



MEMORANDUM

To: Chair Remke, and Commissioners Audero, Casher, Wasserman and Wynne

From: Erin Peth, Executive Director
Galena West, Chief of Enforcement
Angela J. Brereton, Senior Commission Counsel

Date: March 1, 2016

RE: Assignment of Hearing to Administrative Law Judge (“ALJ”)

Case Name: In the Matter of Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren
(Committee I.D. No. 1315389) (FPPC Case No. 14/1109)

I. INTRODUCTION

Respondent Rabbi Nachum Shifren was an unsuccessful candidate for the California State Senate, 26th District, in the November 2, 2010 general election. Respondent Committee to Elect Rabbi Shifren (Committee I.D. No. 1315389)¹ (the Committee), was Shifren’s candidate controlled committee.

The Republican Central Committee of Los Angeles County, also known as the Republican Party of Los Angeles County (RPLAC), was a political party committee in that it was the Republican county central committee for Los Angeles County. RPLAC was the named respondent in a Default Decision approved by the Fair Political Practices Commission for FPPC Case No. 11/224 on October 16, 2014, regarding RPLAC’s conduct related to the activity which is the subject of this case.

The Political Reform Act (Act)² prohibits contributions made in the name of another, and prohibits earmarking contributions unless the intermediary and original contributor information is disclosed. Additionally, the Act imposes campaign contribution limits with respect to the making and receiving of certain contributions. In 2010, an individual wishing to contribute to a candidate for the California State Senate could not contribute more than \$3,900 per election. However, at that time, there was no limit on contributions from a political party committee (such as a county central committee) to that same candidate.

In this matter, to help Shifren get elected to the California State Senate, RPLAC made a contribution to the Committee. However RPLAC was not the true source of the contribution, and

¹ The Committee reported three different names for itself in its statement of organization and its statement of termination filed with the CA Secretary of State (two in the same statement): 1) “Committee to Elect Rabbi Shifren for State Senate,” 2) “Committee to Elect Rabbi Shifren for Senate,” and 3) “Committee to Elect Rabbi Shifren.”

² The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

the true sources of the contribution were concealed. Shifren and the Committee violated the Act by causing contributions to be made in a name other than the contributors' legal names, earmarking contributions without disclosing the true sources of the contributions, accepting a contribution which was over the applicable contribution limit, filing false campaign statements, and failing to maintain adequate campaign records.

Shifren and the Committee have requested an administrative hearing on the Accusation attached hereto as Exhibit A. The Accusation alleges multiple violations of the Act.

II. COMMISSION ACTION IS ONLY REQUIRED IF THE COMMISSION DESIRES TO PARTICIPATE IN THE ADMINISTRATIVE HEARING

The Executive Director and the Chief of Enforcement are recommending that the hearing should be conducted before an ALJ pursuant to Section 11512, subdivision (a). The ALJ will then 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.

This memorandum is submitted to each member of the Commission pursuant to Regulation 18361.5, subdivision (b), which provides:

If the Executive Director determines that a hearing on the merits should be conducted before an administrative law judge alone pursuant to Government Code section 11512(a), he or she shall provide a copy of the accusation as well as a memorandum describing the issues involved to each member of the Commission. If, at the next regularly scheduled meeting, two or more Commissioners indicate a desire to participate in the hearing, the matter will be scheduled for a hearing before the Commission when an administrative law judge is available.

Thus, no Commission Action is required if the Commission approves of the recommendation that the administrative hearing in this matter should be conducted before an ALJ. However, two or more Commissioners may vote to keep the matter with the Commission if so desired.

III. PROCEDURAL HISTORY

Because Shifren and the Committee did not respond to the Report in Support of a Finding of Probable Cause (Report) served on April 27, 2015, or request a probable cause conference, the Enforcement Division submitted an Ex Parte Request for a Finding of Probable Cause and an Order that an Accusation be Prepared and Served to the Hearing Officer of the Commission, on August 7, 2015.

On August 12, 2015, the Hearing Officer issued an Order Re: Probable Cause ("Order"). The Order included a finding that there is probable cause to believe that Shifren and the Committee violated the Act, as set forth in the attached Accusation.

On September 3, 2015, the Commission's Chief of Enforcement Galena West, issued an Accusation against Shifren and the Committee in this matter. On November 15, 2015, the Accusation was personally served on Shifren and the Committee. After the Enforcement Division granted several extensions, Shifren and the Committee served a Notice of Defense requesting a hearing on or about February 2, 2016.

IV. PROCEDURAL ISSUES

Every hearing in a contested case must be presided over by an ALJ. The agency itself shall determine whether the ALJ is to hear the case alone or whether the agency itself is to hear the case with the ALJ.³

When the agency itself hears the case, the ALJ shall preside at the hearing, rule on the admission and exclusion of evidence, and advise the agency on matters of law; the agency itself shall exercise all other powers relating to the conduct of the hearing but may delegate any or all of them to the ALJ. When the ALJ alone hears a case, he or she shall exercise all powers relating to the conduct of the hearing. A ruling of the ALJ admitting or excluding evidence is subject to review in the same manner and to the same extent as the ALJ's proposed decision in the proceeding.⁴

V. SUMMARY OF THE ACCUSATION

Laundered Campaign Contributions

In early 2010, Paul Anthony Novelly a/k/a Tony Novelly (Tony), a resident of Boca Raton, Florida and CEO of Apex Oil Company, Inc., met Shifren through a friend. Tony told Shifren that he would help raise \$50,000 for Shifren's campaign. Tony and his wife each contributed \$3,900 to Shifren for the primary election.

Tony's son Jared Novelly (Jared), a resident of St. Louis, Missouri, handled political contributions on behalf of the Novelly family. Tony asked Jared to arrange the \$50,000 contribution to Shifren. Tony wanted other members of his family to contribute to Shifren in order to fulfill the \$50,000 pledge that he had made. However, the only family members willing to contribute in some way to Shifren were Tony, Jared, Jared's sister, Chandra Niemann, and Chandra's husband, Thomas Niemann.

Jared emailed Shifren asking if there were other committees the Novelly family could contribute to who supported Shifren's campaign. There were no such committees, but Shifren and his campaign staff contemplated establishing a political action or independent expenditure committee for this purpose. Shifren and his campaign staff talked about it with a local campaign consultant, who told the Enforcement Division staff that Shifren was obviously looking for a way around the campaign contribution limit laws. The consultant also spoke with Jared. A committee was not established.

³ See § 11512, subd. (a).

