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3 **FAIR POLITICAL PRACTICES COMMISSION**
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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA
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11

12 In the Matter of) FPPC No. 13/195
13 STEVEN DETRICK,)
14 Respondent.) STIPULATION, DECISION and
15) ORDER
16)
17)

18 Complainant, the Fair Political Practices Commission, and Respondent Steven Detrick agree that
19 this Stipulation will be submitted for consideration by the Fair Political Practices Commission at its next
20 regularly scheduled meeting.

21 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised in this
22 matter and to reach a final disposition without the necessity of holding an administrative hearing to
23 determine the liability of the Respondent, pursuant to Section 83116 of the Government Code.

24 Respondent understands, and hereby knowingly and voluntarily waives, any and all procedural
25 rights set forth in Sections 83115.5, 11503 and 11523 of the Government Code, and in Sections 18361.1
26 through 18361.9 of Title 2 of the California Code of Regulations. This includes, but is not limited to,
27 the right to personally appear at any administrative hearing held in this matter, to be represented by an
28 attorney at Respondent's own expense, to confront and cross-examine all witnesses testifying at the

1 hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge
2 preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

3 It is further stipulated and agreed that Respondent Steven Detrick violated the Political Reform
4 Act by using campaign funds for personal purposes, in violation of Government Code Section 89515 (1
5 count). This count is described in Exhibit 1, which is attached hereto and incorporated by reference as
6 though fully set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

7 Respondent agrees to the issuance of the Decision and Order, which is attached hereto.
8 Respondent also agrees to the Commission imposing upon her an administrative penalty in the amount
9 of One Thousand Five Hundred Dollars (\$1,500). A cashier's check from Respondent in said amount,
10 made payable to the "General Fund of the State of California," is submitted with this Stipulation as full
11 payment of the administrative penalty, to be held by the State of California until the Commission issues
12 its decision and order regarding this matter. The parties agree that in the event the Commission refuses
13 to accept this Stipulation, it shall become null and void, and within fifteen (15) business days after the
14 Commission meeting at which the Stipulation is rejected, all payments tendered by Respondent in
15 connection with this Stipulation shall be reimbursed to Respondent. Respondent further stipulates and
16 agrees that in the event the Commission rejects the Stipulation, and a full evidentiary hearing before the
17 Commission becomes necessary, neither any member of the Commission, nor the Executive Director,
18 shall be disqualified because of prior consideration of this Stipulation.

19
20 Dated: _____
21 Gary S. Winuk, Chief of Enforcement
22 Fair Political Practices Commission

23 Dated: _____
24 Steven Detrick, Respondent

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “In the Matter of Steven Detrick,” FPPC No. 13/195,
3 including all attached exhibits, is hereby accepted as the final decision and order of the Fair Political
4 Practices Commission, effective upon execution below by the Chair.

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6 IT IS SO ORDERED.

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8 Dated: _____

Joann Remke, Chair
Fair Political Practices Commission

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EXHIBIT 1

INTRODUCTION

Respondent Steven Detrick is currently the Vice Mayor of Elk Grove. The case was opened as the result of a complaint alleging that Respondent impermissibly used campaign funds to purchase items that provided a personal benefit to himself and his wife. On or about, August 13, 2011, Respondent attended a fundraiser for the Elk Grove Teen Center USA, a charitable organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. At this event, Respondent paid \$425 at a fundraising auction for the purchase of a “Sonoma Getaway;” a one night stay at the Ledsen Hotel in Sonoma and private wine tasting for two at the Ledsen Winery & Vineyards. Subsequently, Respondent and his wife redeemed the “Sonoma Getaway;” spending one night at the hotel.

For the purposes of this Stipulation, Respondent’s violation the Political Reform Act (the “Act”)¹ is stated as follows:

COUNT 1: Respondent Steven Detrick used campaign funds for personal purposes, by expending approximately \$425 in campaign funds at a charity auction to purchase a one night hotel stay and wine tasting, in violation of Section 89515 of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 89510, subdivision (b), is that all contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

Prohibition on the Personal Use of Campaign Funds

The Act provides that all expenditures of campaign funds must be reasonably related to a political, legislative or governmental purpose. (Section 89512.) If an expenditure of campaign funds confers a substantial personal benefit, then the expenditure must be directly related to a political, legislative or governmental purpose. (*Ibid.*) For certain types of expenditures, the Act contains additional restrictions.

