

1 GALENA WEST
Enforcement Chief
2 MICHAEL W. HAMILTON
Commission Counsel
3 Fair Political Practices Commission
428 J Street, Suite 620
4 Sacramento, CA 95814
Telephone: (916) 322-5772
5 Facsimile: (916) 322-1932

6 Attorneys for Complainant
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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA
10

11 In the Matter of:

FPPC No. 16/426

12 THE HEMET TAXPAYERS
13 ASSOCIATION,

STIPULATION, DECISION, AND ORDER

14
15 Respondent.
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18 **STIPULATION**

19 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
20 respondents The Hemet Taxpayers Association (“Respondent”) hereby agree that this Stipulation will be
21 submitted for consideration by the Fair Political Practices Commission (“Commission”) at its next
22 regularly-scheduled meeting.

23 The parties agree to enter into this Stipulation to resolve all factual and legal issues raised by this
24 matter and to reach a final disposition without the necessity of holding an additional administrative hearing
25 to determine the liability of Respondent.

26 The Respondent understands, and hereby knowingly and voluntarily waives, any and all
27 procedural rights set forth in Government Code sections 83115.5, 11503 and 11523, and in California
28 Code of Regulations, title 2, sections 18361.1 through 18361.9. This includes, but is not limited to, the

1 right to personally appear at any administrative hearing held in this matter, to be represented by an attorney
2 at Respondent's own expense, to confront and cross-examine all witnesses testifying at the hearing, to
3 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over
4 the hearing as a hearing officer, and to have the matter judicially reviewed.

5 It is further stipulated and agreed that the Respondent violated the Political Reform Act by failing
6 to put a disclosure statement on its road signs that identified it as the source of the signs, in violation of
7 Government Code section 84504, subsection (c) as described in Exhibit 1. Exhibit 1 is attached hereto
8 and incorporated by reference as though fully set forth herein. Exhibit 1 is a true and accurate summary
9 of the facts in this matter.

10 The Respondent agrees to the issuance of the Decision and Order, which is attached hereto. The
11 Respondent also agrees to the Commission imposing an administrative penalty in the amount of Two
12 Thousand Dollars (\$2,000). The Respondent submitted with this Stipulation a cashier's check in said
13 amount, made payable to the "General Fund of the State of California," as full payment of the
14 administrative penalty that shall be held by the State of California until the Commission issues its Decision
15 and Order regarding this matter. The parties agree that in the event the Commission refuses to accept this
16 Stipulation, the checks shall become null and void, and within fifteen (15) business days after the
17 Commission meeting at which the Stipulation is rejected, all payments tendered by the Respondent in
18 connection with this Stipulation shall be reimbursed to the Respondent. The Respondent further stipulates
19 and agrees that in the event the Commission rejects the Stipulation, and a full evidentiary hearing before
20 the Commission becomes necessary, neither any member of the Commission, nor the Executive Director,
21 shall be disqualified because of prior consideration of this Stipulation.

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23 Dated: _____
24 Galena West, Chief, on behalf of the Enforcement
25 Division of the Fair Political Practices Commission

26 Dated: _____
27 Robert Righetti, Treasurer of the Hemet Taxpayers
28 Association

1 **DECISION AND ORDER**

2 The foregoing Stipulation of the parties “In the Matter of Hemet Taxpayers Association,” FPPC
3 No. 16/426, including all attached exhibits, is hereby accepted as the final decision and order of the Fair
4 Political 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

9 Fair Political Practices Commission
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EXHIBIT 1

INTRODUCTION

Respondent Hemet Taxpayers Association (the “HTA”) is a general purpose committee in the City of Hemet, California. At all times relevant to the matter at issue, Robert Righetti (“Righetti”) has served as the treasurer of the HTA.

The HTA is responsible for publishing a handful of signs opposing Measure H in the City of Hemet that did not include a disclosure statement, in violation of the advertisement disclosure provisions of the Political Reform Act (the “Act”)¹.

SUMMARY OF THE LAW

All statutory references and discussions of law pertain to the Act’s provisions as they existed in 2016.

Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act

When enacting the Political Reform Act, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities.² To that end, the Act must be liberally construed to achieve its purposes.³

Advertisement

Under the Act, an “advertisement” means any general or public advertisement which is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure or ballot measures.⁴

Advertisement Disclosure

The Act requires any committee which supports or opposes a ballot measure, to print or broadcast its name as part of any advertisement or other paid public statement.⁵ The disclosure must include the words “paid for by” in the same manner as, and immediately adjacent to and above, or immediately adjacent to and in front of, the required identification, and for oversized print media, must constitute at least five percent (5%) of the height of the advertisement printed in a contrasting color.⁶

¹ 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.

² § 81001, subd. (h).

³ § 81003.

⁴ § 84501

⁵ § 84504, subd. (c).

⁶ Regulation 18450.4, subd. (b)(1) and subd. (b)(3)(D).

SUMMARY OF THE FACTS

On April 29, 2016, the Enforcement Division received a complaint alleging that the HTA failed to comply with the public disclosure requirements of the Act. Specifically, the complainant believed that the HTA was responsible for setting up a handful of anonymous signs throughout the City of Hemet that opposed Measure E. The signs in question were approximately 4x8 feet and said “We Pay Enough Taxes No on E.”

On May 20, 2016, the Enforcement Division contacted Righetti regarding the signs in the complaint. Righetti admitted that the HTA was the source of the signs and that they were aware the signs failed to meet the disclosure requirements. He explained that a supporter had made and put up the signs for the HTA. According to Righetti, once the HTA identified that the signs were missing the proper disclosure, they attempted to cure the problem by placing stickers on the signs. However, these stickers did not meet the disclosure requirements of the Act.

On the same day that Righetti was contacted by the Enforcement Division, he agreed to the Fair Political Practices Commission issuance of a press release provided to the local media and posted on the Commission’s website that identified the HTA as being responsible for the signs in order to achieve disclosure prior to the election on June 7, 2016.

VIOLATION

Count 1: Failure to Identify Committee in Disclosure Statement

The HTA failed to put a disclosure statement on its signs that identified it as the source of the signs, in violation of Government Code section 84504, subsection (c).

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of \$5,000 per count, totaling \$5,000.

In determining the appropriate penalty for a particular violation of the Act, the Commission 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. Additionally, the Commission considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d): 1) the seriousness of the violations; 2) the presence or lack of intent to deceive the voting public; 3) whether the violation was deliberate, negligent, or inadvertent; 4) whether the Respondent demonstrated good faith in consulting with Commission staff; 5) whether there was a pattern of violations; and 6) whether, upon learning of the violation, the violator voluntarily provided amendments to provide full disclosure.

The violation committed by HTA does not appear to be intentional. Additionally, the HTA does not have a history of violating the Act.

Recent penalties approved by the Commission for failure to place a disclosure statement on an advertisement are as follows:

- ❖ *In the Matter of Yes on Prop. 47, Californians for Safe Neighborhoods and Schools, Sponsored by Vote Safe, A Project of the Advocacy Fund;* FPPC No. 14/1204. Respondent failed to disclose its name and its two highest donors of \$50,000 or more in two video advertisements. After being contacted by the Enforcement Division in late October, the committee added a disclosure statement in its advertisement. On November 20, 2014, the Commission approved a penalty of \$2,000 per count.
- ❖ *In the Matter of Southern California Taxpayers Association, Sponsored by and with Major Funding from Milan Rei IV, LLC, Barrett Garcia, and Ann Garrett.* FPPC No. 12/782. Respondents failed to display required committee identification on 750 yard signs paid for by the committee to support Measure FF in the city of Orange. None of the yard signs identified the group that paid for it. On November 20, 2014, the Commission approved a penalty of \$2,500.

The HTA is required to put a disclosure statement on its road signs identifying them as the source of the signs. A lower penalty than the one issued by the Commission in the *Southern California Taxpayers Association* is warranted because here the HTA agreed to the Commission's issuance of a press release that identified the HTA as the true source of the signs. It is similar to *Yes on Prop. 47* where disclosure was achieved prior to the election.

PROPOSED PENALTY

After considering the factors listed in Regulation 18361.5, prior similar cases, and other relevant factors, the imposition of a \$2,000 penalty on the HTA is recommended.