⁴ See § 11512, subd. (b).

Soon after, Jared contacted RPLAC to discuss whether his family could give money to the local party organization rather than directly to Shifren. Jane Barnett, the chairman of RPLAC at the time, contacted Shifren's campaign. That same day, Shifren's campaign emailed Jared and instructed the Novelly family to send their contributions for Shifren to RPLAC, attention Barnett. At Jared's request, Shifren's campaign explained that contributions to party committee were unlimited, but contributions to state Senate candidates were limited to \$3,900. Jared emailed Shifren's committee stating that the Novelly family contributions were on the way RPLAC.

RPLAC received the following checks:

Payor	Date on Check	Amount
Chandra Niemann	07/28/2010	\$3,900
Paul Novelly	07/31/2010	\$27,300
Jared Novelly	08/02/2010	\$3,900
Thomas Niemann	08/03/2010	\$3,900
TOTAL		\$39,000

Jared's check contained the memo line, "ATTN JANE BARNETT."

The four checks from the Novelly family, totaling \$39,000, were deposited into RPLAC's state all-purpose account on August 16, 2010. On the same day, a check from RPLAC's state all-purpose account to "Rabbi Shifren For California Senate" was written in the amount of \$32,400. On August 25, 2010 the RPLAC check was deposited into Shifren's campaign account.

The evidence shows that RPLAC did not regularly make contributions to candidates, and when it did make contributions, the amounts were much lower. The evidence also shows that RPLAC's regular procedures for making contributions to candidates was not followed when it gave \$32,400 to Shifren.

From emails between Shifren and his campaign staff and between Shifren and Jared after the contributions were made, it was clear that all parties understood that the \$32,400 check from RPLAC was actually the Novelly family contributions.

In an April 2012 interview with Enforcement Division staff, Shifren denied having any communication with RPLAC regarding its contribution to his campaign. Shifren stated that he did not recall ever meeting or speaking with Tony Novelly, and denied ever meeting or speaking with Jared Novelly, Chandra Niemann, or Thomas Niemann. Shifren also denied coordinating the receipt of the contributions with any contributor or with anyone at RPLAC. Additionally, in a May 9, 2012 written statement to the Enforcement Division staff, Shifren declared, "I have had no contact with the Lovely [sic] family, other than to receive their checks."

Then in January 2016, Shifren confessed to participating in the scheme where RPLAC acted as the intermediary for the Novelly family's contributions to Shifren. Shifren claimed that he spoke with the treasurer, or perhaps Barnett, at RPLAC, who advised him how the scheme would work and assured him that it was not illegal. He was told that RPLAC would keep \$5,000 of the Novelly

family's contributions as its handling fee, and RPLAC would send him a check for the remaining amount. Shifren admitted to exchanging email communication with Jared, and directing Jared to send his family's contributions to RPLAC.

False Reporting

Shifren and the Committee filed a pre-election campaign statement for the reporting period of July 1 through September 30, 2010, on or about October 4, 2010, reporting that the \$32,400 contribution was received from RPLAC.

But because RPLAC agreed to act as the intermediary for the Novelty family, Shifren and the Committee were obligated to disclose in its campaign statement, that the contributions were attributable to the Novelty family as follows:

Original Contributors	Checks sent to RPLAC	Percentage of Total Novelty Contributions (\$39,000)	Amount Received by the Committee to Elect Rabbi Shifren Attributable to Original Contributors	
Paul Anthony Novelty	\$27,300	70%	(Counts 1, 3, and 5) \$22,680	
Chandra Niemann	\$3,900	10%	\$3,240	(Counts 2 and 4) \$9,720
Jared Novelty	\$3,900	10%	\$3,240	
Thomas Niemann	\$3,900	10%	\$3,240	
TOTAL	\$39,000		\$32,400	

Recordkeeping

In January 2012, Enforcement Division staff subpoenaed campaign records from Shifren and the Committee. Shifren stated that he did not have any records for the Committee, and he did not produce any committee records in response to the subpoena. The Committee, through its treasurer, produced minimal records. The evidence shows that Shifren controlled the Committee's records and funds, and the treasurer was minimally involved.

Violations

The Accusation consists of seven counts:

Laundered Campaign Contributions

Count 1: Prohibited Contribution Made in the Name of Another

Shifren and the Committee, in or about 2010, purposefully or negligently caused, or aided and abetted, Paul Anthony Novelty to make a contribution of \$22,680 to the Committee in a name

other than the name by which Paul Anthony Novelly was identified for legal purposes, in violation of Government Code section 84301.

Count 2: Prohibited Contribution Made in the Name of Another

Shifren and the Committee, in or about 2010, purposefully or negligently caused, or aided and abetted, Jared Novelly, Chandra Niemann and Thomas Niemann to make a contributions totaling \$9,720 to the Committee in a name other than the names by which they were identified for legal purposes, in violation of Government Code section 84301.

Count 3: Prohibited Earmarked Contribution

Shifren and the Committee, in or about 2010, purposefully or negligently caused, or aided and abetted, Paul Anthony Novelly to make a contribution to RPLAC on the condition or with the agreement that the contribution would be ultimately contributed to the Committee, and the intermediary and the original contributor information for the earmarked contribution was not disclosed, in violation of Government Code section 85704.

Count 4: Prohibited Earmarked Contribution

Shifren and the Committee, in or about 2010, purposefully or negligently caused, or aided and abetted, Jared Novelly, Chandra Niemann and Thomas Niemann to make contributions to RPLAC on the condition or with the agreement that the contributions would be ultimately contributed to the Committee, and the intermediary and the original contributor information for the earmarked contributions were not disclosed, in violation of Government Code section 85704.

Count 5: Accepting an Over-the-Limit Contribution

Shifren and the Committee, on or about August 25, 2010, received and accepted a contribution of \$22,680 from Paul Anthony Novelly, which was in excess of the \$3,900 individual contribution limits applicable to Shifren and the Committee, in violation of Government Code section 85301 and Regulation 18545, subdivision (a)(1).

False Reporting

Count 6: Disclosure of False Contributor Information in Campaign Statements

Shifren and the Committee, on or about October 4, 2010, filed a false preelection campaign statement for the reporting period of July 1 through September 30, 2010, concealing the violations described in Counts 1 through 5 by falsely reporting that the \$32,400 contribution was received from RPLAC, when in fact the contribution was received from four members of the Novelly family, and RPLAC was merely an intermediary for the transaction, in violation of Government Code Section 84211, subdivision (f).

