

News from the FPPC



California Fair Political Practices Commission
428 J Street, Suite 620, Sacramento, CA 95814
www.fppc.ca.gov

For Immediate Release: March 17, 2016 Contact: Jay Wierenga at (916) 322-7761

The following are enforcement decisions approved by the Fair Political Practices Commission at its regular monthly meeting held on Thursday, March 17, 2016. Decisions are listed by category and include a brief summary of each case and the total amount of any administrative fine in each case.

Additional information on each of the enforcement cases listed below can be found in the March agenda on the FPPC website at www.fppc.ca.gov. FPPC agendas are distributed and posted on the agency website at least 10 days prior to each monthly meeting.

The web version of the agenda includes links to the stipulations agreed to between the FPPC Enforcement Division and the individuals and organizations subject to the fines, or the default decisions proposed to the Commission. Exhibits in support of the stipulations and proposed default decisions are also available on the website. If you or need further assistance, please contact the FPPC communications office at (916) 322-7761 or press@fppc.ca.gov.

Campaign Committee Coordination

Patrick J. Furey was a successful candidate for Mayor of Torrance in the June 3, 2014 Primary Election. Pat Furey for Mayor 2014 was his candidate controlled committee. Torrance Voters PAC to Support Pat Furey for Mayor 2014 was a recipient committee, which was wholly funded by McCormick Ambulance and the Torrance Firefighters PAC. The principal officer and the treasurer of Torrance Voters PAC were Richard Roesch and Tina McKinnor. Also, Roesch was President of McCormick Ambulance. On or about May 13 and 17, 2014, Torrance Voters PAC made non-monetary contributions to the Furey campaign totaling approximately \$35,000. These payments improperly were reported by the PAC as independent expenditures. Roesch, McKinnor, and the PAC were required to report the making of these contributions by filing a Form 497 within 24 hours of making each contribution, and they were required to report the contributions on a preelection campaign statement filed for the period ending May 17, 2014, but they failed to do so, in violation of Government Code Sections 84203, subdivisions (a) and (b) (2 counts); and 84211, subdivisions (b), (i), and (k) (1 count). Furey and his committee were required to report receipt of the contributions by filing a Form 497 within 48 hours of each contribution, and they were required to report the contributions on a preelection campaign statement filed for the period ending May 17, 2014, but they failed to do so, in violation of Government Code Sections 84203, subdivisions (a) and (b), and 84203.3, subdivision (b) (2 counts); as well as Section 84211, subdivisions (a), (c), and (f) (1 count). Also, on campaign statements filed for the periods ending May 17, 2014

and June 30, 2014, Roesch, McKinnor, and the PAC failed to report required information about payments to subvendors, in violation of Government Code Sections 84211, subdivision (k), and 84303 (1 count). Additionally, on campaign statements filed for the periods ending March 17, 2014 and May 17, 2014, Furey and his committee failed to report information regarding payments made to subvendors, in violation of Government Code Section 84211, subdivision (k), and 84303 (1 count). **Fine: \$35,000.**

Laundered Campaign Contributions

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

Mass Mailings

Phillips 66 is a corporation based in Houston, Texas. Phillips 66 owned and operated an oil and gas terminal in the City of Rialto. Prior to the 2012 General Election in Rialto, Phillips 66 paid for and caused to be sent a mass mailing opposing Measure V, a proposed tax increase on oil companies operating in Rialto, which failed to display required sender identification and instead identified a general purpose committee, Californians for Good Schools and Good Jobs, as the sender, in violation of Government Code Section 84305, subdivision (a), and California Code of Regulations, title 2, section 18435, subdivision (d) (2 counts). In addition, Phillips 66 failed to timely disclose costs associated with those mass mailings on a semiannual campaign statement, in violation of Government Code Section 84211, subdivision (k) (1 count) and failed to timely disclose late independent expenditures, in violation of Government Code Section 84204, subdivision (a) (1 count). **Fine: \$16,000.**

Campaign Reporting

Patricia López was a successful candidate for Assembly District 39 in the June 3, 2014 Primary Election, and in the November 4, 2014 General Election. Patty López for Assembly 2014 was her candidate controlled committee. At all relevant times, Carolina Perez was the treasurer of the Committee. López, Patty López for Assembly 2014, and Perez failed to timely file one semiannual campaign statement and two preelection campaign statements for reporting periods in 2014 by the applicable due dates, in violation of Government Code Sections 84200, subdivision (a), 84200.5, subdivision (a), and 84200.7, subdivision (b) (1 count); failed to deposit contributions into a single, designated campaign bank account prior to expenditure, in violation of Government Code Sections 85201, subdivisions (c) and (e) (1 count); received cash contributions of \$100 or more totaling approximately \$1,300, and made cash expenditures of \$100 or more, totaling approximately \$1,220, in violation of Government Code Section 84300, subdivisions (a) and (b) (1 count); failed to maintain supporting records for contributions and loans received and expenditures made, in violation of Government Code Section 84104 (1 count); López failed to disclose required economic interests of real property and income in her Candidate Statement of Economic Interests, in violation of Government Code Sections 87206 and 87207 (1 count). **Fine: \$7,500.**

