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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA

11 In the Matter of

FPPC Case No. 16/697

13 JAMES LARRY MINOR,

STIPULATION, DECISION AND ORDER

15 Respondent.

17 **INTRODUCTION**

18 Respondent James Larry Minor has been a member of the Board of Directors for the
19 Lake Hemet Municipal Water District (“Water District”) since his election in November 2006.
20 Additionally, for 22 years Minor was a member of the Board of Directors for the Valley-Wide Recreation
21 and Park District (“Park District”) until he left office on May 1, 2018. Each of these districts is located
22 in Riverside County, CA, and has its own jurisdictional boundaries.

23 The Political Reform Act (the “Act”)¹ requires public officials to file annual and leaving office
24 Statements of Economic Interests (“SEI”) which provide specific information about their economic
25 interests. Minor failed to fully disclose numerous economic interests in his 2015, 2016 and 2017 annual

26 _____
27 ¹ The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references
28 are to this code. The regulations of the Fair Political Practices Commission are contained in §§ 18110 through 18997 of Title
2 of the California Code of Regulations, and all regulatory references are to this source.

1 SEIs for both districts, in his 2018 annual SEI for the Water District, and in his late-filed leaving office
2 SEI for the Park District.

3 **SUMMARY OF THE LAW**

4 All legal references and discussions of the law refer to the Act’s provisions as they existed at the
5 time of the stated violations.

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

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

10 There are many purposes of the Act. One purpose is to ensure that the assets and income of public
11 officials, which may be materially affected by their official actions, be disclosed, so that conflicts of
12 interest may be avoided.⁴ Another purpose is to provide adequate enforcement mechanisms so that the
13 Act will be “vigorously enforced.”⁵

14 **Duty to File Statements of Economic Interests Disclosing Economic Interests**

15 The Act requires public officials who manage public investments to annually file SEIs disclosing
16 his or her reportable investments, interests in real property, and income.⁶ The Act also requires public
17 officials who manage public investments to file leaving office SEIs within 30 days of leaving office.⁷
18 The conflict of interest codes for the Water District and the Park District specify that members of the
19 Boards of Directors are public officials who manage public investments.

20 The public official’s SEIs must include all of the public official’s reportable economic interests
21 during each preceding calendar year.⁸ The Act specifies disclosure requirements for investments,
22 business and real property interests, and sources of income and gifts received by public officials.⁹ When
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24 ² § 81001, subd. (h).

25 ³ § 81003.

26 ⁴ § 81002, subd. (c).

27 ⁵ § 81002, subd. (f).

28 ⁶ §§ 87200 and 87203; Reg. 18723, subd. (b)(3).

⁷ § 87204.

⁸ Reg. 18723, subd. (a).

⁹ §§ 87206 and 87207.

1 real property interests are disclosed, and the real property was acquired or disposed of during the calendar
 2 year, the SEIs must include the dates of acquisition and disposal.¹⁰ If the public official owns 10% or
 3 more in a business entity, the SEIs must disclose each single source of income of \$10,000 or more to the
 4 business entity.¹¹

5 **SUMMARY OF THE FACTS**

6 During 2015, 2016, 2017 and 2018, Minor had a greater than 10% interest in, was president of
 7 and received salary from Agri-Empire, a California Corporation which was a grower and packer of fresh
 8 potatoes. Agri-Empire farmed potatoes in four different counties, and owned or leased many parcels of
 9 real property to do so.

10 Relevant to this case, Minor filed the following SEIs for the Water District disclosing his
 11 economic interests, including those in Agri-Empire:

Water District			
Statement	Date Due	Date Filed	Days Late
2015 Annual	4/1/2016	2/4/2016	0
2015 Amendment	–	8/3/2016	–
2015 Amendment	–	10/28/2019	–
2016 Annual	4/3/2017	3/13/2017	0
2016 Amendment	–	10/28/2019	–
2017 Annual	4/2/2018	4/2/2018	0
2017 Amendment	–	10/28/2019	–
2018 Annual	4/1/2019	3/26/2019	0
2018 Amendment	–	10/28/2019	–

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 27 ¹⁰ § 87206, subd. (e).

¹¹ § 87207, subd. (b)(2).