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Recordkeeping

Count 7: Failure to Maintain Campaign Records

Shifren and the Committee failed to maintain the detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements were properly filed, and to comply with the campaign reporting provisions of the Act, in or about January 1 through December 31, 2010, in violation of Government Code section 84104.

VI. CONCLUSION

If, at the next regularly scheduled meeting, two or more Commissioners indicate a desire to participate in the hearing, the matter will be scheduled for a hearing before the Commission when an ALJ is available.⁵ Otherwise, hearing of this matter will be conducted before an ALJ alone pursuant to Section 11512, subdivision (a).

* * * * *

⁵ Regulation 18361.5, subd. (b).

Exhibit A

1 GALENA WEST
Chief of Enforcement
2 ANGELA J. BRERETON
Senior Commission Counsel
3 **FAIR POLITICAL PRACTICES COMMISSION**
428 J Street, Suite 620
4 Sacramento, CA 95814
Telephone: (916) 322-5660
5 Facsimile: (916) 322-1932

6 Attorneys for Complainant
Enforcement Division of the Fair Political Practices Commission
7

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

11 In the Matter of) FPPC No. 14/1109
12)
13 RABBI NACHUM SHIFREN, and) **ACCUSATION**
14 COMMITTEE TO ELECT RABBI)
SHIFREN,)
15) (Gov. Code §11503)
16 Respondents.)
17

18 Complainant, the Enforcement Division of the Fair Political Practices Commission, after a
19 finding of probable cause pursuant to Government Code Section 83115.5, alleges the following:

20 **JURISDICTION**

21 1. Complainant is the Enforcement Division of the Fair Political Practices Commission and
22 makes this Accusation pursuant to the Political Reform Act (the “Act”),¹ in its official capacity and in
23 the public interest.²
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26
27 ¹ The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references
28 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of Title
2 of the California Code of Regulations, and all regulatory references are to this source.

² §§ 83111, 83116, and 91000.5; Reg. 18361 and 18361.4, subd. (e).

1 candidate controls a committee if he or she, his or her agent, or any other committee he or she controls
2 has a significant influence on the actions or decisions of the committee.⁹

3 Definition of Political Party Committee

4 6. A “political party committee” includes the county central committee of an organization
5 that meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections
6 Code.¹⁰

7 Prohibition Against Making Contributions in the Name of Another

8 7. It is unlawful to make a contribution in the name of another.¹¹ This prohibition keeps the
9 public informed as to the sources of campaign contributions, and it ensures that contributors abide by the
10 Act’s contribution limits.

11 Duty to Disclose Intermediary

12 8. The Act prohibits any person from making a contribution while acting as the
13 intermediary of another, without disclosing to the recipient of the contribution both the intermediary’s
14 own full name, street address, occupation, and employer, and the original contributor’s full name, street
15 address, occupation, and employer.¹² The Act also states that a person is an intermediary for a
16 contribution if the recipient of the contribution “would consider the person to be the contributor without
17 the disclosure of the identity of the true source of the contribution.”¹³

18 Prohibition on Earmarking

19 9. It is unlawful to make a contribution to a committee on the condition or with the
20 agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed
21 pursuant to Section 84302.¹⁴

22
23
24 ///

25
26 ⁹ § 82016, subd. (a).

27 ¹⁰ § 85205.

28 ¹¹ § 84301.

¹² § 84302.

¹³ Reg. 18432.5, subd. (a).

¹⁴ § 85704.

1 Campaign Contribution Limits

2 10. The Act imposes campaign contribution limits with respect to the making and receiving
3 of certain contributions. These limits are adjusted periodically, and different limits apply depending
4 upon who is contributing and who is receiving.¹⁵

5 11. In 2010, an individual wishing to contribute to a candidate for California State Senate
6 could not contribute more than \$3,900 per election.¹⁶ However, at that time, there was no limit on
7 contributions from a political party committee (such as a county central committee) to that same
8 candidate. In 2010, there was a calendar year limit of \$32,400 with respect to how much an individual
9 could contribute to a political party committee for the purpose of making contributions to candidates for
10 State Senate.¹⁷ Individuals could exceed this amount so long as the excess was not used by the
11 committee to support/oppose candidates for elective state office.

12 Duty to Disclose Accurate Contributor Information on Campaign Statements

13 12. The Act requires committees to report on campaign statements the following information
14 about a person who has made contributions of \$100 or more: (1) full name; (2) street address; (3)
15 occupation; (4) employer, or if self-employed, the name of the contributor's business; (5) the date and
16 amount of each contribution received from the contributor during the reporting period; and (6) the
17 cumulative amount of contributions received from the contributor.¹⁸

18 Duty to Maintain and Retain Campaign Records

19 13. Each candidate, treasurer, and elected officer must maintain detailed accounts, records,
20 bills and receipts that are necessary to 1) prepare campaign statements; 2) establish that campaign
21 statements were properly filed; and 3) comply with the campaign reporting provisions of the Act.¹⁹ Each
22 candidate, treasurer, and elected officer must maintain detailed information and original source
23 documentation for all contributions and expenditures.²⁰ Committee campaign records must be retained
24 for four years after the filing date of the campaign statement to which they relate.²¹

25 ¹⁵ §§ 83124, 85301 and 85303, and Reg. 18545.

26 ¹⁶ § 85301, subd. (a); Reg. 18545, subd. (a)(1).

27 ¹⁷ § 85303, subd. (b); Reg. 18545, subd. (a)(8).

28 ¹⁸ § 84211, subd. (f).

¹⁹ § 84104.

²⁰ Reg. 18401.

²¹ Reg. 18401, subd. (b)(2).

1 Liability for Violations

2 14. Any person who violates any provision of the Act, who purposely or negligently causes
3 any other person to violate any provision of the Act, or who aids and abets any other person in the
4 violation of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.²²
5 This only applies to persons who have filing or reporting obligations under the Act, or who are
6 compensated for services involving the planning, organizing or directing of any activity regulated or
7 required by the Act.²³

8 Candidate Liability

9 15. It is the duty of a committee's candidate to ensure that the committee complies with all of
10 the requirements of the Act concerning the receipt and expenditure of funds and the reporting of such
11 funds.²⁴ A committee's candidate may be held jointly and severally liable with the committee for any
12 reporting violations.²⁵

13 Joint and Several Liability

14 16. If two or more parties are responsible for a violation of the Act, they are jointly and
15 severally liable.²⁶

16 Probable Cause Proceedings

17 17. "Service of the probable cause hearing notice, as required by Section 83115.5, upon the
18 person alleged to have violated this title shall constitute the commencement of the administrative
19 action."²⁷

20 18. A finding of probable cause is prohibited unless the person alleged to have violated the
21 Act is 1) notified of the violation by service of process or registered mail with return receipt requested;
22 2) provided with a summary of the evidence; and 3) informed of his right to be present in person and
23 represented by counsel at any proceeding of the Fair Political Practices Commission held for the purpose
24 of considering whether probable cause exists for believing the person violated the Act.²⁸ The required

25 ²² §§ 83116, and 83116.5.

