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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA

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11 In the Matter of:

12 JOBSPAC, A BI-PARTISAN
13 COALITION OF CALIFORNIA
EMPLOYERS,

14 Respondent.

FPPC Case No. 17/1087

STIPULATION, DECISION AND ORDER

15
16 INTRODUCTION

17 Respondent JOBSPAC, A BI-PARTISAN COALITION OF CALIFORNIA EMPLOYERS
18 (“JOBSPAC”) is a state general purpose committee. The Political Reform Act (the “Act”)¹ requires
19 committees to timely report all in-kind contributions it makes to other committees. JOBSPAC violated
20 the Act by failing to timely report in-kind contributions on its pre-election and semi-annual campaign
21 statements that it made to another state general purpose committee.

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27 _____
28 ¹ The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political 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.

1 **SUMMARY OF THE LAW**

2 All legal references and discussions of law pertain to the Act’s provisions as they existed at the
3 time of the violations.

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

5 When enacting the Political Reform Act, the people of California found and declared that
6 previous laws regulating political practices suffered from inadequate enforcement by state and local
7 authorities.² For this reason, the Act is to be construed liberally to accomplish its purposes.³

8 One purpose of the Act is to promote transparency by ensuring that receipts and expenditures in
9 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper
10 practices are inhibited.⁴ Along these lines, the Act includes a comprehensive campaign reporting
11 system—and the true sources of campaign contributions may not be concealed.⁵ Another purpose of the
12 Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”⁶

13 **Filing Campaign Statements**

14 A general purpose committee is required to file pre-election statements “if it makes contributions
15 or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by
16 the preelection statement.”⁷ The Act also requires general purpose committees to file semi-annual
17 campaign statements bi-annually.⁸

18 **Mandatory Reporting of Expenditures**

19 The Act requires pre-election and semi-annual campaign statements disclose certain information
20 about expenditures, including the following:⁹

- 21 ❖ the total amount of expenditures made during the period, including contributions, and the total
22 cumulative amount of expenditures made;

23
24 ² Section 81001, subdivision (h).
25 ³ Section 81003.
26 ⁴ Section 81002, subdivision (a).
27 ⁵ Sections 84200, *et seq.* and 84301.
28 ⁶ Section 81002, subdivision (f).
⁷ Section 84200.5, subd. (e) and (f).
⁸ Section 84200.
⁹ Section 84211, subdivisions (b), (i), and (k).

❖ the total amount of expenditures made during the period to persons who received \$100 or more, including contributions—along with the following information about each recipient of such expenditures:

- the recipient’s full name;
- his or her street address;
- the amount of each expenditure;
- a brief description of the consideration for which each expenditure was made; and
- in the case of an expenditure which is a contribution to a candidate, elected officer, or committee, the date of the contribution, the cumulative amount of contributions made to that recipient, the full name of the recipient, and the office and district/jurisdiction for which he or she seeks nomination or election.

In-Kind Contribution

An in-kind contribution “includes any transfer of anything of value received by a committee from another committee, unless full and adequate consideration is received.”¹⁰

SUMMARY OF THE FACTS

JOBSPAC failed to timely report in-kind contributions it made to Family Farmers for a Better California with Major Support by Western Growers Association (“Family Farmers”) on its pre-election statement covering the reporting period of July 1, 2012 – September 30, 2012 and its semi-annual campaign statement covering the reporting period of October 21, 2012 – December 31, 2012. The following chart details the in-kind contributions made by JOBSPAC to Family Farmers.

Date Made Per Amendment	Statement Period	Recipient	Description of Goods	Amount of Fair Market Value
8/10/2012	July 1, 2012 – September 30, 2012	Family Farmers	Research & Polling (in kind contribution)	\$20,617.69
8/17/2012	July 1, 2012 – September 30, 2012	Family Farmers	Research & Polling (in kind contribution)	\$20,125.50
9/07/2012	July 1, 2012 – September 30, 2012	Family Farmers	Research & Polling (in kind contribution)	\$13,750
9/17/2012	July 1, 2012 – September 30, 2012	Family Farmers	Research & Polling (in kind contribution)	\$19,750
10/22/2012	October 21, 2012 – December 31,	Family Farmers	Research & Polling (in kind	\$16,000

¹⁰ Section 82015 subd. (d).

	2012		contribution)	
10/22/2012	October 21, 2012 – December 31, 2012	Family Farmers	Research & Polling (in kind contribution)	\$9,750
				Total: \$99,992

On April 24, 2013, JOBSPAC filed amendments to its pre-election statement covering the reporting period of July 1, 2012 – September 30, 2012 and its semi-annual campaign statement covering the reporting period of October 21, 2012 – December 31, 2012 to disclose in-kind contributions it made to Family Farmers.

JOBSPAC contends that Steven Lucas, treasurer of JOBSPAC, was not made aware of these in-kind contributions until April of 2013.

VIOLATIONS

Counts 1-2

Count 1: Failure to Timely Report Making of In-Kind Contributions Pre-Election Statement

JOBSPAC failed to timely report making approximately \$74,242 of in-kind contributions to Family Farmers on its pre-election statement covering the reporting period of July 1, 2012 – September 30, 2012 by the October 5, 2012 deadline, in violation of Government Code section 84211 subdivisions (b), (i) and (k).