1 And Minor filed the following SEIs for the Park District disclosing his economic interests, including
2 those in Agri-Empire:

Park District			
Statement	Date Due	Date Filed	Days Late
2015 Annual	4/1/2016	2/8/2016	0
2015 Amendment	–	10/28/2019	–
2016 Annual	4/3/2017	3/13/2017	0
2016 Amendment	–	10/28/2019	–
2017 Annual	4/2/2018	3/30/2018	0
2017 Amendment	–	10/28/2019	–
Leaving Office	5/31/2018	8/28/2018	89
Leaving Office Amendment	–	10/28/2019	–

11 For his originally filed SEIs for both Districts, Minor disclosed between 69 and 619 parcels of
12 real property leased by Agri-Empire. These leaseholds each began on January 1 and ended on
13 December 31 of each applicable calendar year. But Minor did not include the acquisition and disposal
14 dates for each of these leasehold interests, causing confusion regarding the fluctuation in the number of
15 leaseholds from year to year. As part of the settlement of this case, Minor filed amendments to disclose
16 the acquisition and disposal dates.

17 Additionally, for Minor’s originally filed 2015 and 2016 annual SEIs for the Park District, Minor
18 failed to disclose any single sources of income of \$10,000 or more to Agri-Empire, despite disclosing 61
19 and 115 single sources in his 2015 and 2016 Water District annual SEIs. As part of the settlement of this
20 case, Minor filed amendments to disclose these single sources of income to Agri-Empire.

21 Minor has prior enforcement for similar conduct. In July 2016, *In the Matter of James Larry*
22 *Minor*; FPPC No. 14/1316, the Commission approved an administrative penalty of \$6,000 against Minor
23 for six violations of failing to disclose investments, income, and interests in real property on his 2012,
24 2013, and 2014 annual SEIs for his positions with the Water District and the Park District.

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1 **VIOLATIONS**

2 **Count 1: Failure to Fully Disclose Interests on Statement of Economic Interests**

3 Minor failed to fully disclose interests in real property on his 2015 annual SEI, due on
4 April 1, 2016, for his position as a member of the Board of Directors for the Water District, violating
5 Government Code Section 87206.

6 **Count 2: Failure to Fully Disclose Interests on Statement of Economic Interests**

7 Minor failed to fully disclose interests in real property on his 2016 annual SEI, due on
8 April 3, 2017, for his position as a member of the Board of Directors for the Water District, violating
9 Government Code Section 87206.

10 **Count 3: Failure to Fully Disclose Interests on Statement of Economic Interests**

11 Minor failed to fully disclose interests in real property on his 2017 annual SEI, due on
12 April 2, 2018, for his position as a member of the Board of Directors for the Water District, violating
13 Government Code Sections 87206.

14 **Count 4: Failure to Fully Disclose Interests on Statement of Economic Interests**

15 Minor failed to fully disclose interests in real property on his 2018 annual SEI, due on
16 April 1, 2019, for his position as a member of the Board of Directors for the Water District, violating
17 Government Code Sections 87206.

18 **Count 5: Failure to Fully Disclose Interests on Statement of Economic Interests**

19 Minor failed to fully disclose interests in real property and sources of income on his 2015 annual
20 SEI, due on April 1, 2016, for his position as a member of the Board of Directors for the Park District,
21 violating Government Code Sections 87206 and 87207.

22 **Count 6: Failure to Fully Disclose Interests on Statement of Economic Interests**

23 Minor failed to fully disclose interests in real property and sources of income on his 2016 annual
24 SEI, due on April 3, 2017, for his position as a member of the Board of Directors for the Park District,
25 violating Government Code Sections 87206 and 87207.

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1 **Count 7: Failure to Fully Disclose Interests on Statement of Economic Interests**

2 Minor failed to fully disclose interests in real property on his 2017 annual SEI, due on
3 April 2, 2018, for his position as a member of the Board of Directors for the Park District, violating
4 Government Code Sections 87206.

5 **Count 8: Failure to Timely File and Failure to Fully Disclose Interests on Statement of Economic**
6 **Interests**

7 Minor failed to timely file his leaving office Statement of Economic Interests by the May 31, 2018
8 due date, violating Government Code Section 87204. Once the leaving office Statement of Economic
9 Interests was filed, Minor failed to fully disclose interests in real property on his leaving office SEI, due
10 on May 31, 2018, for his position as a member of the Board of Directors for the Park District, violating
11 Government Code Sections 87206.