26 ²³ § 83116.5.

27 ²⁴ §§ 81004 and 84213, and Reg. 18427.

28 ²⁵ §§ 83116.5 and 91006.

²⁶ § 91006.

²⁷ § 91000.5, subd. (a).

²⁸ § 83115.5.

1 notice to the alleged violator shall be deemed made on the date of service, the date the registered mail
2 receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office.²⁹

3 19. Administrative action alleging a violation of the Act must be commenced within five
4 years after the date on which the violation occurred.³⁰

5 Factors to be Considered by the Fair Political Practices Commission

6 20. In framing a proposed order following a finding of a violation pursuant to Section 83116,
7 the Fair Political Practices Commission and the administrative law judge shall consider all the
8 surrounding circumstances including but not limited to: (1) The seriousness of the violation; (2) The
9 presence or absence of any intention to conceal, deceive or mislead; (3) Whether the violation was
10 deliberate, negligent or inadvertent; (4) Whether the violator demonstrated good faith by consulting the
11 Commission staff or any other government agency in a manner not constituting a complete defense
12 under Section 83114(b); (5) Whether the violation was isolated or part of a pattern and whether the
13 violator has a prior record of violations of the Political Reform Act or similar laws; and (6) Whether the
14 violator, upon learning of a reporting violation, voluntarily filed amendments to provide full
15 disclosure.³¹

16 **GENERAL FACTS**

17 21. Rabbi Nachum Shifren was an unsuccessful candidate for the California State Senate,
18 26th District, in the November 2, 2010 general election. Committee to Elect Rabbi Shifren (the
19 Committee), was Shifren's candidate controlled committee.

20 22. At all relevant times, Robert Arkow was treasurer of record for the Committee. However,
21 the investigation in this matter revealed that Arkow did not make any decisions or have any control
22 regarding the acceptance of contributions and the making of expenditures for the Committee. Arkow
23 was responsible for preparing the campaign statements for the Committee. However, Arkow stated that
24 Shifren provided the relevant information to him, and he prepared the campaign statements to the best of
25 his ability. Because Shifren was unreliable and did not keep good records, it was difficult for Arkow to
26 obtain the information from Shifren.

27 ²⁹ *Ibid.*

28 ³⁰ § 91000.5.

³¹ Reg. 18361.5, subd. (d).

1 23. The Republican Central Committee of Los Angeles County, also known as the
2 Republican Party of Los Angeles County (RPLAC), was a political party committee as defined in
3 Section 85205 in that it was the Republican county central committee for Los Angeles County. RPLAC
4 was the named respondent in a Default Decision approved by the Fair Political Practices Commission
5 for FPPC Case No. 11/224 on October 16, 2014, regarding RPLAC's conduct related to the conduct
6 which is the subject of this case.

7 Laundered Contributions

8 24. In or about Spring 2010, Paul Anthony Novelly a/k/a Tony Novelly (Tony³²), a resident
9 of Boca Raton, Florida and CEO of Apex Oil Company, Inc., a privately held, multi-billion dollar oil
10 company³³, traveled to Los Angeles, California. Through a friend, Tony was introduced to Shifren.
11 Seemingly impressed with Shifren's political ideas, Tony told Shifren that he would help raise \$50,000
12 for Shifren's campaign. On May 4, 2010, Tony and his wife each contributed \$3,900 toward Shifren's
13 June 8, 2010 primary election campaign. Shifren was the only Republican candidate for the
14 26th California State Senate District in the June 8, 2010 primary election.

15 25. Tony's son Jared Novelly (Jared), a resident of St. Louis, Missouri, normally handled
16 political contributions on behalf of the Novelly family. Tony asked Jared to arrange the \$50,000
17 contribution to Shifren. Tony wanted other members of his family to contribute to Shifren in order to
18 fulfill the \$50,000 pledge that he had made. However, the only family members willing to contribute in
19 some way to Shifren were Tony, Jared, Jared's sister, Chandra Niemann, and Chandra's husband,
20 Thomas Niemann.

21 26. On June 25, 2010, Jared e-mailed Shifren the following:

22 As mentioned to you by my father, we are looking to help finance your campaign.
23 With the large percentage of campaign contributions that you have already received
24 from my parents, I feel it may be best to have the rest of the contributions come from
25 sources other than Missouri and Florida residents with the last name of Novelly. Are
26 there any political action committees that you have had discussions with who may be
 interested in contributing if they received other monies? Not sure of campaign
 finance laws in CA, but if we could find these other groups, it would look better for
 both your campaign and our private sensibilities.

27 ³² Because Tony Novelly and his son, Jared Novelly, are both referenced here, this Stipulation will identify them by
 their first names.

28 ³³ http://www.forbes.com/lists/2010/21/private-companies-10_Apex-Oil_148L.html [Ranked #101 of 500 in Forbes'
 2010 list of America's Largest Private Companies.]

1 As an alternative, we can set up a committee in CA, but I'm fearful that doing so will
2 take too much time and administration to be worthwhile. Please let me know your
3 thoughts.

4 27. Shifren then e-mailed Chris Garcia, who was working on Shifren's campaign, and stated
5 in part:

6 If we can get organized some sort of PAC, then I'm quite sure Jared and family will
7 feel great about helping me win my race. I defer to you in this matter and will await
8 word from you before any response is given.

9 28. Garcia then forwarded Shifren's e-mail to John Thomas, a local campaign strategist and
10 college acquaintance, stating:

11 Below is an e-mail exchange between Rabbi Nachum Shifren, Republican nominee
12 for CA State Senate District 26, and Jared Novelly, a big contributor to the Rabbi
13 Shifren's campaign. Jared and his father want to fund the Rabbi's campaign through a
14 PAC (or IE). When the Rabbi first declared, the number they committed to was
15 \$50,000. Only \$7,800 of that has come in, but both the Rabbi and I are convinced that
16 they will give up to 200 - 300K to see him elected. What are your thoughts? Let's talk
17 this morning, as time is of the essence with the Rabbi.

