

1 GALENA WEST  
Chief of Enforcement  
2 DAVE BAINBRIDGE  
Assistant Chief of Enforcement  
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

7 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

8 STATE OF CALIFORNIA  
9

10 In the Matter of ) FPPC No.: 15/662  
11 )  
12 ILI FOR CITY COUNCIL 2011 aka ILI FOR CITY ) DEFAULT DECISION AND  
COUNCIL 2015 and WILLHANS ILI, ) ORDER  
13 ) (Government Code sections 11506  
14 ) and 11520)  
15 Respondents. )

16 Complainant, the Enforcement Division of the Fair Political Practices Commission, hereby  
17 submits this Default Decision and Order for consideration by the Fair Political Practices Commission at  
18 its next regularly scheduled meeting.

19 Pursuant to the California Administrative Procedure Act,<sup>1</sup> Ili for City Council 2011 aka Ili for City  
20 Council 2015 and Willhans Ili (“Respondents”) have been served with all of the documents necessary to  
21 conduct an administrative hearing regarding the above-captioned matter, including the following:

- 22 1. An Order Finding Probable Cause;
- 23 2. An Accusation;
- 24 3. A Notice of Defense (Two Copies);
- 25 4. A Statement to Respondent; and,
- 26 5. Copies of Government Code sections 11506, 11507.5, 11507.6 and 11507.7.

27  
28 <sup>1</sup> The California Administrative Procedure Act, which governs administrative adjudications, is contained in sections 11370 through 11529 of the Government Code.

1 Government Code section 11506 provides that failure of a respondent to file a Notice of Defense  
2 within fifteen days after being served with an Accusation constitutes a waiver of respondent's right to a  
3 hearing on the merits of the Accusation. The Statement to Respondent, served on Ili, explicitly stated that  
4 a Notice of Defense must be filed to request a hearing. Respondents failed to file a Notice of Defense  
5 within fifteen days of being served with an Accusation. Government Code section 11520 provides that, if  
6 the respondent fails to file a Notice of Defense, the Commission may take action, by way of a default,  
7 based upon the respondent's express admissions or upon other evidence, and that affidavits may be used  
8 as evidence without any notice to the respondent.

9 Respondents violated the Political Reform Act as described in Exhibit 1, which is attached hereto  
10 and incorporated by reference as though fully set forth herein. Exhibit 1 is a true and accurate summary  
11 of the law and evidence in this matter. This Default Decision and Order is submitted to the Commission  
12 to obtain a final disposition of this matter.

13  
14 Dated: 3 April 17

  
Galena West, Chief of Enforcement  
Fair Political Practices Commission

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18  
19 **ORDER**

20 The Commission issues this Default Decision and Order and imposes an administrative penalty of  
21 \$9,000 upon Ili for City Council 2011 aka Ili for City Council 2015 and Willhans Ili, payable to the  
22 "General Fund of the State of California."

23 IT IS SO ORDERED, effective upon execution below by the Chair of the Fair Political Practices  
24 Commission at Sacramento, California.

25  
26 Dated: \_\_\_\_\_

\_\_\_\_\_  
Joann Remke, Chair  
Fair Political Practices Commission

## EXHIBIT 1

### INTRODUCTION

Respondent Ili for City Council 2011 aka Ili for City Council 2015 (the “Committee”) is a candidate-controlled committee to support respondent Willhans Ili in his campaigns for South El Monte City Council in 2011 and 2015. The Political Reform Act (the “Act”)<sup>1</sup> requires a committee to pay the Secretary of State (“SOS”) an annual fee of \$50 each year. This matter resulted from a referral from the SOS for the Committee and Ili’s failure to pay annual fee for three consecutive years. As a candidate-controlled committee and its candidate, the Committee and Ili had a duty to pay the 2013 annual fee by February 15, 2013, the 2014 annual fee by January 15, 2014 and the 2015 annual fee by January 15, 2015. They failed to pay those annual fees and the resulting penalties.

### DEFAULT PROCEEDINGS UNDER THE ADMINISTRATIVE PROCEDURE ACT

When the Commission determines that there is probable cause for believing that the Act has been violated, it may hold a hearing to determine if a violation occurred.<sup>2</sup> Notice of the hearing, and the hearing itself, must be conducted in accordance with the Administrative Procedure Act (the “APA”).<sup>3</sup> A hearing to determine whether the Act has been violated is initiated by the filing of an accusation, which shall be a concise written statement of the charges, specifying the statutes and rules which the respondent is alleged to have violated.<sup>4</sup>

Included among the rights afforded a respondent under the APA, is the right to file the Notice of Defense with the Commission within 15 days after service of the accusation, by which the respondent may (1) request a hearing; (2) object to the accusation on the ground it does not state acts or omissions upon which the agency may proceed; (3) object to the form of the accusation on the ground that it is so indefinite or certain that the respondent cannot identify the transaction or prepare a defense; (4) admit the accusation in whole or in part; (5) present new matter by way of a defense; or (6) object to the accusation on the ground that, under the circumstances, compliance with a Commission regulation would result in a material violation of another department’s regulation affecting substantive rights.<sup>5</sup>

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<sup>1</sup> The 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 (“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.

<sup>2</sup> Section 83116.

<sup>3</sup> The California Administrative Procedure Act, which governs administrative adjudications, is contained in Sections 11370 through 11529 of the Government Code; Section 83116.

<sup>4</sup> Section 11503.

<sup>5</sup> Section 11506, subd. (a)(1)–(6).

The APA provides that a respondent's failure to file a Notice of Defense within 15 days after service of an accusation constitutes a waiver of the respondent's right to a hearing.<sup>6</sup> Moreover, when a respondent fails to file a Notice of Defense, the Commission may take action based on the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to the respondent.<sup>7</sup>

## PROCEDURAL REQUIREMENTS AND HISTORY

### A. Initiation of the Administrative Action

The service of the probable cause hearing notice, as required by Section 83115.5, upon the person alleged to have violated starts the administrative action.<sup>8</sup>

A finding of probable cause may not be made by the Commission unless the person alleged to have violated the Act is 1) notified of the violation by service of process or registered mail with return receipt requested; 2) provided with a summary of the evidence; and 3) informed of his or her right to be present in person and represented by counsel at any proceeding of the Commission held for the purpose of considering whether probable cause exists for believing the person violated the Act.<sup>9</sup> Additionally, the required notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office.<sup>10</sup>

No administrative action pursuant to Chapter 3 of the Act alleging a violation of any of the provisions of Act may be commenced more than five years after the date on which the violation occurred.<sup>11</sup>

Documents supporting the procedural history are included in the attached Certification of Records ("Certification") filed herewith at Exhibit 1, A-1 through A-9, and incorporated herein by reference.

In accordance with Sections 83115.5 and 91000.5, the Enforcement Division initiated the administrative action against the Committee and Ili in this matter by serving them with a Report in Support of a Finding of Probable Cause (the "Report") (Certification, Exhibit A-1) by certified mail, return receipt requested,<sup>12</sup> on or before June 16, 2016. (Certification, Exhibit A-2.) The administrative action commenced on that date.

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<sup>6</sup> Section 11506, subd. (c).

<sup>7</sup> Section 11520, subd. (a).

<sup>8</sup> Section 91000.5, subd. (a).

<sup>9</sup> Section 83115.5.

<sup>10</sup> Section 83115.5.

<sup>11</sup> Section 91000.5.

<sup>12</sup> Section 83115.5.

As required by Section 83115.5, the packet served on the Committee and Ili contained a cover letter and a memorandum describing probable cause proceedings, advising that the Committee and Ili had 21 days in which to request a probable cause conference and/or to file a written response to the Report. (Certification, Exhibit A-3.) Neither the Committee nor Ili requested a probable cause conference or submitted a written response to the Report.

**B. Ex Parte Request for a Finding of Probable Cause**

Because the Committee and Ili failed to request a probable cause conference or submit a written response to the Report by the statutory deadline, 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 July 6, 2016. (Certification, Exhibit A-4.)

On July 19, 2016, Hearing Officer Jack Woodside, Senior Commission Counsel, Legal Division issued a Finding of Probable Cause and an Order to Prepare and Serve an Accusation on the Committee and Ili. (Certification, Exhibit A-5.)

**C. The Issuance and Service of the Accusation**

Under the Act, if the Hearing Officer makes a finding of probable cause, the Enforcement Division must prepare an accusation pursuant to Section 11503 of the APA, and have it served on the persons who are the subject of the probable cause finding.<sup>13</sup>

Section 11503 states:

A hearing to determine whether a right, authority, license, or privilege should be revoked, suspended, limited, or conditioned shall be initiated by filing an accusation or District Statement of Reduction in Force. The accusation or District Statement of Reduction in Force shall be a written statement of charges that shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his or her defense. It shall specify the statutes and rules that the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of those statutes and rules. The accusation or District Statement of Reduction in Force shall be verified unless made by a public officer acting in his or her official capacity or by an employee of the agency before which the proceeding is to be held. The verification may be on information and belief.

Upon the filing of the accusation, the agency must 1) serve a copy thereof on the respondent as provided in Section 11505, subdivision (c); 2) include a post card or other form entitled Notice of Defense that, when signed by or on behalf of the respondent and returned to the agency, will

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<sup>13</sup> Regulation 18361.4, subd. (e).

acknowledge service of the accusation and constitute a notice of defense under Section 11506; 3) include (i) a statement that respondent may request a hearing by filing a notice of defense as provided in Section 11506 within 15 days after service upon the respondent of the accusation, and that failure to do so will constitute a waiver of the respondent's right to a hearing, and (ii) copies of Sections 11507.5, 11507.6, and 11507.7.<sup>14</sup> The APA also sets forth the language required in the accompanying statement to the respondent.<sup>15</sup>

The Accusation and accompanying information may be sent to the respondent by any means selected by the agency, but no order adversely affecting the rights of the respondent may be made by the agency in any case unless the respondent has been served personally or by registered mail as set forth in the APA.<sup>16</sup>

On August 19, 2016, the Commission's Chief of Enforcement, Galena West, issued an Accusation against the Committee and Ili in this matter. (Certification, Exhibit A-6.) In accordance with Section 11505, the Accusation and accompanying information, consisting of a Statement to Respondent, two copies of a Notice of Defense Form for each respondent, copies of Government Code Sections 11506, 11507.5, 11507.6 and 11507.7 were personally served on Ili on August 26, 2016. (Certification, Exhibit A-8.)

Along with the Accusation, the Enforcement Division served the Committee and Ili with a "Statement to Respondent," which notified them that they could request a hearing on the merits and warned that, unless a Notice of Defense was filed within 15 days of service of the Accusation, they would be deemed to have waived the right to a hearing. (Certification, Exhibit A-7.) Neither the Committee nor Ili filed a Notice of Defense within the statutory time period, which ended on September 12, 2016.

