



## Report Regarding Enforcement of Local Government Campaign and Ethics Ordinance

(Required by Government Code § 83123.6)

December 31, 2024

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### 1. Introduction

This report is submitted by the Fair Political Practices Commission (“FPPC”) in compliance with state law, specifically pursuant to Government Code Section 83123.6, subdivision (h), and provides a summary of the work completed under contracts with local government agencies. This report contains the FPPC’s analysis of the contracts and the local agencies’ comments. This report reflects responses from the two participating agencies - the City of San Bernardino and the City of Sacramento.

### 2. Status of the Agreements

- **City of San Bernardino:** The agreement remains active. The City of San Bernardino has an ongoing contract with the FPPC for education, audit services, and enforcement of the City’s local ordinances including proactive analysis of compliance with the City’s local pay-to-play ordinances. (Initial contract duration January 1, 2021 – December 31, 2022, contract renewed.)
- **City of Sacramento:** The agreement between the City of Sacramento and the FPPC has concluded. The City of Sacramento created its own City of Sacramento Ethics Commission and no longer engages with the FPPC under this section. (Contract duration March 1, 2018 – December 31, 2019.)

### 3. Estimated Annual Cost Savings

- Although neither City reported cost savings, the FPPC would estimate the cost savings of the work completed equivalent to the cost of hiring and training internal staff within each City to perform identical functions.

### 4. Summary of Annual Performance Metrics

#### City of San Bernardino:

- **Service Effectiveness and Overall Satisfaction:** Rated as “satisfied” and “very well” in meeting the agency’s needs.
- **Activities Performed Under the Contract:**

The City of San Bernardino retained the services of the FPPC as the designated enforcement agency to provide for the enforcement and interpretation of the laws under the provisions of the City's campaign finance regulations governing the City's offices.

FPPC conducts a review of data included in campaign disclosure forms and statements and detects potential violations by analyzing all contracts, licenses, permits, or other entitlements provided by the City of San Bernardino including:

- City of San Bernardino contracts
  - Provided in the form of a report from the San Bernardino City Clerk's Office
  - The FPPC cross-referenced the City contracts with campaign statements and reports (Form 460 and Form 497) submitted by officials subject to review and found between, contracts and received contributions:
    - For the period of 1/1/2021 through 12/31/2021: 17 matches
    - For the period 1/1/2022 through 12/31/2022: 0 matches
    - For the period 1/1/2023 through 12/31/2023: 3 matches
    - For the period 1/1/2024 through 6/30/2024: 0 matches
- City of San Bernardino licenses, permits, and/or entitlements for use
  - Provided in the form of a report from the Community & Economic Development and
  - Department of Public Works report
  - The FPPC cross-referenced the licenses, permits, and/or entitlements for use with campaign statements and reports (Form 460 and Form 497) filings submitted by officials subject to review and found, between licenses/permits and received contributions:
    - For the period of 1/1/2021 through 12/31/2021: 9 matches
    - For the period 1/1/2022 through 12/31/2022: 0 matches
    - For the period 1/1/2023 through 12/31/2023: 2 matches
    - For the period 1/1/2024 through 6/30/2024: 1 match
  - 6 enforcement cases were opened, resulting in:
    - 2 Warning Letters
    - 2 No Action Closure Letters
    - 2 cases are active with the Enforcement Division.
  - The FPPC maintains a dedicated webpage for the City of San Bernardino on the FPPC website, which includes guides, fact sheets, candidate checklists, campaign finance regulations, and information reflecting the City's current contribution limits. These materials can be found on the FPPC website, which is regularly maintained and updated with the City's ordinance changes.

- 19 potential audits were identified, and 11 met the audit threshold per the contract. The FPPC Legal Division has researched audit threshold questions for the FPPC Audit team to apply the local ordinance.
- 1 audit has been completed and is in review, and 10 are in progress.
- The FPPC has provided two advice emails and received one third-party request for email advice, which the agency does not provide.

**City of Sacramento:**

- **Service Effectiveness and Overall Satisfaction:** The City was “unsatisfied” and described the contract as unsatisfactory.
- **Activities Performed Under the Contract:**
  - 14 potential audits were identified, and 10 met the audit threshold per the contract and were completed.
  - 8 enforcement cases were closed, resulting in:
    - 4 Warning Letters
    - 3 No Action Closure Letters
    - 1 Stipulated settlement with a penalty of \$1,101.
  - The FPPC issued two informal advice emails.
  - The FPPC maintained a dedicated webpage for the City of Sacramento on the FPPC website, which included the City Campaign Finance Ordinance, Candidate Checklist, Guide for What to Keep for FPPC Audit, Contribution Limits, Filing Schedules, Quick Tips, and Advice.
  - The FPPC presented two overviews of the services provided under the contract to the City of Sacramento Ethics Commission.

**5. Public Comment**

- **City of San Bernardino:** No public comment or feedback was received regarding the FPPC services.
- **City of Sacramento:** No public comment or feedback was received regarding the FPPC services.

**6. Legislative Recommendations**

Although the FPPC and the City of Sacramento did not find success in contracting together, the FPPC learned from that first contract to communicate clear expectations in the beginning and has since had a successful relationship with the City of San Bernardino, which both parties wish to continue. This is shown through the contract’s renewal and the high level of satisfaction the City

reports. The FPPC staff recommends that the Legislature consider deleting or extending the sunset provision in Government Code Section 83123.6, subdivision (j). This amendment would enable the FPPC to contract in the future with other local government agencies for purposes of this section and to continue its work with the City of San Bernardino. The FPPC staff believes this program has been a success and supports its continuation or expansion.