18 29. In an interview with Enforcement Division staff, Thomas stated that Shifren and Garcia
19 asked Thomas to run Shifren's campaign and produce TV ads for him. Thomas asked Shifren how he
20 intended to pay for an ad campaign. Shifren told Thomas that he had a "benefactor" who would provide
21 enough money to make sure that Shifren won his election. Thomas told Shifren that it would be illegal
22 for Shifren's benefactor to make a direct contribution over the limit, but that Shifren's benefactor could
23 possibly use the excess money to fund an independent expenditure campaign. Thomas told the
24 Enforcement Division staff that it was obvious that Shifren was looking for a way around the campaign
25 contribution limit laws.

26 30. On June 28, 2010, Shifren e-mailed Jared and said in part:

27 I had a very productive meeting yesterday with Chris Garcia ... and John Thomas ...
28 The issue discussed was precisely your question of a PAC for my campaign,
which would totally facilitate all campaign contributions from anyone, anywhere, for
any amount. This is the solution. I hope you'll communicate this good news to your
father, that John is ready to immediately set up and work with such an account. ...
Let me know what you think. Once a PAC or independent expenditure (IE)
committee is established, we will be on the road to an election victory. Tony, as you
are aware, has pledged a large donation to my campaign. This can now be done with
utmost efficiency and ease through the PAC or IE.

///

1 Shortly thereafter, Thomas telephoned Jared and informed him of how an independent expenditure
2 campaign would work. Ultimately, however, Thomas was not interested in working for Shifren – at that
3 time, Thomas was only interested in working for campaigns with budgets of over a million dollars.

4 31. According to his interview with Enforcement Division staff, Jared stated that at some
5 point he contacted RPLAC to discuss whether the Novelly family could give money to a local party
6 organization rather than directly to Shifren. Jared could not recall the name of the individual with whom
7 he spoke at RPLAC, but based upon Jared’s emails, it appears he likely spoke with Jane Barnett, the
8 chairman of RPLAC. Jared said he discussed with the RPLAC representative what is permitted in
9 Missouri – individuals could contribute to local party organizations in order to finance voter registration
10 drives, issue ads, and ads that are not coordinated with a candidate – and that he wanted to do something
11 similar for Shifren. Jared also stated that he told the RPLAC representative that if RPLAC determined
12 Shifren would not win his election, RPLAC could use the money to benefit other candidates. However,
13 Jared also said he assumed that some or all of the money could ultimately go to Shifren.

14 32. On July 14, 2010, at 3:13 PM, Jane Barnett, the chairman of RPLAC, e-mailed Garcia
15 directing him to call her “after hours on my cell.” Later that day, at 6:03 PM, Garcia sent an e-mail to
16 Jared and said in part:

17 You [sic] and your family’s generous commitment to helping [Rabbi Shifren’s]
18 campaign efforts is very graciously appreciated. The Republican Party of Los
19 Angeles County is committed to lending a hand with Rabbi Shifren’s campaign.
20 Accordingly, Rabbi and I have agreed that the remainder of your commitment would
21 be best served by being directed to the Party. Jane Barnett, copied here, has indicated
22 that the check may be sent to the following address:

23 Republican Party of Los Angeles County
24 Attn: Jane Barnett
25 1903 W. Magnolia Blvd
26 Burbank, CA 91506

27 33. Jared replied the same day and asked,

28 What is the maximum an individual can contribute to the Party? Just wondering if I
have to give several checks or only one. I assume it is no problem for my mother and
father to contribute to the party as well as having already contributed to the
campaign.

Please let me know and I will get the check or checks out as soon as I hear.

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1 34. Garcia replied on July 15, 2010, cc'ing Barnett and Shifren:

2 I've checked with Jane Barnett and I have also read through the policies of the
3 California Fair Political Practices Commission. There is no limit to the funds that an
4 individual may donate to a political party. The maximum contribution that can be
5 made to a candidate directly by an individual is \$3,900 per election cycle, but no limit
6 exists for contributions to a state or county party.

7 35. On July 26, 2010, Garcia e-mailed Barnett with the subject line "Contribution Limits to
8 State Candidates by Political Parties." Garcia included a link to a Commission chart at the California
9 Secretary of State's website showing maximum contribution limits to political candidates from various
10 types of contributors, including party committees. Garcia asked Barnett for her "thoughts on the
11 following chart.... Let's chat later this afternoon."

12 36. Barnett replied, "Yes, a person can give the party unlimited [sic] but the party can only
13 give state legislative candidates \$32,400 directly. But we can do lots of get out the vote with other
14 money."³⁴

15 37. On August 3, 2010, Jared e-mailed Shifren and Garcia:

16 Checks are out. Should have received some of them today and the rest are being sent
17 today.
18 I had called Jane Monday and let her know they would be on their way.

19 Garcia then forwarded the message to Barnett with the note, "Just FYI."

20 38. RPLAC then received the following checks:

Payor	Date on Check	Amount
Chandra Niemann	07/28/2010	\$3,900
Paul Novelty	07/31/2010	\$27,300
Jared Novelty	08/02/2010	\$3,900
Thomas Niemann	08/03/2010	\$3,900
TOTAL		\$39,000

21 Jared's check contained the memo line, "ATTN JANE BARNETT."

22 39. On August 6, 2010, Barnett e-mailed Garcia, stating in part, "Got the check today ... on
23 behalf of your donor - \$3900."

24 40. Garcia replied, "More on the way, I'm sure. He said multiple checks, right?"

25 41. Barnett replied, "Right."

26 ///

27
28 ³⁴ See above p. 4, ¶11.

1 At that time, Leonard Lanzi was treasurer of RPLAC, and was authorized to sign checks on its
2 behalf. As per their common practice, Lanzi believed that Barnett directed him to request RPLAC's
3 accounting firm to write the contribution check for the Committee. On August 10, 2010, Lanzi hand-
4 wrote a memorandum directing RPLAC's accounting firm to write a check for \$32,400 from RPLAC to
5 Shifren's campaign committee. On August 10, 2010, the balance in RPLAC's state all-purpose account
6 was just under \$9,000.

7 42. In an interview with Enforcement Division staff, Lanzi claimed to have never spoken to
8 any member of the Novelty family, and stated that he had not been expecting the Novelty family checks
9 when RPLAC received them. Lanzi stated that once the Novelty family checks had been received by
10 RPLAC, he personally sent or delivered them to RPLAC's accounting firm for deposit into one of
11 RPLAC's bank accounts pursuant to his duties as treasurer.