As a result, on April 4, 2017, the Enforcement Division sent a letter to the Committee and Ili advising that this matter would be submitted for a Default Decision and Order at the Commission's public meeting scheduled for April 20, 2017. (Certification, Exhibit A-9.) A copy of the Default Decision and Order, and this accompanying Exhibit 1 with attachments, was included with the letter.

## SUMMARY OF THE LAW

An express purpose of the Act is to ensure voters are fully informed and improper practices are inhibited by requiring all candidates, as well as the committees that support or oppose them, to disclose all contributions and expenditures made throughout a campaign.<sup>17</sup> In furtherance of this purpose, the Act requires a controlled committee to file a statement of organization with SOS and pay an annual fee.<sup>18</sup>

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<sup>14</sup> Section 11505, subd. (a).

<sup>15</sup> Section 11505, subd. (b).

<sup>16</sup> Section 11505, subd. (c).

<sup>17</sup> Section 81002, subd. (a).

<sup>18</sup> Section 84101.5, subd. (b).

Each committee was required to pay SOS an annual fee of \$50 by February 15, 2013, and then by January 15 each year thereafter until the termination of the committee.<sup>19</sup> A committee that fails to timely pay the annual fee is subject to a penalty equal to three times the amount of the fee. The Commission is required to enforce this provision of the Act.<sup>20</sup>

### SUMMARY OF THE EVIDENCE

The Committee qualified as a committee on August 21, 2011. Ili was elected to the South El Monte City Council on November 8, 2011. Ili lost his bid for re-election in November of 2015. The Committee remains open. It last filed a campaign statement for the period ending December 31, 2016, which showed \$1,316 of campaign funds.

The Committee and Ili failed to timely pay to the SOS the \$50 annual fee for 2013, 2014, and 2015. The Committee and Ili also failed to pay the resulting penalty of \$150 for failing to timely pay the annual fee.

The Enforcement Division sent Ili letters seeking to resolve the matter through a stipulated settlement. Enforcement Division also sent Ili emails, and called him regarding his failure to pay the annual fees and penalties. Ili did not respond to any of the correspondence. Overall, Commission staff contacted Ili 11 times regarding this matter without any response. Those contacts consisted of the following:

- July 21, 2015: Letter from Enforcement Division to Ili and the Committee regarding resolving matter for failure to pay \$50 fees.
- August 27, 2015: Letter from Enforcement Division to Ili and the Committee regarding resolving matter for failure to pay \$50 fees.
- September 10, 2015: Email from Enforcement Division to Ili regarding resolving matter for failure to pay \$50 fees.
- December 16, 2015: Letter from Enforcement Division to Ili and the Committee regarding resolving matter for failure to pay \$50 fees.
- June 10, 2016: Report sent to Ili via certified mail and received by Ili on or before June 16, 2016.
- June 22, 2016: Email from Enforcement Division to Ili regarding resolving the matter for failure to pay \$50 fees.
- July 6, 2016: Ex Parte Request for a Finding of Probable Cause and an Order that an Accusation Be Prepared and Served and proposed order for an accusation sent to Ili.
- July 20, 2016: Finding of Probable Cause and Order to Prepare and Serve Accusation sent to Ili via mail by the Commission Assistant.
- July 22, 2016: Voicemail message left for Ili by Enforcement Division regarding resolving the matter for failure to pay \$50 fees.

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<sup>19</sup> Section 84101.5, subd. (c).

<sup>20</sup> Section 84101.5, subd. (d).

- August 26, 2016: Ili personally served with Accusation
- April 4, 2017: Ili sent Notice of Intent to Enter Default Decision and Order by mail and email.

As of March 24, 2017, the Committee and Ili have not paid the annual fees for 2013, 2014, and 2015, nor paid the penalties for failing to timely pay the annual fees, but the Committee remains active.

## **VIOLATIONS**

The Committee and Ili committed three violations of the Act, as follows:

### **COUNT 1**

#### **Failure to Timely Pay the 2013 Annual Fee and Penalty**

The Committee and Ili had a duty to pay the 2013 annual fee to SOS by February 15, 2013. By failing to timely pay the \$50 annual fee, and failing to pay the \$150 penalty for failing to timely pay the annual fee, the Committee and Hodge violated Government Code Section 84101.5, subdivisions (c) and (d).

### **COUNT 2**

#### **Failure to Timely Pay the 2014 Annual Fee and Penalty**

The Committee and Ili had a duty to pay the 2014 annual fee to SOS by January 15, 2014. By failing to timely pay the \$50 annual fee, and failing to pay the \$150 penalty for failing to timely pay the annual fee, the Committee and Hodge violated Government Code Section 84101.5, subdivisions (c) and (d).

### **COUNT 3**

#### **Failure to Timely Pay the 2015 Annual Fee and Penalty**

The Committee and Ili had a duty to pay the 2015 annual fee to SOS by January 15, 2015. By failing to timely pay the \$50 annual fee, and failing to pay the \$150 penalty for failing to timely pay the annual fee, the Committee and Hodge violated Government Code Section 84101.5, subdivisions (c) and (d).



## CONCLUSION

This matter consists of three counts of violating the Act, which carries a maximum administrative penalty of \$15,000.<sup>21</sup>

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. Additionally, the Enforcement Division considers the facts and circumstances of the violation in the context of the following factors set forth in Regulation 18361.5 subdivision (d)(1) through (6): (1) The seriousness of the violation; (2) The presence or absence of any intention to conceal, deceive or mislead; (3) Whether the violation was deliberate, negligent or inadvertent; (4) Whether the violator demonstrated good faith by consulting the Commission staff or any other governmental agency in a manner not constituting complete defense under Government Code section 83114(b); (5) Whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and (6) Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

In this matter, the Committee and Ili failed to pay the annual fees and penalties for three years, despite numerous contacts regarding these violations.

The Enforcement Division also takes into consideration previous cases that were approved by the Commission in determining penalties. The penalty in recent similar default cases for failure to pay the annual fee was \$3,000 per violation. (See *In the Matter of I-Chinese American Political Action Committee and Victor Gau*, FPPC Nos. 15/661 and 16/379, where the Commission approved the default decision on March 16, 2017; and *In the Matter of Re-Elect Gary Mendez for Rio Hondo College Board 2011 and Gary Mendez*, FPPC No. 15/218, where the Commission approved the default decision on February 16, 2017.)

## PROPOSED PENALTY

After considering the factors of Regulation 18361.5 and the penalties imposed in prior cases, a penalty of \$3,000 each for Counts 1–3 is recommended, for a total penalty of \$9,000.

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<sup>21</sup> Section 83116, subd. (c).



**DECLARATION OF CUSTODIAN OF RECORDS  
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION  
Enforcement Division**

**CERTIFICATION OF RECORDS**

The undersigned declares and certifies as follows:

1. I am employed as a Staff Services Analyst by the California Fair Political Practices Commission (Commission). My business address is: California Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, CA 95814.
2. I am a duly authorized custodian of the records maintained by the Commission in the Enforcement Division. As such, I am authorized to certify copies of those records as being true and correct copies of the original business records which are in the custody of the Commission.
3. I have reviewed documents maintained in *FPPC Case No. 15/662; Ili for City Council 2011 aka Ili for City Council 2015 and Willhans Ili*, and have caused copies to be made of documents contained therein. I certify that the copies attached hereto are true and correct copies of the documents prepared in the normal course of business and which are contained in files maintained by the Commission. The attached documents are as follows:

- EXHIBIT A-1: Report in Support of a Finding of Probable Cause, dated June 10, 2016
- EXHIBIT A-2: Proof of Service for the Report in Support of a Finding of Probable Cause and applicable statutes and regulations, dated June 10, 2016, and Return Receipt received on June 16, 2016
- EXHIBIT A-3: Cover letter to the Respondent regarding the Report in Support of a Finding of Probable Cause, memorandum describing Probable Cause Proceedings, and applicable statutes and regulations, dated June 10, 2016
- EXHIBIT A-4: Ex Parte Request for a Finding of Probable Cause and an Order that an Accusation Be Prepared and Served, dated July 6, 2016
- EXHIBIT A-5: Finding of Probable Cause and Order to Prepare and Serve an Accusation, dated July 19, 2016

- EXHIBIT A-6: Accusation, dated August 19, 2016
- EXHIBIT A-7: Statement to Respondents, Notices of Defense, and Government Code Sections 11506, 11507.5, 11507.6 and 11507.7
- EXHIBIT A-8: Proof of Service on August 26, 2016, for Accusation and accompanying documents from process server, dated August 26, 2016
- EXHIBIT A-9: Notice of Intent to Enter into Default Decision and Order, dated April 4, 2017

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on April 4, 2017, at Sacramento, California.



Dominika Wojenska  
Staff Services Analyst, Enforcement Division  
Fair Political Practices Commission

**Exhibit A-1**

1 GALENA WEST  
Chief of Enforcement  
2 DAVE BAINBRIDGE  
Assistant Chief of Enforcement  
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  
9 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION  
10 STATE OF CALIFORNIA

11 In the Matter of ) FPPC No. 15/662  
12 ILI FOR CITY COUNCIL 2011 AND )  
13 WILLHANS ILI ) **REPORT IN SUPPORT OF A FINDING OF**  
14 ) **PROBABLE CAUSE**  
15 ) Conference Date: TBA  
16 Respondents. ) Conference Time: TBA  
17 ) Conference Location: Commission Offices  
428 J Street, Suite 620  
Sacramento, CA 95814

18 **INTRODUCTION**

19 Respondent ILI for City Council 2011 (“the Committee”) is Respondent Willhans ILI’s (“ILI”) local candidate controlled committee. The Political Reform Act (the “Act”)<sup>1</sup> requires active committees to pay an annual fee of \$50 each year to the Secretary of State (“SOS”) until the committee is terminated.<sup>2</sup> A committee that fails to timely pay this fee is subject to a penalty of three times the amount of the fee.<sup>3</sup> A committee that existed prior to January 1, 2013 is required to pay the annual fee

24 <sup>1</sup> 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 Practice Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

25 <sup>2</sup> Section 84101.5, subd. (a).

26 <sup>3</sup> Section 84101.5, subd. (d).

1 by February 15, 2013.<sup>4</sup> Each year thereafter, the annual fee is due by January 15.<sup>5</sup> According to the  
2 SOS, the Committee qualified as a committee on August 21, 2011 and failed to pay the required 2013  
3 Annual Fee, 2014 Annual Fee, and 2015 Annual Fee.

