treasurer. The Committee, Passalacqua, and Hirtzer failed to timely file two 24-Hour Reports, in violation of Government Code Section 84203 (2 count). **Total Penalty: \$430 (Tier One).**

In the Matter of Committee to Elect Mike Juarez for Supervisor 2020, Mike Juarez; FPPC No. 20/221. Staff: Alex Rose, Commission Counsel. Mike Juarez was an unsuccessful candidate

for Riverside County Supervisor in the November 3, 2020 General Election. Committee to Elect Mike Juarez for Supervisor 2020 was Juarez's candidate-controlled committee. The Committee and Juarez failed to timely file a pre-election campaign statement, in violation of Government Code Section 84200.5 (1 counts). **Total Penalty: \$260 (Tier One).**

Statement of Economic Interests Late Filer

In the Matter of Carl Hansen; FPPC No. 22/724. Staff: Angela Brereton, Chief of Enforcement and Ginny Brown, Political Reform Consultant. Carl Hansen, Commissioner of the City of Santa Monica's Housing Commission, failed to timely file a 2020 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Total Penalty: \$200 (Tier One).**

Statement of Economic Interests Late Reporter

In the Matter of James Mercurio; FPPC No. 19/647. Staff: Bridgette Castillo, Senior Commission Counsel and Ann Flaherty, Special Investigator. The respondent is represented by Russell H. Miller, Miller & Olson LLP. James Mercurio is a former designated consultant to the Santa Clara Stadium Authority. Mercurio failed to timely disclose a source of income on the Assuming Office Statement of Economic Interests and the 2018 Annual Statement of Economic Interests, in violation of Government Code Sections 87300 and 87302 (2 counts). **Total Penalty: \$2,000 (Tier Two).**

II. AUDITS AND ASSISTANCE DIVISION

STAFF: SHRDHA SHAH, CHIEF

Audits are conducted per Government Code sections 90000 - 90008 of the Political Reform Act (the Act). The Act requires full disclosure of receipts and expenditures of candidates and committees and disclosure of the finances of lobbyists. The purpose of the audits is to determine the level of compliance of the auditees with the Act. The opinions expressed in the audit report reflect the level of compliance with the Act. The FPPC is not responsible for the contents of the candidate's documents. Audit reports are then submitted to the Enforcement Division for further review.

A. Overview

The audit reports prepared by the FPPC summarize findings with respect to the filer's conformity with the disclosure and recordkeeping requirements of the Political Reform Act. Copies of audit reports are always sent to the auditees and those included in the audit report (such as the prior treasurer, current treasurer and/or their representatives). These reports are public documents.

B. Current Period Updates

During the period of October 1, 2022, through October 31, 2022, the Audits and Assistance Division adopted 2 audit reports, both with no findings. Currently the team has 27 audits in progress at various stages, including fieldwork, post-fieldwork, and quality review.

Details of the audit reports adopted during the period are as follows:

1. Re-Elect Lovingood for Board of Supervisors 2016 (ID # 1353693)

- No findings noted

2. Lovingood for Supervisor 2020 (ID# 1392781)

- No findings noted

III. LEGAL DIVISION

STAFF: DAVE BAINBRIDGE, GENERAL COUNSEL

A. Pending Litigation

None.

B. Outreach and Training

Webinars & Workshops

- October 18, the FPPC hosted a Candidate/Treasurer webinar. Political Reform Consultants, Adam Ramirez and Alex Castillo, presented. 6 people attended.

Scheduled Webinars & Workshops

- November 10, the FPPC is hosting a Statement of Economic Interests Filing Officer webinar.
- December 6, the FPPC is hosting a Statement of Economic Interests Filing Officer webinar.
- December 13, the FPPC is hosting a Statement of Economic Interests Filers webinar.

Video Tutorials

Commission video tutorials were accessed a total of 375 times in October. Form 700 videos were accessed 194 times, the Candidate/Treasurer video was accessed 130 times, and the filing officer videos were accessed 51 times.