12 43. A check from RPLAC's state all-purpose account to "Rabbi Shifren For California
13 Senate" was written in the amount of \$32,400. It was dated August 16, 2010, and was signed by Lanzi.
14 Also on August 16, 2010, the four checks from the Novelty family members, totaling \$39,000, were
15 deposited into RPLAC's state all-purpose account. The evidence shows that RPLAC retained 17% of the
16 original amounts from the Novelty family members.

17 44. On August 25, 2010 the RPLAC check was deposited into Shifren's campaign account.
18 On its 460 covering July 1, 2010 through September 30, 2010, the Committee reported the following
19 monetary contribution:

Date Received	Contributor	Contribution Code	Amount Received this Period	Cumulative to Date
08/25/2010	Republican Party of LA County 50 E. Foothill Blvd., 3 rd Fl. Arcadia, CA 91006	PTY [political party]	\$32,400	\$32,400

24 45. In an interview with Enforcement Division staff, on April 4, 2012, Shifren denied having
25 any communication with RPLAC regarding its contribution to his campaign. Shifren stated that he did
26 not recall ever meeting or speaking with Tony Novelty, and denied ever meeting or speaking with Jared
27 Novelty, Chandra Niemann, or Thomas Niemann. Shifren also denied coordinating the receipt of the
28 contributions with any contributor or with anyone with RPLAC. Additionally, in a written statement to

1 the Enforcement Division staff dated May 9, 2012, Shifren declared, "I have had no contact with the
2 Lovely [sic] family, other than to receive their checks."

3 46. Shifren and the Committee, filed a pre-election campaign statement for the reporting
4 period of July 1 through September 30, 2010, on or about October 4, 2010, reporting that the \$32,400
5 contribution was received from RPLAC. RPLAC filed a pre-election campaign statement for the
6 reporting period of July 1 through September 30, 2010, on or about October 5, 2010, reporting that the
7 \$32,400 contribution made to the Committee was made by RPLAC.

8 RPLAC Executive Board

9 47. According to RPLAC's by-laws, any expenditure exceeding \$500 required approval by
10 the Executive Board, unless the item was already included in the annual budget approved by the Budget
11 Committee. The Executive Board had six members at the time that RPLAC made its contribution to
12 Shifren's campaign: Jane Barnett (Chairman), Gary Aminoff (First Vice Chairman), John Cozza
13 (Second Vice Chairman), Len Lanzi (Treasurer), Alex Burrola (Secretary), and Davina Kaiser (Assistant
14 Secretary). Board meetings were held on a semi-monthly basis.

15 48. In an interview with Enforcement Division staff, Barnett claimed that the decision to
16 contribute \$32,400 to Shifren's campaign was made by RPLAC's Executive Board. She said that the
17 money was intended for voter registration purposes, and that the Executive Board had been working
18 with Chris Garcia for some time to provide funding to support Shifren's campaign. She also claimed
19 never to have spoken with Jared Novelly, and she did not recall the contributions received by RPLAC
20 from Jared and Tony. She denied that the contribution to Shifren's campaign had been earmarked. Jane
21 Barnett passed away on August 8, 2013.

22 49. Evidence obtained during this investigation contradicts Barnett's contentions. In 2010,
23 none of the agendas and minutes obtained for RPLAC's Executive Board meetings, for the larger
24 Executive Committee meetings, or for the full county central committee membership, reference Shifren,
25 Garcia, or voter registration efforts in Shifren's district.

26 50. RPLAC's Director of Voter Registration (and Executive Board member) Alex Burrola
27 stated that he was unaware of any plans to support voter registration efforts in Shifren's district. Burrola
28 stated that he would have been aware of any such plans had they existed, given his position as Director

1 of Voter Registration. Burrola indicated that the entire Executive Board would typically have been made
2 aware if RPLAC had decided to undertake or support a significant voter registration effort in a certain
3 area. He also said that he would not have chosen to focus voter registration efforts in Shifren's heavily-
4 Democratic district.

5 51. Enforcement Division staff interviewed the other members of RPLAC's Executive
6 Board: Alex Burrola (Secretary and Director of Voter Registration), Davina Kaiser (Assistant
7 Secretary), Gary Aminoff (First Vice Chairman), and John Cozza (Second Vice Chairman). None of
8 them recalled any Board discussions regarding the receipt of contributions from the Novelly family, the
9 decision to contribute \$32,400 to Shifren's campaign, or the idea of funding voter registration efforts in
10 Shifren's district. None of them were aware that RPLAC had made a contribution to Shifren's campaign
11 until the Commission opened the present case. Several of these Executive Board members stated that
12 they would have objected to any decision to make such a large contribution to Shifren's campaign had
13 they been aware of it at the time.

14 52. Enforcement Division staff examined RPLAC's campaign activity for the five-year
15 period from January 2008 through December 2012. During this time, RPLAC made only five direct
16 contributions to candidates from its state all-purpose account, all of which occurred in 2009 and 2010 as
17 follows:

Reporting Period	Recipient	Amount	Description
01/01/2009 - 02/07/2009	Gwen Patrick For Assembly	\$300.00	"Campaign Contribution"
01/01/2009 - 02/07/2009	Buck McKeon For Congress	\$883.22	-
03/08/2009 - 05/02/2009	57th AD Republican Central Committee	\$1,000.00	"Campaign Contribution"
03/28/2010 - 05/22/2010	Larry Andre For Congress	\$220.41	"Voter Registration"
08/16/2010	Rabbi Shifren For CA Senate	\$32,400.00	"Monetary Contribution: Contribution To Support Nachum Shifren"

25 As this chart demonstrates, RPLAC did not regularly make contributions to candidates, and the few that
26 RPLAC did make were considerably smaller contributions than the contributions RPLAC made to
27 Shifren's campaign.

28 ///

1 Communication Following the Laundered Contributions

2 53. On September 1, 2010, Jared e-mailed Shifren “to check in on how your fundraising is
3 going.” Shifren forwarded the e-mail to Arkow and stated “Jared’s dad is the one that gave us 46,000
4 dollars.” Shifren asked Arkow to follow up with Jared: “VERY IMPORTANT FOR FUTURE
5 DONATIONS FROM HIM AND FAMILY FRIENDS!” As of September 1, 2010, Shifren’s campaign
6 had received the following contributions from the Novelly family:

7

Payor	Date Received	Amount
Paul Novelly	05/04/2010	\$3,900
Mary Novelly	05/04/2010	\$3,900
Chandra Niemann via RPLAC	08/25/2010	\$3,900
Paul Novelly via RPLAC	08/25/2010	\$27,300
Jared Novelly via RPLAC	08/25/2010	\$3,900
Thomas Niemann via RPLAC	08/25/2010	\$3,900
TOTAL		\$46,800

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12 Thus, in order to reach his \$46,000 figure, Shifren attributed all of the contributions his campaign
13 received from RPLAC as having been made by the Novelly family.