This matter arose from an audit performed by the Political Reform Audit Program of the Franchise Tax Board. In 2012, Kenneth Hughey was an unsuccessful candidate for Los Angeles County Superior Court Judge. His controlled committee was Hughey 4 Judge 2012. Harbor Financial Services, Inc. qualified as a major donor committee in support of Hughey's candidacy. Harbor Financial Services made a loan to Hughey in the amount of \$50,000 for political purposes. Hughey deposited the check into his business account and then wrote a check in the same amount to his controlled committee. On or about March 22, 2012, Hughey filed a preelection campaign statement on behalf of Hughey 4 Judge 2012. The loan was disclosed on the filing, but instead of reporting that the true source of the loan was Harbor Financial Services, the loan was disclosed as a personal loan from Hughey to his own committee. No mention was made of Harbor Financial Services, in violation of Government Code Sections 84211, subdivisions (f) and (g), and 84216 (1 count). Also, Harbor Financial Services failed to file a major donor semiannual campaign statement for the reporting period of January 1, 2012 through June 30, 2012, in violation of Government Code Section 84200, subdivision (b) (1 count). **Fine: \$6,500.**

Barry Chang was a successful candidate for re-election to the Cupertino City Council in the November 4, 2014 General Election. Barry Chang also ran unsuccessfully for Assembly in the June 3, 2014 Primary Election. Barry Chang, Barry Chang for City Council 2014, and Sue Chang failed to disclose on campaign statements 160 contributions received totaling \$24,280 and occupation and employer information for approximately 35 individual contributors, in violation of Government Code Section 84211, subdivisions (a), (c), and (f) (1 count), and Barry Chang, Barry Chang for

Assembly 2014, and John Bartas failed to disclose on campaign statements occupation and employer information for approximately 231 individual contributors, in violation of Government Code Section 84211, subdivision (f) (1 count). **Fine: \$3,500.**

Campaign Non-Filer

Richard Grant and his primarily formed committee, Vallejo Citizens Deserve Better, opposed three Vallejo City Council candidates running in the November 5, 2013 General Election. Grant and Vallejo Citizens Deserve Better failed to: file a late independent expenditure report by October 17, 2013, in violation of Government Code Section 84204 (1 count); timely file a semiannual campaign statement for the period October 20, 2013 through December 31, 2013, in violation of Government Code Section 84200 (1 count); and file a semiannual campaign statement for the period of January 1, 2014 through June 30, 2014, in violation of Government Code Section 84200 (1 count). **Fine: \$11,500.**

John Brosnan was a successful candidate in the June 3, 2014 Primary Election and an unsuccessful candidate in the November 4, 2014 General Election for Lake County Supervisor. John Brosnan for District 3 Supervisor 2014 was Brosnan's candidate controlled committee. At all relevant times, Brosnan was treasurer of the Committee. Brosnan and the Committee failed to file four preelection campaign statements and one semiannual campaign statement by the applicable due dates in 2014, in violation of Government Code Sections 84200, subdivision (a), 84200.5, subdivision (a), and 84200.7, subdivisions (a) and (b) (1 count); and received cash contributions of \$100 or more totaling \$5,000, in violation of Government Code Section 84300, subdivision (a) (1 count). **Fine: \$4,000.**

California Society of Enrolled Agents Political Action Committee is a state general purpose committee. Cap Porterfield was the committee treasurer from August 1, 2011 through August 2, 2012. Don Stacy was the committee treasurer from August 3, 2012 through July 21, 2013. California Society of Enrolled Agents Political Action Committee and Porterfield failed to file a preelection campaign statement for the reporting period of January 1, 2012, through March 17, 2012, and the committee and Stacy failed to file a preelection campaign statement for the reporting period of July 1, 2012 through September 30, 2012, in violation of Government Code Sections 84200.5 and 84200.7, subdivision (a)(1) and (b)(1) (1 count). **Fine: \$2,500.**

Mike Boudreaux was a successful candidate for Tulare County Sherriff in the June 3, 2014 Primary Election, and Friends of Mike Boudreaux for Sheriff 2014 was his candidate controlled committee. Mike Boudreaux and Friends of Mike Boudreaux for