C. New and Updated Educational Resources

- Updated Informal Advice Webpage: <https://fppc.ca.gov/advice/get-advice.html>
- Updated AB 2151 Local Campaign Filings Webpage: <https://fppc.ca.gov/learn/campaign-rules/ab2151.html>
- Updated FAQ: Campaign Activity Fact Sheet

D. Political Reform Education Program (PREP)

During the period of October 1, 2022 through October 31, 2022, PREP received 7 referrals for the Statement of Economic Interests course. During this time, 10 learners completed PREP, and 22 learners are enrolled but have not yet completed the course.

E. Advice

The [October Advice Letter Report](https://www.fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2022-advice-letter-reports/advice-letter-report-september-20221.html) is available on the FPPC website at <https://www.fppc.ca.gov/advice/advice-opinion-search/advice-letter-reports/2022-advice-letter-reports/advice-letter-report-september-20221.html>.

In October, the Legal Division responded to the following requests for advice:

- **Education:** The Education unit responded to 919 requests for technical assistance via telephone.
- **Requests for Advice:** Political Reform Consultants and Legal Division attorneys collectively responded to 995 email requests for advice, 269 of which were not responded to within 24 hours.
- **Advice Letters:** The Legal Division received 4 advice letter requests under the Political Reform Act and completed 7.
- **Section 1090 Letters:** The Legal Division received 3 advice letter request concerning Section 1090 and completed 7. This year to date, we have received 40 advice requests regarding Section 1090.

F. Miscellaneous Decisions

None.

G. Upcoming Regulation Projects

None.

H. Conflict of Interest Codes

Adoptions and Amendments

State Agencies

- California State Teachers' Retirement System

Multi-County Agencies

- East Nicolaus Joint Union High School District
- Excel Academy Charter Schools
- San Luis Obispo County Community College District
- Trona Joint Unified School District
- Valley Regional Occupational Program

Exemptions

None

Extensions

- Green Ribbon Science Panel

I. Probable Cause Proceedings

Probable cause proceedings are conducted per Government Code section 83115.5. A finding of probable cause does not constitute a finding a violation occurred. Respondents are presumed innocent of any violation of the Act unless a violation is proven in a subsequent proceeding.

In the Matter of Ella Rogers, Case No. 2019/01070. On October 11, 2022, probable cause was found, based on the papers, to believe Respondent committed the following violations of the Act:

Count 1: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of January 1, 2017 to June 30, 2017 with the San Bernardino County Registrar of Voters by the July 31, 2017 deadline, in violation of Government Code sections 84200.

Count 2: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of July 1, 2017 to December 31, 2017 with the San Bernardino County Registrar of Voters by the January 31, 2018 deadline, in violation of Government Code sections 84200.

Count 3: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of January 1, 2018 to June 30, 2018 with the San Bernardino County Registrar of Voters by the July 31, 2018 deadline, in violation of Government Code sections 84200.

Count 4: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of July 1, 2018 to December 31, 2018 with the San Bernardino County Registrar of Voters by the January 31, 2019 deadline, in violation of Government Code sections 84200.

Count 5: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of January 1, 2019 to June 30, 2019 with the San Bernardino County Registrar of Voters by the July 31, 2019 deadline, in violation of Government Code sections 84200.

Count 6: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of July 1, 2019 to December 31, 2019 with the San Bernardino County Registrar of Voters by the January 31, 2020 deadline, in violation of Government Code sections 84200.

Count 7: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of January 1, 2020 to June 30, 2020 with the San Bernardino County Registrar of Voters by the July 31, 2020 deadline, in violation of Government Code sections 84200.

Count 8: As a candidate, Rogers failed to timely file a Semi-annual Campaign Statement for the reporting period of July 1, 2020 to December 31, 2020 with the San Bernardino County Registrar of Voters by the February 1, 2021 deadline, in violation of Government Code sections 84200.

IV. ADMINISTRATION & TECHNOLOGY DIVISION

STAFF: LORESSA HON, CHIEF

A. New Employee Report

No new staff to report.

B. Statement of Economic Interest (Form 700)

As of November 1, 2022, 156 persons who were required under their state or local agency conflict of interest code to file a 2021/2022 Annual Form 700 had not timely done so.