14 54. On October 11, 2010, Shifren e-mailed Jared to say that he would be travelling to London
15 for a speaking tour:

16 Jared, months ago I proposed to you to meet with your friends in Missouri, friends
17 that are willing to invest in their lives and the lives of their children. The time is now.
I wish to visit you, making a stop off in your town before going on to London.

18 My opponent is outspending me over 3-1. I simply need more support for billboards,
19 TV ads, radio, slate mailers, etc.
It’s really quite simple: If I can come up with the funds, I’ll win.
20 Think about it. Your good father has been a rock of support for this campaign. Now
I’m asking for another big push from the Novelly family and friends

21 55. Jared replied to Shifren and stated in relevant part:

22 I have paid close attention to your campaign
23 [W]e have already shown great support to your campaign, contributing nearly 20% of
the total you thought would be required to win your election
24 I must question your interest in spending time in Missouri or the UK when you
should be spending your crucial minutes in trying to win your election and not letting
the funds we have contributed go to waste.
25 ... I would ask you to quit wasting time or money and get busy winning your election
and justifying the funds we have invested already.
26

27 As before, I support your efforts, but I ask that you find financial support closer to
home.

28 ///

1 From Jared's response, it is clear that Jared attributed all of the contributions Shifren's campaign
2 received from RPLAC as having been made by the Novelly family.

3 Recordkeeping

4 56. In January 2012, Enforcement Division staff subpoenaed campaign records from Shifren
5 and the Committee. Shifren stated that he did not have any records for the Committee, and he did not
6 produce any committee records in response to the subpoena. The Committee, through Arkow, produced
7 minimal records.

8 57. Arkow, in a written statement, said that "The Committee was completely controlled by
9 the Rabbi." Additionally, in written and verbal statements to Enforcement Division staff, Arkow stated
10 that Shifren controlled the Committee's records and funds, and Arkow produced everything he could
11 obtain electronically or had maintained in the process of getting information from Shifren to file the
12 campaign statements.

13 **PROCEDURAL HISTORY**

14 58. The Enforcement Division initiated the administrative action against Shifren and the
15 Committee in this matter by serving them with a packet containing a cover letter, a Report in Support of
16 a Finding of Probable Cause (the "Report"), a fact sheet regarding probable cause proceedings, selected
17 sections of the California Government Code regarding probable cause proceedings for the Fair Political
18 Practices Commission, and selected regulations of the Fair Political Practices Commission regarding
19 probable cause proceedings.³⁵

20 59. Shifren and the Committee were served by certified mail, return receipt requested.³⁶ The
21 original return receipt addressed to Shifren and the Committee was signed on April 27, 2015, and was
22 returned to the Enforcement Division.³⁷ Therefore, the administrative action commenced on
23 April 27, 2015, the date the registered mail receipt was signed, and the five year statute of limitations
24 was effectively tolled on this date.

25 60. The information contained in the packet advised Shifren and the Committee that they had
26 21 days in which to request a probable cause conference and/or to file a written response to the Report.

27 ³⁵ §§ 83115.5 and 91000.5. See attached Exhibit A.

28 ³⁶ §§ 8311(Mailing by Certified Mail) and 83115.5.

³⁷ See attached Exhibit B.

1 61. Shifren and the Committee did not submit a written response or request a probable cause
2 conference.

3 62. The Enforcement Division submitted an Ex Parte Request for a Finding of Probable
4 Cause and an Order That an Accusation Be Prepared and Served on August 7, 2015.³⁸

5 63. The Hearing Officer issued a Finding of Probable Cause and Order to Prepare and Serve
6 an Accusation, which was served on August 12, 2015, finding that probable cause exists to believe
7 Shifren and the Committee violated the Act.³⁹

8 **VIOLATIONS**

9 64. In this matter, to help Shifren get elected to the California State Senate, RPLAC made a
10 contribution to the Committee, but the true sources of the contribution were concealed. Shifren and the
11 Committee violated the Act by causing contributions to be made in a name other than the contributors'
12 legal names, earmarking contributions without disclosing the true sources of the contributions, accepting
13 a contribution which was over the applicable contribution limit, filing false campaign statements, and
14 failing to maintain adequate campaign records.

15 65. Shifren and the Committee committed seven violations of the Act, as follows:

16 **COUNT 1**

17 **Contributions Not Made in Legal Name of the Donor**

18 66. Complainant incorporates paragraphs 1 – 65 of this Accusation, as though completely set
19 forth herein.

20 67. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren, in or about 2010, within
21 the meaning of Section 83116.5, purposefully or negligently caused, or aided and abetted,
22 Paul Anthony Novelly to make a contribution of \$22,680 (\$27,300 minus RPLAC's 17% fee) to
23 Committee to Elect Rabbi Shifren in a name other than the name by which he was identified for legal
24 purposes, violating Section 84301.

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28 ³⁸ See attached Exhibit C.

³⁹ See attached Exhibit D.

1 **COUNT 2**

2 **Contributions Not Made in Legal Name of the Donor**

3 68. Complainant incorporates paragraphs 1 – 67 of this Accusation, as though completely set
4 forth herein.

5 69. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren, in or about 2010, within
6 the meaning of Section 83116.5, purposefully or negligently caused, or aided and abetted, Jared
7 Novelly, Chandra Niemann and Thomas Niemann to make a contributions totaling \$9,720 (\$11,700
8 minus RPLAC’s 17% fee) to Committee to Elect Rabbi Shifren in a name other than the names by
9 which they were identified for legal purposes, violating Section 84301.

10 **COUNT 3**

11 **Prohibited Earmarked Contributions**

12 70. Complainant incorporates paragraphs 1 – 69 of this Accusation, as though completely set
13 forth herein.

14 71. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren, in or about 2010, within
15 the meaning of Section 83116.5, purposefully or negligently caused, or aided and abetted, Paul Anthony
16 Novelly to make a contribution to RPLAC on the condition or with the agreement that the contribution
17 would be ultimately contributed to Committee to Elect Rabbi Shifren, and the intermediary and the
18 original contributor information for the earmarked contribution was not disclosed, in violating
19 Section 85704.