#### 4 SUMMARY OF THE LAW

5 All legal references and discussions of law pertain to the Act's provisions as they existed in  
6 2013-2015.

#### 7 Jurisdiction

8 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
9 enforce the provisions of the Act.<sup>6</sup>

#### 10 Probable Cause Proceedings

11 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
12 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
13 cause to believe the respondent has violated the Act.<sup>7</sup> After a finding of probable cause, the  
14 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>8</sup> to  
15 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
16 violation.<sup>9</sup>

#### 17 Standard for Finding Probable Cause

18 To make a finding of probable cause, the hearing officer must be presented with sufficient  
19 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
20 that a respondent committed or caused a violation.<sup>10</sup>

21  
22  
23 <sup>4</sup> Section 84101.5, subd. (c)(3).

24 <sup>5</sup> Section 84101.5, subd. (c)(1).

25 <sup>6</sup> Section 83116.

26 <sup>7</sup> Section 83115.5, and Regulations 18361 and 18361.4.

27 <sup>8</sup> Section 11500, et seq.

28 <sup>9</sup> Section 83116, and Regulation 18361.4, subd. (e).

<sup>10</sup> Section 18361.4, subd. (e).

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

2 When enacting the Political Reform Act, the people of the state of California found and  
3 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
4 and local authorities.<sup>11</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>12</sup>

5 There are many purposes of the Act. Among these purposes are to ensure voters are fully  
6 informed and improper practices are inhibited by requiring all political candidates, as well as the  
7 committees that support or oppose them, to disclose all contributions and expenditures made  
8 throughout a campaign.<sup>13</sup> Another is to provide adequate enforcement mechanisms so that the Act will  
9 be “vigorously enforced.”<sup>14</sup>

10 Annual Fee

11 Each committee that is required to file a statement of organization must pay the SOS an annual  
12 \$50 fee until the termination of the committee. Each committee was required to pay the 2013 annual fee  
13 by February 15, 2013, and then by January 15<sup>th</sup> every year thereafter.<sup>15</sup> A committee that fails to timely  
14 pay the annual fee is subject to a penalty equal to three times the amount of the fee. The Commission is  
15 required to enforce this provision of the Act.<sup>16</sup>

16 Liability for Violations

17 Any person who violates any provision of the Act, who purposely or negligently causes any  
18 other person to violate any provision of the Act, or who aids and abets any other person in the violation  
19 of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.<sup>17</sup> This only  
20 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
21 services involving the planning, organizing or directing of any activity regulated or required by the  
22 Act.<sup>18</sup>

23 <sup>11</sup> Section 81001, subd. (h).

24 <sup>12</sup> Section 81003.

25 <sup>13</sup> Section 81002, subd. (a).

26 <sup>14</sup> Section 81002, subd. (f).

27 <sup>15</sup> Section 84101.5, subd. (c).

28 <sup>16</sup> Section 84101.5, subd. (d).

<sup>17</sup> Sections 83116 and 83116.5.

<sup>18</sup> Section 83116.5.





1 **EXCULPATORY AND MITIGATING INFORMATION**

2 The Enforcement Division is not aware of any relevant exculpatory or mitigating information.

3 **CONCLUSION**

4 Probable cause exists to believe that the Committee and ILI violated the Act by failing to pay  
5 the 2013, 2014, and 2015 Annual Fee and penalties for failing to pay. The Enforcement Division  
6 respectfully requests an order finding probable cause pursuant to Section 83115.5 and Regulation  
7 18361.4.

8  
9 Dated: June 10, 2016

10 Respectfully Submitted,

11 **FAIR POLITICAL PRACTICES COMMISSION**  
12 Galena West  
13 Enforcement Chief

14   
15 By: Dave Bainbridge  
16 Assistant Chief  
17 Enforcement Division

**Exhibit A-2**

**PROOF OF SERVICE**

At the time of service, I was over 18 years of age and not a party to this action. My business address is Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814. On June 10, 2016, I served the following document(s):

1. Letter dated June 10, 2016 from Dave Bainbridge;
2. FPPC No. 15/662 Report in Support of a Finding of Probable Cause;
3. Probable Cause Fact Sheet
4. Selected Sections of the California Government Code regarding Probable Cause Proceedings for the Fair Political Practices Commission; and
5. Selected Regulations of the Fair Political Practices Commission regarding Probable Cause Proceedings

By Personal Delivery. I personally delivered the document(s) listed above to the person(s) at the address(es) as shown on the service list below.

X By United States Postal Service. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the addresses listed below and placed the envelope or package for collection and mailing by certified mail, return receipt requested, following my company's ordinary business practices. I am readily familiar with this business' practice for collection and processing correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail in Sacramento County, California.

**SERVICE LIST**

Certified Mail, Return Receipt Requested

Willhans ILI  
ILI for City Council 2011



I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on June 10, 2016

  
Elizabeth Enea

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Willhans III  
III for City Council 2011



9590 9403 0234 5146 5235 14

2. Article Number (Transfer from service label)

7012 3460 0000 2695 6704

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Redacted Signature]

- Agent
- Addressee

B. Received by (Printed Name)

Willhans III

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
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Fair Political Practices Commission  
Enforcement Division, Attn. Elizabeth Enea  
428 J Street, Suite 620  
Sacramento, CA 95814

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RECEIVED  
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**Exhibit A-3**



FAIR POLITICAL PRACTICES COMMISSION  
428 J Street • Suite 620 • Sacramento, CA 95814-2329  
(916) 322-5660 • Fax (916) 322-0886

June 10, 2016

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Willhans ILI  
ILI for City Council 2011

**In the Matter of ILI for City Council 2011; FPPC No. 15/662**

Dear Mr. ILI:

The Enforcement Division of the Fair Political Practices Commission (the "Commission") is proceeding with an administrative action against you for your failure to comply with the filing and disclosure provisions of the Political Reform Act (the "Act"), as described in our previous correspondence dated July 21, 2015, August 27, 2015, September 10, 2015, and December 16, 2015. The enclosed Report in Support of a Finding of Probable Cause (the "Report") contains a summary of the alleged violations and the relevant law and evidence.

You have the right to file a written response to the Report. That response may contain any information you think is relevant and that you wish to bring to the attention of the Commission's General Counsel (the "Hearing Officer"). In your response, please indicate whether you would like the Hearing Officer to make a determination of probable cause based on the written materials alone (the Report and your response) or request a conference, during which you may orally present your case to the Hearing Officer. Probable cause conferences are held in our office which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone and you are entitled to be represented by counsel. *If you wish to submit a written response or request a probable cause conference, it must be filed with the Commission Assistant at the address listed above within 21 days from the date of service of this letter.* You can reach the Commission Assistant at (916) 327-8269.

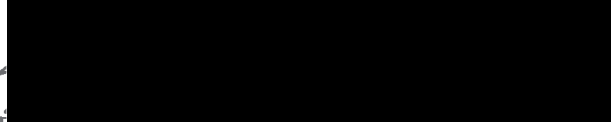
Please note: probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether there is probable cause to believe that the Act was violated. However, settlement discussions are encouraged by the Commission and may take place at any time except during a probable cause conference. *If you are interested in reaching a settlement in this matter, please contact Elizabeth Enea at (916) 322-2689 or [eenea@fppc.ca.gov](mailto:eenea@fppc.ca.gov).*

Finally, you have the right to request discovery of the evidence in possession of, and relied upon by, the Enforcement Division. *This request must also be filed with the Commission Assistant within 21 days from the date of service of this letter.* Should you request discovery, the Enforcement Division will provide the evidence by service of process or certified mail. From the date you are served with the evidence, you would have an additional 21 days to file a written response to the Report, just as described above.

*Should you take no action within 21 days from the date of service of this letter, your rights to respond and to request a conference are automatically waived and the Enforcement Division will independently pursue the issuance of an accusation.*

For your convenience, I have enclosed a fact sheet on probable cause proceedings and copies of the most relevant statutes and regulations.

Sincerely,

  
Dave Bainbridge  
Assistant Chief  
Enforcement Division

Enclosures (3)

DB:ee

## PROBABLE CAUSE FACT SHEET

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### INTRODUCTION

The Fair Political Practices Commission is required by law to determine whether probable cause exists to believe that the Political Reform Act (the "Act") was violated before a public administrative accusation may be issued.

The probable cause proceedings before the Fair Political Practices Commission are unique, and most respondents and their attorneys are unfamiliar with them. Therefore, we have prepared this summary to acquaint you with the process.

### THE LAW

Government Code sections 83115.5 and 83116 set forth the basic requirement that a finding of probable cause be made in a "private" proceeding before a public accusation is issued and a public hearing conducted in accordance with the Administrative Procedure Act.

The Commission has promulgated regulations further defining the probable cause procedure and delegating to the General Counsel (the "Hearing Officer" for purposes of these proceedings) the authority to preside over such proceedings and decide probable cause. A copy of these statutes and regulations are attached for your convenience.

In summary, the statutes and regulations entitle you to the following:

- a) A written probable cause report containing a summary of the law alleged to have been violated, and a summary of the evidence, including any exculpatory and mitigating information and any other relevant material and arguments;
- b) The opportunity to request discovery, respond in writing, and to request a probable cause conference within 21 days of service of the probable cause report;
- c) If the Commission met to consider whether a civil lawsuit should be filed in this matter, a copy of any staff memoranda submitted to the Commission and a transcript of staff discussions with the Commission at any such meeting; and
- d) If a timely request was made, a non-public conference with the General Counsel and the Enforcement Division staff to consider whether or not probable cause exists to believe the Act was violated.

### THE PROCEDURE

#### Probable Cause Report

Administrative enforcement proceedings are commenced with the service, by registered or certified mail or in person, of a probable cause report. The report will contain a summary of the law and the evidence, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. It is filed with the Hearing Officer.



## **Discovery**

Within 21 calendar days following the service of the probable cause report, you may request discovery of the evidence in the possession of the Enforcement Division. This is not a right to full discovery of the Enforcement Division file, but to the evidence relied upon by the Division along with any exculpatory or mitigating evidence<sup>1</sup>.

This request must be sent by registered or certified mail to the Commission Assistant.

## **Response to Probable Cause Report**

Within 21 calendar days following the service of the probable cause report (or, if you timely requested discovery, within 21 calendar days from the service of the evidence) you may submit a response to the Report. By regulation, the written response may contain, "... a summary of evidence, legal arguments, and any mitigating or exculpatory information." (Cal. Code Regs., tit. 2, § 18361.4, subd. (c).)

You must file your response with the Commission Assistant and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report.

## **Staff Reply**

Within 10 calendar days following the date the response was filed with the Commission Assistant, Commission staff may submit any evidence or argument in rebuttal. You will be served with a copy of any such reply.