Count 2: Failure to Timely Report Making of In-Kind Contributions on Semi-Annual Statement

JOBSPAC failed to timely report making approximately \$25,750 of in-kind contributions to Family Farmers on its semi-annual statement covering the reporting period of October 21, 2012 – December 31, 2012 by the January 31, 2013 deadline, in violation of Government Code section 84211 subdivisions (b), (i) and (k).

PROPOSED PENALTY

This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per count. Thus, the maximum penalty that may be imposed is \$10,000.¹¹ A tolling agreement was entered

¹¹ See Section 83116, subdivision (c).

1 into by the Enforcement Division of the Fair Political Practices Commission and JOBSPAC October 3,
2 2017.

3 In determining the appropriate penalty for a particular violation of the Act, the Commission
4 considers the facts of the case, the public harm involved, and the purposes of the Act. Also, the
5 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of
6 any intention to conceal, deceive or mislead; (c) whether the violation was deliberate, negligent or
7 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective
8 amendments voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior
9 record of violations.¹² Additionally, the Commission considers penalties in prior cases with comparable
10 violations.

11 In this case, the Enforcement Division did not find any evidence that JOBSPAC intentionally
12 failed to timely report making the in-kind contributions to Family Farmers.

13 The harm inherent in reporting violations is that the public is deprived of time-sensitive
14 information regarding the sources and amounts of campaign activity. Recently, the Commission
15 approved a settlement involving a violation of the reporting provisions. See *In the Matter of Students for*
16 *Sensible Drug Policy, David Bronner, Adam Eiding, and Alan Amsterdam Committee to Regulate*
17 *Cannabis – Yes on 19 and Aaron Houston*; FPPC Case No. 14/603 (approved Dec. 17, 2015), where the
18 Commission imposed a penalty in the amount of \$2,500 against a state ballot measure committee for
19 failure to report expenditures totaling approximately \$31,021 on a semi-annual campaign statement.

20 JOBSPAC's violations were similar to the violation in *Students for Sensible Drug Policy*.
21 JOBSPAC made substantial contributions it failed to timely report on campaign statements which denied
22 the public of timely information regarding the contributions until well after the pertinent election. On
23 October 19, 2017, the Commission approved a penalty of \$2,500 per violation, totaling \$5,000 against
24 Family Farmers (FPPC No. 16/0068) for failing to timely report receiving JOBSPAC's in-kind
25 contribution.

26 For the foregoing reasons, a penalty in the amount of \$2,500 recommended for Count 1 and a
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28 ¹² Regulation 18361.5, subdivision (d).

1 penalty in the amount of \$2,500 is recommended for Count 2—for a total administrative penalty in the
2 amount of \$5,000.

3 CONCLUSION

4 Complainant, the Enforcement Division of the Fair Political Practices Commission and
5 Respondent JOBSPAC hereby agree as follows:

6 1. Respondent violated the Act as described in the foregoing pages, which are a true and
7 accurate summary of the facts in this matter.

8 2. This stipulation will be submitted for consideration by the Fair Political Practices
9 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.

10 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose
11 of reaching a final disposition without the necessity of holding an administrative hearing to determine the
12 liability of the Respondent pursuant to Section 83116.

13 4. Respondent have consulted with their attorney, Steven Lucas of Nielsen Merksamer
14 Parrinello Gross & Leoni, LLP, and understand, and hereby knowingly and voluntarily waive, any and all
15 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9.
16 This includes, but is not limited to the right to appear personally at any administrative hearing held in this
17 matter, to be represented by an attorney at Respondent’s own expense, to confront and cross-examine all
18 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
19 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
20 reviewed.

21 5. Respondent agrees to the issuance of the decision and order set forth below. Also,
22 Respondent agrees to the Commission imposing against it an administrative penalty in the amount of
23 \$5,000. One or more cashier’s checks or money orders totaling said amount—to be paid to the General
24 Fund of the State of California—is/are submitted with this stipulation as full payment of the
25 administrative penalty described above, and same shall be held by the State of California until the
26 Commission issues its decision and order regarding this matter.

27 6. If the Commission refuses to approve this stipulation—then this stipulation shall become
28 null and void, and within fifteen business days after the Commission meeting at which the stipulation is

1 rejected, all payments tendered by the Respondent in connection with this stipulation shall be reimbursed
2 to Respondent. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
3 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
4 Director, shall be disqualified because of prior consideration of this Stipulation.

5 7. The parties to this agreement may execute their respective signature pages separately. A
6 copy of any party's executed signature page including a hardcopy of a signature page transmitted via fax
7 or as a PDF email attachment is as effective and binding as the original.

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10 Dated: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

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14 Dated: _____

Steven Lucas o/b/o of JOBSPAC, A BI-PARTISAN
COALITION OF CALIFORNIA EMPLOYERS

1 The foregoing stipulation of the parties “In the Matter of JOBSPAC, A Bi Partisan Coalition of
2 California Employers,” FPPC Case No. 17/1087 is hereby accepted as the final decision and order of the
3 Fair Political Practices Commission, effective upon execution below by the Chair.

4 IT IS SO ORDERED.

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6 Dated: _____

7 Joann Remke, Chair
8 Fair Political Practices Commission
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