Sheriff 2014 failed to file five 24-hour reports, in violation of Government Code Section 84203 (5 counts). **Fine: \$1,068.**

Salvador Contreras was a successful candidate for Maywood City Treasurer in the November 8, 2011 General Election. He unsuccessfully ran for re-election to the same office in the November 3, 2011 General Election. Committee to Elect Contreras to City Treasurer – 2011 was Contreras' controlled committee and he was its treasurer. Contreras and Committee to Elect Salvador Contreras to City Treasurer - 2011 failed to timely file two semiannual campaign statements for the reporting periods of October 23, 2011 through December 31, 2011, and January 1, 2012 through June 30, 2012, in violation of Government Code Section 84200 (2 counts). **Fine: \$423.**

Respondents Sonoma County Law Enforcement Association PAC and Damian Evans as Treasurer failed to timely file one semiannual statement Form 460 covering the period of October 19, 2014 through December 31, 2014, in violation of Government Code Section 84200 (1 count). **Fine: \$271.**

Friends of Saugus Schools, Yes on EE, was a primarily formed local ballot measure committee. Measure EE was on the ballot at the November 4, 2014 General Election. Friends of Saugus Schools – Yes on EE and Varga, failed to timely file a semiannual campaign statement for the reporting period of January 1, 2015 through June 30, 2015, in violation of Government Code Section 84200 (1 count). **Fine: \$200.**

Lobbying Reporting

California-Hawaii State Conference of the NAACP is a lobbyist employer who failed to timely file three lobbyist employer reports for the reporting periods of October 1, 2013 through December 31, 2013, April 1, 2014 through June 30, 2014, and October 1, 2014 through December 31, 2014, in violation of Government Code Sections 86115, 86116, and 86117 (3 counts). **Fine: \$3,000.**

Helios/Stoneriver Pharmacy Solutions is a lobbyist employer formed on January 1, 2013. Helios/Stoneriver Pharmacy Solutions failed to timely file two lobbyist employer reports for the reporting periods of January 1, 2014 through March 31, 2014, and October 1, 2014 through December 31, 2014, in violation of Government Code Section 86115 (2 counts). **Fine: \$799.**

Statement of Economic Interests – Non-Filer

Jose Molina, a former Alternate Commissioner of the Los Angeles Gateway Region Integrated Regional Water Management Authority, failed to timely file a 2013 Annual

Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Fine: \$200.**

Logan Carnell, as a Board Member on the North Tahoe Fire Protection District, failed to timely file an Assuming Office Statement of Economic Interests covering the period of January 1, 2014 through January 1, 2015, in violation of Government Code Section 87300 (1 count). **Fine: \$200.**

Frank Chavez, as a Member with the Santa Clara County Alum Rock Union Elementary School District, failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Fine: \$200.**

David Schwarz, as a Commissioner with the Little Hoover Commission, failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Fine: \$300.**

Mary Bartlett, as a Board Member with the Santa Clara County Fairgrounds Management Corporation, failed to timely file a 2014 Annual Statement of Economic Interests, in violation of Government Code Section 87300 (1 count). **Fine: \$200.**

Annual Fee

Esterlina Lugo, candidate for City Council member of Bell Gardens, failed to pay the 2013 \$50.00 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Fine: \$200.**

Ed Sachs, candidate for Mission Viejo City Council, failed to pay the 2014 \$50.00 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Fine: \$200.**

Asian Pacific American Democratic Club, a state general purpose committee, and James Lau failed to pay the 2014 \$50.00 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Fine: \$200.**

Mario Chavez, an unsuccessful candidate for L.A. City Council, Mario Chavez for L.A. City Council 2015 and Michelle Moore Sanders failed to pay the 2014 \$50.00 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Fine: \$200.**

Juli Costanzo, candidate for San Gabriel City Council, and Cheryl Weissend failed to pay the 2014 \$50.00 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Fine: \$200.**

Ron Rowlett, member of the Vacaville City Council, and Ben Espinoza failed to pay the 2014 \$50.00 annual fee to the Secretary of State's Office, in violation of Government Code Section 84101.5. **Fine: \$200.**

General Items

Assignment of Hearing to Administrative Law Judge ("ALJ"): In the Matter of Rabbi Nachum Shifren and Committee to Elect Rabbi Shifren; FPPC No. 14/1109.

The Executive Director and the Chief of Enforcement are recommending that a hearing be conducted before an Administrative Law Judge 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. If the Commission agrees with the recommendation, no action is required.