## **Probable Cause Conference**

Probable cause conferences are held at the offices of the Fair Political Practices Commission, which is located at 428 J Street, Ste. 620, Sacramento, CA 95814. You may appear at the conference in person or by telephone. The proceedings are not public unless all proposed respondents agree to open the conference to the public. Otherwise, the probable cause report, any written responses, and the probable cause conference itself are confidential.

Unless the probable cause conference is public, the only persons who may attend are the staff of the Commission, any proposed respondent and his or her attorney or representative, and, at the discretion of the Hearing Officer, witnesses.

The Hearing Officer may, but need not, permit testimony from witnesses. Probable cause conferences are less formal than court proceedings. The rules of evidence do not apply. The conferences will be recorded and a copy of the recording will be provided upon request.

Since it has the burden of proof, the Enforcement Division is permitted to open and close the conference presentations. The Hearing Officer may also hold the record open to receive additional evidence or arguments.

Probable cause conferences are not settlement conferences. The sole purpose of a probable cause conference is to determine whether or not there is probable cause to believe that the

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<sup>1</sup> But see Title 2, California Code of Regulations, Section 18362, which states that the Commission provides access to complaints, responses to complaints, and investigative files and information in accordance with the requirements of the Public Records Act. (Govt. Code § 6250, et seq.)

Political Reform Act was violated. Anyone who wishes to discuss settlement with the Enforcement Division may do so before or after the probable cause conference but not during the conference.

Pursuant to Title 2, California Code of Regulations, Section 18361.4, subdivision (e), the Hearing Officer will find probable cause "if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation."

Ordinarily, probable cause determinations are made based upon the written probable cause report, any written response by the respondent, any written reply by the Enforcement Division, and the oral arguments presented at the conference. Timely written presentations are strongly recommended.

### **Probable Cause Order and Accusation**

Once the matter is submitted to the Hearing Officer, the probable cause decision will normally be made within ten days. If the Hearing Officer finds probable cause, he will issue a Finding of Probable Cause, which will be publicly announced at the next Commission Meeting. An accusation will be issued soon after the Finding of Probable Cause is publicly announced.

### **Continuances**

Every reasonable effort is made to accommodate the schedules of parties and counsel. However, once a date has been set it is assumed to be firm and will not be continued except upon the order of the Hearing Officer after a showing of good cause. Settlement negotiations will be considered good cause only if the Hearing Officer is presented with a fully executed settlement, or is convinced that settlement is imminent.

### **Settlements**

Settlement discussions may take place at any time except during the probable cause conference. In order to open settlement discussions, a proposed respondent or his or her counsel or representative should present a written offer to settle stating, where appropriate, the violations to be admitted, and the monetary penalty or other remedy to be tendered.

The Enforcement Division attorney assigned to the case will negotiate any potential settlement on behalf of the Fair Political Practices Commission, and will draft the language of the settlement agreement. The Hearing Officer will not directly participate in the negotiations, but will be represented by Enforcement Division attorneys. Staff attorneys will present settlement offers to the Hearing Officer for his/her approval.

### **CONCLUSION**

This fact sheet was intended to give you a brief summary of the probable cause process at the Fair Political Practices Commission. Such a summary cannot answer every question that might arise in such proceedings. Therefore, if you have any questions that are not addressed by this fact sheet or the copies of the law and regulations we have attached, feel free to contact the attorney whose name appears on the probable cause report.

*Attachments: Relevant Sections of (1) California Government Code , and (2) Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations.*

## CALIFORNIA GOVERNMENT CODE

### Probable Cause Statutes

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#### **§ 83115.5. Probable cause; violation of title; notice of violation; summary of evidence; notice of rights; private proceedings**

No finding of probable cause to believe this title has been violated shall be made by the commission unless, at least 21 days prior to the commission's consideration of the alleged violation, the person alleged to have violated this title is notified of the violation by service of process or registered mail with return receipt requested, provided with a summary of the evidence, and informed of his right to be present in person and represented by counsel at any proceeding of the commission held for the purpose of considering whether probable cause exists for believing the person violated this title. Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office. A proceeding held for the purpose of considering probable cause shall be private unless the alleged violator files with the commission a written request that the proceeding be public.

#### **§ 83116. Violation of title; probable cause; hearing; order**

When the Commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code). The Commission shall have all the powers granted by that chapter. When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

- (a) Cease and desist violation of this title.
- (b) File any reports, statements, or other documents or information required by this title.
- (c) Pay a monetary penalty of up to five thousand dollars (\$5,000) per violation to the General Fund of the state. When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

**REGULATIONS OF THE FAIR POLITICAL PRACTICES COMMISSION  
TITLE 2, DIVISION 6 OF THE CALIFORNIA CODE OF REGULATIONS**

**Probable Cause Regulations**

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**§ 18361 (b). Delegation by the Executive Director Pertaining to Enforcement Proceedings and Authority to Hear Probable Cause Proceedings.**

Probable cause proceedings under Regulation 18361.4 shall be heard by the General Counsel or an attorney from the Legal Division. The General Counsel may delegate the authority to hear probable cause proceedings, in writing, to an administrative law judge.

**§ 18361.4. Probable Cause Proceedings**

(a) Probable Cause Report. If the Chief of the Enforcement Division decides to commence probable cause proceedings pursuant to Sections 83115.5 and 83116, he or she shall direct the Enforcement Division staff to prepare a written report, hereafter referred to as “the probable cause report.” The probable cause report shall contain a summary of the law and evidence gathered in connection with the investigation, including any exculpatory and mitigating information of which the staff has knowledge and any other relevant material and arguments. The evidence recited in the probable cause report may include hearsay, including declarations of investigators or others relating the statements of witnesses or concerning the examination of physical evidence.

(b) No probable cause hearing will take place until at least 21 calendar days after the Enforcement Division staff provides the following, by service of process or registered or certified mail with return receipt requested, to all proposed respondents:

- (1) A copy of the probable cause report;
- (2) Notification that the proposed respondents have the right to respond in writing to the probable cause report and to request a probable cause conference at which the proposed respondent may be present in person and represented by counsel, and;
- (3) If the Commission met in executive session on this matter pursuant to Regulation 18361.2, a copy of any staff memoranda submitted to the Commission at that time along with the recording of any discussion between the Commission and the staff at the executive session as required in subdivision (b) of Regulation 18361.2.

(c) Response to Probable Cause Report.

- (1) Each proposed respondent may submit a written response to the probable cause report. The response may contain a summary of evidence, legal arguments, and any mitigating or exculpatory information. A proposed respondent who submits a response must file it with the Commission Assistant who will forward the response to the General Counsel or an attorney in the Legal Division (the “hearing officer”) and provide a copy, by service of process or registered or certified mail with return receipt requested, to all other proposed respondents listed in the probable cause report not later than 21 days following service of the probable cause report.
- (2) Within 21 calendar days following the service of the probable cause report, a proposed

respondent may request discovery of evidence in the possession of the Enforcement Division. This request must be sent by registered or certified mail to the Commission Assistant. Upon receipt of the request, the Enforcement Division shall provide discovery of evidence relied upon by the Enforcement Division sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation, along with any exculpatory or mitigating evidence. This is not a right to full discovery of the Enforcement Division file. The Enforcement Division shall provide access to documents for copying by the Respondent, or upon agreement among the parties, the Enforcement Division will provide copies of the requested documents upon payment of a fee for direct costs of duplication. The Enforcement Division shall provide such evidence by service of process or registered or certified mail with return receipt requested to all respondents, with a copy to the Commission Assistant. A respondent may submit a written response to the probable cause report described in subsection (1) no later than 21 calendar days after service of discovery.

- (3) The Commission staff may submit any evidence or argument in rebuttal to the response. When the Commission staff submits evidence or argument in rebuttal to the response, it shall provide a copy, by service of process or registered or certified mail with return receipt requested, to all proposed respondents listed in the probable cause report not later than 10 calendar days following the date the response was filed with the Commission Assistant. The hearing officer may extend the time limitations in this section for good cause. At any time prior to a determination of probable cause, the hearing officer may allow additional material to be submitted as part of the initial response or rebuttal.

(d) Probable Cause Conference. Any proposed respondent may request a probable cause conference. The request shall be served upon the Commission Assistant and all other proposed respondents not later than 21 days after service of the probable cause report unless the hearing officer extends the time for good cause. The Commission Assistant shall fix a time for the probable cause conference and the hearing officer shall conduct the conference informally. The conference shall be closed to the public unless a proposed respondent requests and all other proposed respondents agree to a public conference. If the conference is not public, only members of the Commission staff, any proposed respondent and his or her legal counsel or representative shall have the right to be present and participate. The hearing officer may allow witnesses to attend and participate in part or all of the probable cause conference. In making this determination, the hearing officer shall consider the relevancy of the witness' proposed testimony, whether the witness has a substantial interest in the proceedings, and whether fairness requires that the witness be allowed to participate. Representatives of any civil or criminal prosecutor with jurisdiction may attend the conference at the discretion of the hearing officer if they agree to respect the confidential nature of the proceedings. If the conference is not open to the public and none of the parties and the presiding officer object, the conference may be conducted in whole or in part by telephone. The probable cause conference shall be recorded. The hearing officer may determine whether there is probable cause based solely on the probable cause report, any responses or rebuttals filed and any arguments presented at the probable cause conference by the interested parties. If the hearing officer requires additional information before determining whether there is probable cause, he or she may permit any party to submit additional evidence at the probable cause conference.

(e) Finding of Probable Cause. The hearing officer may find there is probable cause to believe a violation has occurred if the evidence is sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that a proposed respondent committed or caused a violation. A finding of probable cause by the hearing officer does not constitute a finding that a violation has actually occurred. The hearing officer shall not make a finding of probable cause if he or she is presented with clear and convincing evidence that, at a time prior to the alleged violation, the violator consulted with the staff of the Commission in good faith, disclosed truthfully all the material facts, and committed the acts complained of either in reliance on the advice of the staff or because of the staff's failure to provide advice. If the hearing officer makes a finding of probable cause, the Enforcement Division shall prepare an Accusation pursuant to Section 11503 and have it served upon the person or persons who are subjects of the probable cause finding. The hearing officer shall publicly announce the finding of probable cause. The announcement shall contain a summary of the allegations and a cautionary statement that the respondent is presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding. The Chief of the Enforcement Division shall be responsible for the presentation of the case in support of the Accusation at an administrative hearing held pursuant to Section 83116.