20 **COUNT 4**

21 **Prohibited Earmarked Contributions**

22 72. Complainant incorporates paragraphs 1 – 71 of this Accusation, as though completely set
23 forth herein.

24 73. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren, in or about 2010,
25 purposefully or negligently caused, or aided and abetted, Jared Novelly, Chandra Niemann and Thomas
26 Niemann to make contributions to RPLAC on the condition or with the agreement that the contributions
27 would be ultimately contributed to Committee to Elect Rabbi Shifren, and the intermediary and the
28

1 original contributor information for the earmarked contributions were not disclosed, violating
2 Section 85704.

3 **COUNT 5**

4 **Accepting an Over-the-Limit Contribution**

5 74. Complainant incorporates paragraphs 1 – 73 of this Accusation, as though completely set
6 forth herein.

7 75. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren, on or about August 25,
8 2010, received and accepted a contribution of \$22,680 (\$27,300 minus RPLAC's 17% fee) from Paul
9 Anthony Novelly, which was in excess of the \$3,900 individual contribution limits applicable to Shifren
10 and Committee, in violation of Government Code section 85301 and Regulation 18545,
11 subdivision (a)(1).

12 **COUNT 6**

13 **Disclosure of False Contributor Information in Campaign Statements**

14 76. Complainant incorporates paragraphs 1 – 75 of this Accusation, as though completely set
15 forth herein.

16 77. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren, on or about October 4,
17 2010, filed a false pre-election campaign statement for the reporting period of July 1 through September
18 30, 2010, concealing the violations described in Counts 1 through 4 by falsely reporting that the \$32,400
19 contribution was received from RPLAC, when in fact the contribution was received from four members
20 of the Novelly family, and RPLAC was merely an intermediary for the transaction, violating
21 Section 84211, subdivision (f).

22 **COUNT 7**

23 **Failure to Maintain Campaign Records**

24 78. Complainant incorporates paragraphs 1 – 77 of this Accusation, as though completely set
25 forth herein.

26 79. Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren failed to maintain the
27 detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that
28

1 campaign statements were properly filed, and to comply with the campaign reporting provisions of the
2 Act, in or about January 1 through December 31, 2010, violating Section 84104.

3 **MITIGATING OR EXCULPATORY FACTORS**

4 80. Complainant incorporates paragraphs 1 – 79 of this Accusation, as though completely set
5 forth herein.

6 81. In mitigation, Shifren and the Committee have no prior history of violating the Act.

7 **AGGRAVATING FACTORS AND OTHER RELEVANT MATERIALS**

8 82. Complainant incorporates paragraphs 1 – 81 of this Accusation, as though completely set
9 forth herein.

10 83. In this matter, it is clear from the evidence that all parties understood that the
11 contributions from the Novelty family to RPLAC were to go to Shifren’s campaign, and that the Shifren
12 and the Committee intended to deceive the voting public as to the true source of the contributions by
13 disclosing RPLAC as the contributor. As early as June 2010, the Novelty family told Shifren that they
14 wanted to support his campaign, but they wanted to give the money to another committee who would
15 then contribute to the Committee so that the family name would not be disclosed on the Committee’s
16 campaign statements. Ultimately, the Novelty family turned to RPLAC, and explained their
17 predicament. RPLAC immediately contacted Shifren’s campaign. That same day, the Committee
18 contacted the Novelty family stating that RPLAC was “committed to lending a hand with Rabbi
19 Shifren’s campaign” and that the Novelty family should send their contributions to RPLAC. Shortly
20 thereafter, the Novelty family made contributions to RPLAC in the amount of \$39,000. When the
21 Novelty family sent the checks, Jared Novelty emailed Shifren and the Committee to inform them that
22 the checks were on their way to RPLAC.

23 84. Six days before the Novelty family contributions were deposited into RPLAC’s bank
24 account, with an account balance of \$9,000, RPLAC requested a check from its accountant for \$32,400
25 to be made payable to the Committee. The \$32,400 check was dated August 16, 2010: the same date on
26 which the Novelty family contributions were deposited into RPLAC’s bank account. One of the
27 contributions from the Novelty family was more than \$18,000 over the contribution limit applicable to
28 Shifren.

1 85. Shifren and the Committee filed false campaign statements concealing the true sources of
2 the contributions from the public.

3 86. RPLAC’s campaign activity shows that the contribution RPLAC made to the Committee
4 was an anomaly: RPLAC did not regularly make contributions to candidates, and rarely, if ever, gave
5 such a large contribution. Additionally, communication between Shifren and Jared Novelly in the
6 months after the contributions were made shows an understanding by both sides that the contributions
7 the Committee received were from the Novelly family, and not from RPLAC.

8 87. Shifren was less than truthful during this investigation. Shifren denied having any
9 communication with RPLAC regarding its contribution to his campaign. However, Chris Garcia, who
10 worked for the Committee, communicated on multiple occasions with RPLAC – at Shifren’s direction.
11 At the time of his interview, Shifren claims he didn’t recall having spoken with Tony Novelly, but in his
12 emails from September 2010, he recalled the amount of the Novelly family contributions given in 2010,
13 including two from Tony, with specificity. Shifren also denied ever meeting or speaking with Jared
14 Novelly. While it may be true that Shifren did not meet Jared in person or speak with him on the
15 telephone, Shifren exchanged many emails directly with Jared regarding contributions from Jared’s
16 family to the Committee. The emails show that Shifren lied when he told Enforcement Staff that he did
17 not coordinate the receipt of the contributions with any contributor. Additionally, in a written statement
18 to the Enforcement Division, Shifren lied when he declared, “I have had no contact with the Lovely [sic]
19 family, other than to receive their checks.”

20 88. Taking all of the facts and circumstances into account, it is clear that Shifren, the
21 Committee, and RPLAC agreed and/or understood that RPLAC would act as the undisclosed
22 intermediary for the Novelly family contributions to Shifren’s campaign. In accordance with this
23 agreement/understanding, RPLAC was identified as the source of the contributions, instead of as the
24 intermediary for the Novelly family contributions in the Committee’s campaign statements.

25 89. Additionally, Shifren and the Committee failed to maintain required records, making it
26 difficult to determine whether Shifren and the Committee further violated the Act’s requirements.

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95. That the Commission grant such other and further relief as it deems just and proper.

Dated: _____

Galena West
Chief of Enforcement
Fair Political Practices Commission