Use of Campaign Funds for Charitable Donations

Campaign funds may be used to make charitable contributions, but there are limitations on how much such expenditures may benefit an elected official.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

“Campaign funds may be used to make donations or loans to bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organizations, where *no substantial part of the proceeds will have a material financial effect* on the candidate, elected officer, campaign treasurer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee, or member of his or her immediate family, and where the donation or loan bears a reasonable relation to a political, legislative or governmental purpose.” (Section 89515 [emphasis added].)

The FPPC has defined a “material financial effect” as used in this section as an effect of \$250 or more. (*O’Neil* Advice Letter, No. A-98-268(a).)

SUMMARY OF THE FACTS

Respondent Steven Detrick was a member of the Elk Grove City Council at all times relevant. On or about, August 13, 2011, Respondent attended a fundraiser for the Elk Grove Teen Center USA. At this event, Respondent paid \$425 at a fundraising auction for the purchase of a “Sonoma Getaway,” a one night stay at the Ledsen Hotel in Sonoma and private wine tasting for two at the Ledsen Winery & Vineyards. Subsequently, Respondent and his wife redeemed the “Sonoma Getaway,” spending the night at the hotel.

COUNT 1

Personal Use of Campaign Funds

Respondent Detrick was prohibited from using campaign funds to make contributions to civic or charitable organizations where a substantial part of the proceeds would have a material financial effect on himself or a member of his immediate family. According to bank records, committee records, and statements from Respondent Detrick, on August 13, 2011, Respondent Detrick paid \$425 at a fundraising auction for the purchase of a one night hotel stay. Respondent Detrick paid for the hotel stay using a check drawn from his campaign bank account. By making a donation to a charitable organization, where a substantial part of the proceeds had a material financial effect on the elected officer, Respondent violated Section 89515 of the Government Code.

CONCLUSION

This matter consists of one count, which carries a maximum possible administrative penalty of five thousand dollars (\$5,000).

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. The Enforcement Division also considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6), which include: the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the Respondent demonstrated good faith in

consulting with Commission staff; whether there was a pattern of violations; and whether upon learning of the violation the Respondent voluntarily filed amendment to provide full disclosure. Additionally, liability under the Act is governed in significant part by the provisions of Section 91001, subdivision (c), which requires the Commission to consider whether or not a violation is inadvertent, negligent or deliberate, and the presence or absence of good faith, in applying remedies and sanctions.

Although there are no recent cases involving violations of Section 89515, there is a recent stipulation involving a violation of a similar, related provision; Section 89513, subdivision (d), which prohibits the use of campaign funds for the purchase for campaign, business, or casual clothing. *In the Matter of Maria T. Santillan, Committee to Re-Elect Maria T. Santillan, and Raul Beas*, FPPC No. 02/222 involved Respondent Maria T. Santillan, a successful candidate for re-election to Lynwood City Council. In this matter, Respondent Santillan used campaign funds for personal purposes, by expending approximately \$310 in campaign funds to purchase clothing for herself, in violation of Section 89513, subdivision (d) of the Government Code. The commission approved settlement of this case, with a \$2,000 penalty for this violation, on June 18, 2009.

Historically, a middle-to-high range fine is levied against the violator for personal use of campaign funds. Personal use of campaign funds violates the trust of the contributors giving to that campaign, and is therefore a very serious violation of the Act. In this case, Respondent used campaign funds to purchase an item at a charity auction, which he and his wife subsequently used. Respondent has no prior Enforcement history, and cooperated fully with the investigation. In addition, the amount improperly used was small. An administrative penalty at the lower end of the penalty range is appropriate. Accordingly, the facts of this case justify an administrative penalty of One Thousand Five Hundred Dollars (\$1,500) for this violation.

PROPOSED PENALTY

After consideration of the factors of Regulation 18361.5, including whether the behavior in question was inadvertent, negligent or deliberate and the Respondent's pattern of behavior, as well as consideration of penalties in prior enforcement actions, the imposition of a penalty of One Thousand Five Hundred Dollars (\$1,500) is recommended.