#### **§ 18362. Access to Complaint Files**

- (a) Access to complaints, responses thereto, and investigative files and information shall be granted in accordance with the requirements of the Public Records Act (Government Code Section 6250, et seq.).
- (b) When release of material is requested pursuant to subdivision (a), the Executive Director, or his or her designee, shall review the material prior to its release or prior to a claim of exemption to determine that the requirements of the Public Records Act have been satisfied.
- (c) Any person requesting copies of material pursuant to subdivision (a) shall reimburse the Commission \$0.10 per page for each page copied or supply copying equipment and make copies in the offices of the Commission. Documents may not be removed from the offices of the Commission. If the request is for copies totaling ten pages or less, the copies shall be provided without charge for copying since the administrative costs do not warrant collection of \$1.00 or less. If the request is for copies totaling more than ten pages, reimbursements of copying costs shall include the cost for the first ten pages. Charges imposed pursuant to this subdivision are for the purpose of recovering the cost of copying.
- (d) Requests for access and copies pursuant to subdivision (a) shall be made in writing and shall specifically identify the documents sought.

#### **§ 18361.2. Memorandum Respecting Civil Litigation.**

- (a) If the Executive Director concludes civil litigation should be initiated, he or she shall submit to the Commission a written memorandum, which shall be first reviewed by the General Counsel, or an attorney from the Legal Division, summarizing the facts and the applicable law of the case and recommending the initiation of a lawsuit. The memorandum shall include all exculpatory and mitigating information known to the staff.

(b) The Commission shall review the memorandum at an executive session. The General Counsel, or an attorney from the Legal Division, and the Commission Assistant shall be in attendance. No other member of the staff may be present unless the Commission meets with a member of the staff for that person to answer questions. The Commission may not resume its deliberations until the person is no longer present. Any communication between the Commission and the person during the executive session shall be recorded. After review of the memorandum, the Commission may direct the Executive Director to do any of the following:

- (1) Initiate civil litigation.
- (2) Decide whether probable cause proceedings should be commenced pursuant to 2 Cal. Code of Regulations Section 18361.4.
- (3) Return the matter to the staff for further investigation.
- (4) Take no further action on the matter or take any other action it deems appropriate.

(c) If the Commission decides to initiate civil litigation, the Commission may then permit other members of the staff to attend the executive session.

(d) If the Executive Director deems it necessary, he or she may call a special meeting of the Commission to review a staff memorandum recommending the initiation of civil litigation.

(e) It is the intent of the Commission in adopting this section to preserve for the members of the Commission the authority to decide whether alleged violations should be adjudicated in administrative hearings or in civil litigation, while at the same time avoiding the possibility that discussions with members of the staff might cause members of the Commission to prejudge a case that might be heard by the Commission under Government Code Section 83116.

**Exhibit A-4**





1 In the cover letter dated June 10, 2016, and the attached materials, the Committee and ILI were  
2 advised that they could respond in writing to the Report and orally present the case to the Hearing  
3 Officer at a probable cause conference to be held in Sacramento. The Committee and ILI were further  
4 advised that in order to have a probable cause conference they needed to make a written request for one  
5 on or before 21 days of the date they received the Report. Additionally, the Committee and ILI were  
6 advised that if they did not request a probable cause conference, such a conference would not be held  
7 and probable cause would be determined based solely on the Report and any written response that they  
8 submitted within 21 days of the date they were served with the Report. To date, the Committee and ILI  
9 have not submitted a written response or requested a probable cause conference.

10 WHEREFORE, based on the attached Report, the Enforcement Division requests a finding by  
11 the Hearing Officer that probable cause exists to believe that the Committee and ILI committed three  
12 violations of the Act, stated as follows:

13 Count 1: Failure to Timely Pay the 2013 Annual Fee and Penalty

14 The Committee and ILI failed to timely pay the 2013 Annual Fee by the February 15, 2013 due  
15 date and failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section  
16 84101.5, subdivisions (c) and (d).

17 Count 2: Failure to Timely Pay the 2014 Annual Fee and Penalty

18 The Committee and ILI failed to timely pay the 2014 Annual Fee by the January 15, 2014 due  
19 date and failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section  
20 84101.5, subdivisions (c) and (d).

21 Count 3: Failure to Timely Pay the 2015 Annual Fee and Penalty

22 The Committee and ILI failed to timely pay the 2015 Annual Fee by the January 15, 2015 due  
23 date and failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section  
24 84101.5, subdivisions (c) and (d).

25 ///

26 ///

1           Additionally, after finding probable cause exists, the Enforcement Division requests an order by  
2 the Hearing Officer that an accusation be prepared against the Committee and ILI and served upon  
3 them.<sup>3</sup>

4           A copy of this Request was sent via U.S. Mail to the Committee and ILI on July 6, 2016 to ILI's  
5 last known addresses, as follows:

6 Willhans ILI  
7 ILI for City Council 2011  
8 

9 Dated: July 5, 2016

10 Respectfully Submitted,

11 **FAIR POLITICAL PRACTICES COMMISSION**

12 Galena West  
13 Chief of Enforcement  
14 

15 By: Dave Bairbridge  
16 Assistant Chief  
17 Enforcement Division

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27 <sup>3</sup> Gov. Code § 11503.

# EXHIBIT A

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1 GALENA WEST  
Chief of Enforcement  
2 DAVE BAINBRIDGE  
Assistant Chief of Enforcement  
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

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

11 In the Matter of  
12 ILI FOR CITY COUNCIL 2011 AND  
13 WILLHANS ILI

) FPPC No. 15/662  
)  
) **REPORT IN SUPPORT OF A FINDING OF**  
) **PROBABLE CAUSE**  
)  
) Conference Date: TBA  
) Conference Time: TBA  
) Conference Location: Commission Offices  
428 J Street, Suite 620  
Sacramento, CA 95814

14  
15  
16 Respondents.

17  
18 **INTRODUCTION**

19 Respondent ILI for City Council 2011 (“the Committee”) is Respondent Willhans ILI’s (“ILI”) local candidate controlled committee. The Political Reform Act (the “Act”)<sup>1</sup> requires active committees to pay an annual fee of \$50 each year to the Secretary of State (“SOS”) until the committee is terminated.<sup>2</sup> A committee that fails to timely pay this fee is subject to a penalty of three times the amount of the fee.<sup>3</sup> A committee that existed prior to January 1, 2013 is required to pay the annual fee

24  
25 <sup>1</sup> 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 Practice Commission are contained in §§ 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

26 <sup>2</sup> Section 84101.5, subd. (a).

27 <sup>3</sup> Section 84101.5, subd. (d).

1 by February 15, 2013.<sup>4</sup> Each year thereafter, the annual fee is due by January 15.<sup>5</sup> According to the  
2 SOS, the Committee qualified as a committee on August 21, 2011 and failed to pay the required 2013  
3 Annual Fee, 2014 Annual Fee, and 2015 Annual Fee.

#### 4 SUMMARY OF THE LAW

5 All legal references and discussions of law pertain to the Act's provisions as they existed in  
6 2013-2015.

#### 7 Jurisdiction

8 The Fair Political Practices Commission (the "Commission") has administrative jurisdiction to  
9 enforce the provisions of the Act.<sup>6</sup>

#### 10 Probable Cause Proceedings

11 Prior to the Enforcement Division commencing an administrative action, the General Counsel of  
12 the Commission or her designee (the "hearing officer"), must make a finding that there is probable  
13 cause to believe the respondent has violated the Act.<sup>7</sup> After a finding of probable cause, the  
14 Commission may hold a noticed hearing in accordance with the Administrative Procedure Act<sup>8</sup> to  
15 determine whether violations occurred, and levy an administrative penalty of up to \$5,000 for each  
16 violation.<sup>9</sup>

#### 17 Standard for Finding Probable Cause

18 To make a finding of probable cause, the hearing officer must be presented with sufficient  
19 evidence to lead a person of ordinary caution and prudence to believe, or entertain a strong suspicion,  
20 that a respondent committed or caused a violation.<sup>10</sup>

23 <sup>4</sup> Section 84101.5, subd. (c)(3).

24 <sup>5</sup> Section 84101.5, subd. (c)(1).

25 <sup>6</sup> Section 83116.

26 <sup>7</sup> Section 83115.5, and Regulations 18361 and 18361.4.

27 <sup>8</sup> Section 11500, et seq.

28 <sup>9</sup> Section 83116, and Regulation 18361.4, subd. (e).

<sup>10</sup> Section 18361.4, subd. (e).

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

2 When enacting the Political Reform Act, the people of the state of California found and  
3 declared that previous laws regulating political practices suffered from inadequate enforcement by state  
4 and local authorities.<sup>11</sup> To that end, the Act must be liberally construed to achieve its purposes.<sup>12</sup>

5 There are many purposes of the Act. Among these purposes are to ensure voters are fully  
6 informed and improper practices are inhibited by requiring all political candidates, as well as the  
7 committees that support or oppose them, to disclose all contributions and expenditures made  
8 throughout a campaign.<sup>13</sup> Another is to provide adequate enforcement mechanisms so that the Act will  
9 be "vigorously enforced."<sup>14</sup>

10 Annual Fee

11 Each committee that is required to file a statement of organization must pay the SOS an annual  
12 \$50 fee until the termination of the committee. Each committee was required to pay the 2013 annual fee  
13 by February 15, 2013, and then by January 15<sup>th</sup> every year thereafter.<sup>15</sup> A committee that fails to timely  
14 pay the annual fee is subject to a penalty equal to three times the amount of the fee. The Commission is  
15 required to enforce this provision of the Act.<sup>16</sup>

16 Liability for Violations

17 Any person who violates any provision of the Act, who purposely or negligently causes any  
18 other person to violate any provision of the Act, or who aids and abets any other person in the violation  
19 of any provision of the Act, is liable for administrative penalties up to \$5,000 per violation.<sup>17</sup> This only  
20 applies to persons who have filing or reporting obligations under the Act, or who are compensated for  
21 services involving the planning, organizing or directing of any activity regulated or required by the  
22 Act.<sup>18</sup>

23 <sup>11</sup> Section 81001, subd. (h).

24 <sup>12</sup> Section 81003.

25 <sup>13</sup> Section 81002, subd. (a).

26 <sup>14</sup> Section 81002, subd. (f).

27 <sup>15</sup> Section 84101.5, subd. (c).

28 <sup>16</sup> Section 84101.5, subd. (d).

<sup>17</sup> Sections 83116 and 83116.5.

<sup>18</sup> Section 83116.5.

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## SUMMARY OF THE EVIDENCE

The Committee qualified on or about August 21, 2011 as a local candidate controlled committee. The Committee has failed to pay an Annual \$50 Fee to SOS for the years of 2013, 2014, and 2015 by the deadline each year. Additionally, the Committee has failed to pay the subsequent penalties for failing to pay the Annual \$50 Fees.

SOS sent the Committee multiple notices of its failure to pay the delinquent Annual Fees and penalties. The Committee did not pay the fees or penalties so SOS referred the matter to the Enforcement Division. The Enforcement Division contacted the Committee July 21, 2015, August 27, 2015, September 10, 2015, and December 16, 2015. The Committee has not paid any of its Annual \$50 Fees or penalties for failing to comply.

## VIOLATIONS

12 Count 1: Failure to Timely Pay the 2013 Annual Fee and Penalty

13 The Committee and ILI failed to pay the 2013 Annual Fee by the February 15, 2013 due date and  
14 failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section 84101.5,  
15 subdivisions (c) and (d).

16 Count 2: Failure to Timely Pay the 2014 Annual Fee and Penalty

17 The Committee and ILI failed to pay the 2014 Annual Fee by the January 15, 2014 due date and  
18 failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section 84101.5,  
19 subdivisions (c) and (d).

20 Count 3: Failure to Timely Pay the 2015 Annual Fee and Penalty

21 The Committee and ILI failed to pay the 2015 Annual Fee by the January 15, 2015 due date and  
22 failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section 84101.5,  
23 subdivisions (c) and (d).

24

## OTHER RELEVANT MATERIAL

25 The Enforcement Division is not aware of any other relevant information.  
26  
27





SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Willhans III  
III for City Council 2011



9590 9403 0234 5146 5235 14

2 Article Number (Transfer from service label)

7012 3460 0000 2695 6704

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Redacted Signature]

Agent

Addressee

B. Received by (Printed Name)

Willhans III

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

UNITED STATES POSTAL SERVICE

CA 95814

13 JUN '15

2:43 PM



Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4® in this box•

Fair Political Practices Commission  
Enforcement Division, Attn. Elizabeth Enea  
428 J Street, Suite 620  
Sacramento, CA 95814

USPS TRACKING#



9590 9403 0234 5146 5235 14 7012 3460 0000 2695 6704

16 JUN 16 PM 3:10  
RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION

EXHIBIT B

**Exhibit A-5**



1 Probable cause to believe a violation has occurred can be found to exist when “the evidence is  
2 sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion  
3 that the proposed respondent(s) committed or caused a violation.”<sup>2</sup>

4 The PC Report served on the Committee and ILI and the subsequent Ex Parte Request in this  
5 matter allege violations of the Political Reform Act were committed, as follows:

6 Count 1: Failure to Timely Pay the 2013 Annual Fee and Penalty

7 The Committee and ILI failed to timely pay the 2013 Annual Fee by the February 15, 2013 due  
8 date and failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section  
9 84101.5, subdivisions (c) and (d).

10 Count 2: Failure to Timely Pay the 2014 Annual Fee and Penalty

11 The Committee and ILI failed to timely pay the 2014 Annual Fee by the January 15, 2014 due  
12 date and failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section  
13 84101.5, subdivisions (c) and (d).

14 Count 3: Failure to Timely Pay the 2015 Annual Fee and Penalty

15 The Committee and ILI failed to timely pay the 2015 Annual Fee by the January 15, 2015 due  
16 date and failed to pay a penalty of \$150 for failing to timely pay the annual fee, in violation of Section  
17 84101.5, subdivisions (c) and (d).

18 Based on the Ex Parte Request given to me, I find that notice has been given to the Committee  
19 and ILI.<sup>3</sup> I further find, based on the PC Report and the Ex Parte Request, that there is probable cause to  
20 believe the Committee and ILI violated the Political Reform Act as alleged in Counts 1–3, as identified  
21 above.

22 ///

23 ///

24 ///

27 <sup>2</sup> Cal. Code Reg., tit. 2, § 18361.4, subd. (e).

28 <sup>3</sup> Government Code § 83115.5; Cal. Code Reg., tit. 2, § 18361.4, subd. (b).

1 I therefore direct that the Enforcement Division issue an accusation against the Committee and  
2 ILI in accordance with this finding.

3 IT IS SO ORDERED.

4  
5 Dated: 7-19-16

6  
7 Jack Woodside, Hearing Officer  
8 Fair Political Practices Commission  
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**Exhibit A-6**

1 GALENA WEST  
Chief of Enforcement  
2 DAVE BAINBRIDGE  
Assistant Chief of Enforcement  
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  
7  
8

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

11 In the Matter of ) FPPC No. 15/662  
12 )  
13 ILI FOR CITY COUNCIL 2011 AND )  
WILLHANS ILI, ) **ACCUSATION**  
14 )  
15 Respondents. ) (Gov. Code §11503)  
16 )  
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 in its official capacity and in the public interest.

23 2. The authority to bring this action is derived from Title 2, California Code of Regulations,  
24 sections 18361 and 18361.4, subdivision (e), and the statutory law of the State of California, specifically  
25 including, but not limited to, Government Code sections 83111, 83116, and 91000.5, which assign to the  
26 Enforcement Division the duty to administer, implement, and enforce the provisions of the Political  
27 Reform Act, found at Government Code sections 81000 through 91014.  
28





1           11. Each committee was required to pay the 2013 annual fee by February 15, 2013, and then  
2 by January 15th every year thereafter.<sup>6</sup>

3           12. A committee that fails to timely pay the annual fee is subject to a penalty equal to three  
4 times the amount of the fee.<sup>7</sup> The Fair Political Practices Commission (“Commission”) is required to  
5 enforce this provision of the Act.<sup>8</sup>

6 **D. Probable Cause Proceedings**

7           13. Service of a probable cause report, as required by section 83115.5, upon the person  
8 alleged to have violated this title initiates an administrative action.”<sup>9</sup>

9           14. A finding of probable cause is prohibited unless the person alleged to have violated the  
10 Act is 1) notified of the violation by service of process or registered mail with return receipt requested;  
11 2) provided with a summary of the evidence; and 3) informed of his right to be present in person and  
12 represented by counsel at any proceeding of the Commission held for the purpose of considering  
13 whether probable cause exists for believing the person violated the Act.<sup>10</sup> The required notice to the  
14 alleged violator is made on the date of service, the date the registered mail receipt is signed, or if the  
15 registered mail receipt is not signed, the date returned by the post office.<sup>11</sup>

16           15. Administrative action alleging a violation of the Act must be commenced within five  
17 years after the date on which the violation occurred.<sup>12</sup>

18 **E. Factors Considered by the Commission**

19           16. In framing a proposed order following a finding of a violation pursuant to section 83116,  
20 the Commission and the administrative law judge should consider all the surrounding circumstances  
21 including but not limited to: (1) The seriousness of the violation; (2) the presence or absence of any  
22 intention to conceal, deceive or mislead; (3) whether the violation was deliberate, negligent or  
23 inadvertent; (4) whether the violator demonstrated good faith by consulting the Commission staff or any  
24 other government agency in a manner not constituting a complete defense under section 83114(b); (5)

25 <sup>6</sup> Section 84101.5, subd. (b).

26 <sup>7</sup> Section 84101.5, subd. (d)(1).

27 <sup>8</sup> Section 84101.5, subd. (d)(2).

28 <sup>9</sup> Section 91000.5, subd. (a).

<sup>10</sup> Section 83115.5.

<sup>11</sup> Section 83115.5.

<sup>12</sup> Section 91000.5.

1 whether the violation was isolated or part of a pattern and whether the violator has a prior record of  
2 violations of the Act or similar laws; and (6) whether the violator, upon learning of a reporting violation,  
3 voluntarily filed amendments to provide full disclosure.<sup>13</sup>

4 **GENERAL FACTS**

5 17. Ili and the Committee qualified as a committee on August 21, 2011 and Ili was elected to  
6 the South El Monte City Council on November 8, 2011.

7 18. The Committee and Ili failed to timely pay to the SOS the \$50 annual fee for 2013, 2014,  
8 and 2015. The Committee and Ili also failed to pay the resulting penalty of \$150 for failing to timely pay  
9 the annual fee.

10 19. Ili is still in office and the Committee filed campaign statements in 2013 through 2015  
11 despite not paying the \$50 annual fees and penalties.

12 20. As of the date of this Accusation, the Committee has not paid any of the \$50 annual fees  
13 or resulting penalties for failing to comply.

14 **PROCEDURAL HISTORY**

15 21. Before referring the case to the Enforcement Division, SOS sent the Committee  
16 multiple notices of its failure to pay the delinquent Annual Fees and penalties. After Ili and the  
17 Committee did not respond, SOS referred the case to the Enforcement Division.

18 22. The Enforcement Division sent letter to the Committee dated July 21, 2015, August 27,  
19 2015, September 10, 2015, and December 16, 2015 regarding its failure to pay the annual fees and  
20 penalties.

21 23. The Enforcement Division initiated this administrative action against Ili and the  
22 Committee by serving them via certified mail on June 13, 2016 with a packet containing a cover letter, a  
23 Report in Support of a Finding of Probable Cause ("PC Report"), a fact sheet regarding probable cause  
24 proceedings, selected sections of the Government Code regarding probable cause proceedings for the  
25 Commission, and selected regulations of the Commission regarding probable cause proceedings.

26 24. The information contained in the packet advised Ili and the Committee they had 21 days  
27 in which to request a probable cause conference and/or to file a written response to the PC Report. As of  
28

---

<sup>13</sup> Reg. 18361.5, subd. (d).

1 the date of this Accusation, Ili and the Committee have not responded to the PC Report thereby waiving  
2 their rights to a probable cause hearing.<sup>14</sup>

3 25. On July 19, 2016, the Hearing Officer found, based on the PC Report and Ex Parte  
4 Request for a Finding of Probable Cause and an Order that an Accusation be Prepared and Served, that  
5 probable cause existed to believe Ili and the Committee violated the Act. The Hearing Officer then  
6 issued an order that an Accusation be prepared and served directing the Enforcement Division to issue  
7 an accusation against Ili and the Committee.

### 8 VIOLATIONS

9 26. Ili and the Committee committed three violations of the Act, as follows:

#### 10 **Count 1**

##### 11 Failure to Timely Pay the 2013 Annual Fee and Penalty

12 27. Complainant incorporates paragraphs 1 – 26 of this Accusation, as though completely set  
13 forth herein.

14 28. Ili and the Committee had a duty to pay a 2013 \$50 Annual Fee to SOS by the February  
15 15, 2013 deadline and penalty of \$150 for failing to comply.

16 29. Ili and the Committee failed to timely pay the 2013 Annual Fee and penalty of \$150 for  
17 failing to comply.

18 30. By failing to pay the 2013 \$50 Annual Fee and penalty, Ili and the Committee violated  
19 section 84101.5, subdivisions (c) and (d).

#### 20 **Count 2**

##### 21 Failure to Timely Pay the 2014 Annual Fee and Penalty

22 31. Complainant incorporates paragraphs 1 – 30 of this Accusation, as though completely set  
23 forth herein.

24 32. Ili and the Committee had a duty to pay a 2014 \$50 Annual Fee to SOS by the January  
25 15, 2014 deadline and penalty of \$150 for failing to comply.

26 33. Ili and the Committee failed to timely pay the 2014 Annual Fee and penalty of \$150 for  
27 failing to comply.

28 <sup>14</sup> Section 83115 and Regulation 18361.4

1 34. By failing to pay the 2014 \$50 Annual Fee and penalty, Ili and the Committee violated  
2 section 84101.5, subdivisions (c) and (d).

3 **Count 3**

4 Failure to Timely Pay the 2015 Annual Fee and Penalty

5 35. Complainant incorporates paragraphs 1 – 34 of this Accusation, as though completely set  
6 forth herein.

7 36. Ili and the Committee had a duty to pay a 2015 \$50 Annual Fee to SOS by the January  
8 15, 2015 deadline and penalty of \$150 for failing to comply.

9 37. Ili and the Committee failed to timely pay the 2015 Annual Fee and penalty of \$150 for  
10 failing to comply.

11 38. By failing to pay the 2015 \$50 Annual Fee and penalty, Ili and the Committee violated  
12 section 84101.5, subdivisions (c) and (d)

13 MITIGATING OR EXCULPATORY FACTORS

14 39. The Enforcement Division is not aware of any mitigating or exculpatory factors.

15 AGGRAVATING FACTORS AND OTHER RELEVANT MATERIALS

16 40. Ili remains in office and the Committee continues to file campaign statements despite  
17 not paying the annual fees or penalties

18 PRAYER

19 WHEREFORE, Complainant prays as follows:

20 1. That the Commission hold a hearing pursuant to section 83116 and regulation 18361.5,  
21 and at such hearing find that Ili and the Committee violated the Act as alleged herein;

22 2. That the Commission, pursuant to section 83116, subdivision (c), order Ili and the  
23 Committee to pay a monetary penalty of at least One Thousand Dollars (\$1,000) and not more than Five  
24 Thousand Dollars (\$5,000) for the violation of the Act alleged in **Count 1**;

25 3. That the Commission, pursuant to section 83116, subdivision (c), order Ili and the  
26 Committee to pay a monetary penalty of at least One Thousand Dollars (\$1,000) and not more than Five  
27 Thousand Dollars (\$5,000) for the violation of the Act alleged in **Count 2**;

1           4.     That the Commission, pursuant to section 83116, subdivision (c), order Ili and the  
2 Committee to pay a monetary penalty of at least One Thousand Dollars (\$1,000) and not more than Five  
3 Thousand Dollars (\$5,000) for the violation of the Act alleged in **Count 3**;

4           5.     That the Commission, pursuant to regulation 18361.5, subdivision (d), consider the  
5 following factors in framing a proposed order following a finding of a violation pursuant to section  
6 83116: (1) the seriousness of the violation; (2) the presence or absence of any intention to conceal,  
7 deceive or mislead; (3) whether the violation was deliberate, negligent or inadvertent; (4) whether the  
8 violator demonstrated good faith by consulting the Commission staff or any other government agency in  
9 a manner not constituting a complete defense under section 83114(b); (5) whether the violation was  
10 isolated or part of a pattern and whether the violator has a prior record of violations of the Act or similar  
11 laws; and (6) whether the violator, upon learning of a reporting violation, voluntarily filed amendments  
12 to provide full disclosure.

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

14  
15 Dated: \_\_\_\_\_

19 Aug 16

  
Galea West  
Chief of Enforcement  
Fair Political Practices Commission

**Exhibit A-7**

## STATEMENT TO RESPONDENTS

[Government Code Section 11505, subdivision (b)]

*Ili for City Council 2011 and Willhans Ili*

*FPPC Case No. 15/662*

Enclosed is an Accusation, which was filed with the Fair Political Practices Commission (the "FPPC") and which is hereby served upon you, along with two copies of a Notice of Defense and Government Code Sections 11506 through 11508.

Unless a written request for a hearing signed by you or on your behalf is delivered or mailed to the FPPC within 15 days after the Accusation was served on you, the FPPC may proceed upon the Accusation without a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled Notice of Defense, or by delivering or mailing a notice of defense as provided by Section 11506 of the Government Code to the Commission Assistant at the FPPC.

You may, but need not, be represented by counsel at any or all stages of these proceedings.

If you desire a list of the names and addresses of witnesses against you, or an opportunity to inspect and copy the items mentioned in Section 11507.6 of the Government Code that are in the possession, custody, or control of this agency, or if you wish to discuss the possibility of resolving this matter without a formal hearing, you may contact Dave Bainbridge, Assistant Chief, at (916) 323-6302 or [dbainbridge@fppc.ca.gov](mailto:dbainbridge@fppc.ca.gov), Enforcement Division.

The hearing may be postponed for good cause. If you have good cause, you are obliged to notify the FPPC or, if an administrative law judge has been assigned to the hearing, the Office of Administrative Hearings, within 10 working days after you discover the good cause. Failure to give notice within 10 days will deprive you of a postponement.

After a hearing, the FPPC will consider the following factors in determining whether to assess a penalty (Title 2, California Code of Regulations, Section 18361.5, subdivision (d).):

1. The seriousness of the violation;
2. The presence or absence of any intention to conceal, deceive, or mislead;
3. Whether the violation was deliberate, negligent, or inadvertent;
4. Whether the violator demonstrated good faith by consulting Commission staff or any other government agency in a manner not constituting a complete defense under Government Code Section 83114, subdivision (b);
5. Whether the violation was isolated or part of a pattern;
6. Whether the violator has a prior record of violations of the Political Reform Act or similar laws;  
and
7. Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.





*Before the Fair Political Practices Commission*

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**State of California**

|                               |   |                                 |
|-------------------------------|---|---------------------------------|
| In the Matter of              | ) | NOTICE OF DEFENSE               |
|                               | ) | (Pursuant to Gov. Code § 11506) |
|                               | ) |                                 |
| ILI FOR CITY COUNCIL 2011 AND | ) | FPPC Case No. 15/662            |
| WILLHANS ILI                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |
| Respondents.                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |

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Ili for City Council 2011, a respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUNDS FOR NOTICE OF DEFENSE**

- 1) I request a hearing;
- 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- 4) I admit the Accusation in whole or in part (check box "a" or "b");
  - a) I admit the Accusation in whole.
  - b) I admit the Accusation in part as indicated below:

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- 5) I wish to present new matter by way of defense;
- 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



*Before the Fair Political Practices Commission*

---

**State of California**

|                               |   |                                 |
|-------------------------------|---|---------------------------------|
| In the Matter of              | ) | NOTICE OF DEFENSE               |
|                               | ) | (Pursuant to Gov. Code § 11506) |
|                               | ) |                                 |
| ILI FOR CITY COUNCIL 2011 AND | ) | FPPC Case No. 15/662            |
| WILLHANS ILI                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |
| Respondents.                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |

---

Ili for City Council 2011, a respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUNDS FOR NOTICE OF DEFENSE**

- 1) I request a hearing;
- 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- 4) I admit the Accusation in whole or in part (check box "a" or "b");
  - a) I admit the Accusation in whole.
  - b) I admit the Accusation in part as indicated below:

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- 5) I wish to present new matter by way of defense;
- 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



*Before the Fair Political Practices Commission*

---

**State of California**

|                               |   |                                 |
|-------------------------------|---|---------------------------------|
| In the Matter of              | ) | NOTICE OF DEFENSE               |
|                               | ) | (Pursuant to Gov. Code § 11506) |
|                               | ) |                                 |
| ILI FOR CITY COUNCIL 2011 AND | ) | FPPC Case No. 15/662            |
| WILLHANS ILI                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |
| Respondents.                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |

---

Willhans Ili, a respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUNDNS FOR NOTICE OF DEFENSE**

- 1) I request a hearing;
- 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- 4) I admit the Accusation in whole or in part (check box "a" or "b");
  - a) I admit the Accusation in whole.
  - b) I admit the Accusation in part as indicated below:

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- 5) I wish to present new matter by way of defense;
- 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



*Before the Fair Political Practices Commission*

---

**State of California**

|                               |   |                                 |
|-------------------------------|---|---------------------------------|
| In the Matter of              | ) | NOTICE OF DEFENSE               |
|                               | ) | (Pursuant to Gov. Code § 11506) |
|                               | ) |                                 |
| ILI FOR CITY COUNCIL 2011 AND | ) | FPPC Case No. 15/662            |
| WILLHANS ILI                  | ) |                                 |
|                               | ) |                                 |
| Respondents.                  | ) |                                 |
|                               | ) |                                 |
|                               | ) |                                 |

---

Willhans Ili, a respondent named in the above entitled proceeding, hereby acknowledges receipt of the Accusation, a copy of the Statement to Respondent, a copy of Government Code Sections 11506 through 11508, and two copies of a *NOTICE OF DEFENSE*.

Pursuant to Government Code Section 11506, subdivision (a), you may file this *NOTICE OF DEFENSE* requesting a hearing on the grounds listed below. Failure to file this *NOTICE OF DEFENSE* shall constitute a waiver of your right to a hearing. If you waive your right to a hearing, you may file a statement of mitigation by separate letter that will be considered by the Commission in assessing any penalties for the violations alleged in the Accusation.

If you wish to file a *NOTICE OF DEFENSE*, please check **all** applicable grounds for the *NOTICE OF DEFENSE*, complete the remainder of the form, and mail to the Commission within fifteen (15) days of receipt of the Accusation.

**GROUNDS FOR NOTICE OF DEFENSE**

- 1) I request a hearing;
- 2) I object to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed;
- 3) I object to the form of the Accusation on the ground that it is so indefinite or uncertain that I cannot identify the transaction that is the subject of the Accusation or prepare my defense;
- 4) I admit the Accusation in whole or in part (check box "a" or "b");
  - a) I admit the Accusation in whole.
  - b) I admit the Accusation in part as indicated below:

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- 5) I wish to present new matter by way of defense;
- 6) I object to the accusation upon the ground that, under the circumstances, compliance with the requirements of a regulation of the Fair Political Practices Commission would result in a material violation of another regulation enacted by another department affecting substantive rights.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Respondent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State, Zip



## **California Government Code sections 11506 through 11508**

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### **§ 11506. Filing of notice of defense or notice of participation; Contents; Right to hearing on the merits**

(a) Within 15 days after service of the accusation or District Statement of Reduction in Force the respondent may file with the agency a notice of defense, or, as applicable, notice of participation, in which the respondent may:

(1) Request a hearing.

(2) Object to the accusation or District Statement of Reduction in Force upon the ground that it does not state acts or omissions upon which the agency may proceed.

(3) Object to the form of the accusation or District Statement of Reduction in Force on the ground that it is so indefinite or uncertain that the respondent cannot identify the transaction or prepare a defense.

(4) Admit the accusation or District Statement of Reduction in Force in whole or in part.

(5) Present new matter by way of defense.

(6) Object to the accusation or District Statement of Reduction in Force upon the ground that, under the circumstances, compliance with the requirements of a regulation would result in a material violation of another regulation enacted by another department affecting substantive rights.

(b) Within the time specified the respondent may file one or more notices of defense, or, as applicable, notices of participation, upon any or all of these grounds but all of these notices shall be filed within that period unless the agency in its discretion authorizes the filing of a later notice.

(c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense or notice of participation, and the notice shall be deemed a specific denial of all parts of the accusation or District Statement of Reduction in Force not expressly admitted. Failure to file a notice of defense or notice of participation shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing. Unless objection is taken as provided in paragraph (3) of subdivision (a), all objections to the form of the accusation or District Statement of Reduction in Force shall be deemed waived.

(d) The notice of defense or notice of participation shall be in writing signed by or on behalf of the respondent and shall state the respondent's mailing address. It need not be verified or follow any particular form.

(e) As used in this section, "file," "files," "filed," or "filing" means "delivered or mailed" to the agency as provided in Section 11505.

**HISTORY:** Added Stats 1945 ch 867 § 1. Amended Stats 1963 ch 931 § 1; Stats 1982 ch 606 § 1; Stats 1986 ch 951 § 20; Stats 1995 ch 938 § 29 (SB 523), operative July 1, 1997; Stats 2013 ch 90 § 5 (SB 546), effective January 1, 2014.

### **§ 11507. Amended or supplemental accusation or District Statement of Reduction in Force; Objections**

At any time before the matter is submitted for decision, the agency may file, or permit the filing of, an amended or supplemental accusation or District Statement of Reduction in Force. All parties shall be notified of the filing. If the amended or supplemental accusation or District Statement of Reduction in Force presents new charges, the agency shall afford the respondent a reasonable opportunity to prepare his or her defense to the new charges, but he or she shall not be entitled to file a further pleading unless the agency in its discretion so orders. Any new charges shall be deemed controverted, and any objections to the amended or supplemental accusation or District Statement of Reduction in Force may be made orally and shall be noted in the record.

**HISTORY:** Added Stats 1945 ch 867 § 1. Amended Stats 2013 ch 90 § 6 (SB 546), effective January 1, 2014; Stats 2014 ch 71 § 69 (SB 1304), effective January 1, 2015.

#### **§ 11507.3. Consolidated proceedings; Separate hearings**

(a) When proceedings that involve a common question of law or fact are pending, the administrative law judge on the judge's own motion or on motion of a party may order a joint hearing of any or all the matters at issue in the proceedings. The administrative law judge may order all the proceedings consolidated and may make orders concerning the procedure that may tend to avoid unnecessary costs or delay.

(b) The administrative law judge on the judge's own motion or on motion of a party, in furtherance of convenience or to avoid prejudice or when separate hearings will be conducive to expedition and economy, may order a separate hearing of any issue, including an issue raised in the notice of defense or notice of participation, or of any number of issues.

**HISTORY:** Added Stats 1995 ch 938 § 30 (SB 523), operative July 1, 1997. Amended Stats 2013 ch 90 § 7 (SB 546), effective January 1, 2014.

### **§ 11507.5. Exclusivity of discovery provisions**

The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

**HISTORY:** Added Stats 1968 ch 808 § 3.

### **§ 11507.6. Request for discovery**

After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

**HISTORY:** Added Stats 1968 ch 808 § 4. Amended Stats 1985 ch 1328 § 5; Stats 1995 ch 938 § 31 (SB 523), operative July 1, 1997.

**§ 11507.7. Motion to compel discovery; Order**

(a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of *Section 915 of the Evidence Code* and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become

effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

**HISTORY:** Added Stats 1968 ch 808 § 5. Amended Stats 1971 ch 1303 § 8; Stats 1980 ch 548 § 2; Stats 1995 ch 938 § 32 (SB 523), operative July 1, 1997.

### **§ 11508. Time and place of hearing**

(a) The agency shall consult the office, and subject to the availability of its staff, shall determine the time and place of the hearing. The hearing shall be held at a hearing facility maintained by the office in Sacramento, Oakland, Los Angeles, or San Diego and shall be held at the facility that is closest to the location where the transaction occurred or the respondent resides.

(b) Notwithstanding subdivision (a), the hearing may be held at either of the following places:

(1) A place selected by the agency that is closer to the location where the transaction occurred or the respondent resides.

(2) A place within the state selected by agreement of the parties.

(c) The respondent may move for, and the administrative law judge has discretion to grant or deny, a change in the place of the hearing. A motion for a change in the place of the hearing shall be made within 10 days after service of the notice of hearing on the respondent.

Unless good cause is identified in writing by the administrative law judge, hearings shall be held in a facility maintained by the office.

**HISTORY:** Added Stats 1945 ch 867 § 1. Amended Stats 1963 ch 710 § 1; Stats 1967 ch 17 § 39; Stats 1987 ch 50 § 1; Stats 1995 ch 938 § 33 (SB 523), operative July 1, 1997; Stats 2005 ch 674 § 22 (SB 231), effective January 1, 2006.

**Exhibit A-8**

**AFFIDAVIT OF SERVICE**

|   |  |   |                       |
|---|--|---|-----------------------|
| <b>Case:</b><br>FPPC No.<br>15/662  | <b>Court:</b><br>Before The Fair Political Practices Commission State of<br>California | <b>County:</b>  | <b>Job:</b><br>993526 |
| <b>Plaintiff / Petitioner:</b>  |  | <b>Defendant / Respondent:</b><br>In the Matter of ILI for City Council 2011 and Willhans ILI |                       |
| <b>Received by:</b><br>Court Connection                                   |  | <b>For:</b><br>Fair Political Practices Commission  |                       |
| <b>To be served upon:</b><br>Willhans ILI o/b/o ILI for City Council 2011 |  |   |                       |

I, Robert Diaz, am a Registered Process Server and was retained to serve process in the above-referenced matter on the following individual: Willhans ILI o/b/o ILI for City Council 2011. I was on the dates herein mentioned over the age of eighteen years and not a party to the above-entitled action. I am authorized to serve legal process in the State of California. The following facts are within my personal knowledge and if sworn as a witness I can and will truthfully and competently testify thereto. I attempted personal service on the following date and time with the following results: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

**Recipient Name / Address:** Willhans ILI o/b/o ILI for City Council 2011, [REDACTED]

**Manner of Service:** Personal/Individual, Aug 26, 2016, 8:06 am PDT

**Documents:** Statement to Respondents; FPPC Case No. 15/662: Accusation; Notice of Defense (Two Copies); Selected Sections of the California Government Code, Administrative Procedure Act

**Additional Comments:**

Successful Attempt: Aug 26, 2016, 8:06 am PDT at Company: [REDACTED] received by Willhans ILI . Age: 35; Ethnicity: Other; Gender: Male; Weight: 200; Height: 5'10"; Hair: Bald; Eyes: Brown;

[REDACTED]

*P-26-16*

Robert Diaz  
Los Angeles County  
RPS #5681

Date

Fair Political Practices Commission  
Enforcement Division  
428 J Street, Suite 620  
Sacramento, CA 95814  
916-322-8246

**Exhibit A-9**





## FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

April 4, 2017

Willhans Ili  
Ili for City Council 2011



### **NOTICE OF INTENT TO ENTER DEFAULT DECISION AND ORDER**

**Re: In the Matter of Ili for City Council 2011 and Willhans Ili, FPPC No. 15/662**

Dear Mr. Ili:

Enclosed please find a copy of the Default Decision and Order, and accompanying Exhibit and attachments, for the above-referenced matter. The Fair Political Practices Commission (Commission) will consider these papers at its public meeting on **April 20, 2017**, and decide whether to impose an administrative penalty in an amount of \$9,000 against you.

You were previously served a Report in Support of a Finding of Probable Cause, commonly known as a Probable Cause Report, advising you of your right to request a probable cause conference or submit a written response to the probable cause report. You did not request a probable cause conference, nor did you submit anything in writing for the Commission's Hearing Officer to consider in his determination of probable cause.

Following the issuance of a Report in Support of a Finding of Probable Cause, the Commission's Hearing Officer found probable cause that you committed one violation of the Political Reform Act's conflict of interest provisions. Thereafter, the Hearing Officer issued an Accusation against you on these violations. The Accusation was personally served on you on August 23, 2016. Under the law, you have therefore received adequate notice of these proceedings and the action filed against you. Under the Administrative Procedure Act, you were required to file your Notices of Defense within 15 days after service of the Accusation. You failed to file the Notices of Defense. As such, your right to an administrative hearing on this matter has been forfeited, and you are in a default position.

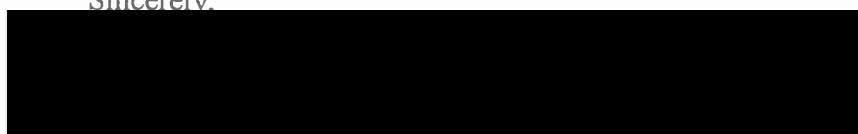
You may, but you are not required to, provide a response brief, along with any supporting materials, no later than five calendar days before the Commission hearing at which the default is scheduled to be heard. Your response brief must be served on the Commission Assistant, at the above address.

At its public meeting on April 20, 2017, the Commission may impose an administrative penalty against you in the amount of up to \$15,000. The proposed penalty is \$9,000.

Following the issuance of the default order and imposition of the administrative penalty, we will commence legal proceedings to collect this fine, which may include converting the Commission's order to a court judgment. Please be advised that administrative penalties for violations of the Political Reform Act cannot be discharged in bankruptcy proceedings.

This letter is your last opportunity to resolve this matter informally by way of a stipulated settlement, before the default proceedings are commenced. If we do not reach a resolution, the enclosed documents will be placed on the Commission's agenda for the February 16, 2017 meeting. Please contact me at (916) 323-6302 or [dbainbridge@fppc.ca.gov](mailto:dbainbridge@fppc.ca.gov) if you wish to enter into a negotiated settlement.

Sincerely,



✓ Dave Bainbridge  
Assistant Chief  
Enforcement Division

Enclosures