12 **PROPOSED PENALTY**

13 This matter consists of eight counts of violating the Act, which carries a maximum administrative
14 penalty of \$5,000 per count, totaling \$40,000.¹²

15 In determining the appropriate penalty for a particular violation of the Act, the Commission
16 considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis
17 on serving the purposes and intent of the Act. Additionally, the Commission considers the facts and
18 circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d):
19 1) the seriousness of the violations; 2) the presence or lack of intent to deceive the voting public; 3)
20 whether the violation was deliberate, negligent, or inadvertent; 4) whether the Respondent demonstrated
21 good faith in consulting with Commission staff; 5) whether there was a pattern of violations and whether
22 the violator has a prior record of violations of the Act or similar laws; and 6) whether, upon learning of
23 the violation, the violator voluntarily provided amendments to provide full disclosure.¹³

24 Applying the factors to this case, the failure to timely file statements of economic interest violates
25 one of the Act's central purposes: that the assets and income of public officials that may materially affect
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27 ¹² § 83116, subd. (c).

28 ¹³ Reg. 18361.5, subd. (d).

1 their official decisions should be disclosed in order to avoid conflicts of interest. Failure to report all
2 required information on an SEI deprives the public of important information about a public official's
3 economic interests and it has the potential to conceal conflicts of interest. In this case, Minor failed to
4 fully disclose numerous reportable economic interests on his SEIs for the Water District and for the Park
5 District. During its investigation, the Enforcement Division did not discover any evidence displaying any
6 intention by Minor to conceal, deceive, or mislead the public. And the investigation did not reveal any
7 evidence that Minor engaged in or attempted to engage in a conflict of interest with respect to his official
8 positions. But these violations were negligent because Minor is an experienced public official who should
9 have been aware of his duties under the Act to timely file his SEIs and to fully disclose all of his reportable
10 economic interests on each of his SEIs. And these violations are part of a pattern of violations because
11 Minor has failed to fully disclose economic interests in his SEIs every year since at least 2013 (when his
12 2012 annual SEIs were due) for both districts. And Minor has prior enforcement history related to his
13 SEIs while serving as a member of the Water District and the Park District. Minor filed amendments as
14 part of the settlement of this case.

15 The Commission also considers penalties in prior cases involving similar violations. Recent cases
16 with similar violations include:

17 Counts 1 through 4 and 7: Failure to Fully Disclose Interests on Statement of Economic Interests

18 *In the Matter of Abdallah Farrukh, M.D.*; FPPC No. 16/071. Abdallah Farrukh, M.D., a member
19 of the Antelope Valley Healthcare District Board of Directors, failed to timely disclose numerous
20 investments and sources of income interests on his 2013, 2014, 2015 and 2016 annual Statements of
21 Economic Interests, in violation of Government Code sections 87206, 87207, and 87300 (4 counts).
22 Dr. Farrukh had no prior enforcement history. In July 2019, the Commission imposed a penalty of \$1,000
23 per violation.

24 *In the Matter of James Larry Minor*; FPPC No. 14/1316. James Larry Minor, a member of the
25 Board of Directors for the Lake Hemet Municipal Water District and for the Valley-Wide Recreation and
26 Park District, failed to disclose his interests in business entities, real property and sources of income on
27 his 2012, 2013 and 2014 Annual Statements of Economic Interests, in violation of Government Code

1 sections 87206 and 87207 (6 counts). In July 2016, the Commission imposed a penalty of \$1,000 per
2 violation. At the time, Minor had prior enforcement history, but the violations were unrelated to
3 reportable economic interests on his SEIs: in April 2011, *In the Matter of James Larry Minor*, FPPC Case
4 No. 11/008, the Commission imposed a penalty of \$60,000 for 11 violations for making contributions in
5 a name other than his own, and one violation for making a contribution in excess of the campaign
6 contribution limits.

7 Counts 5 and 6: Failure to Fully Disclose Interests in Real Property and in Sources of Income of \$10,000
8 or more on Statement of Economic Interests

9 *In the Matter of Wendy Mitchell*; FPPC No. 16/252. Wendy Mitchell, a former Commissioner for
10 the California Coastal Commission, failed to timely disclose a source of income of \$10,000 or more to
11 her business on a 2015 annual Statement of Economic Interests, in violation of Government Code sections
12 87203 and 87207, subdivision (b)(2) (1 count). Ms. Mitchell had no prior enforcement history. In
13 March 2019, the Commission imposed a penalty of \$1,500 for this violation.

14 Count 8: Failure to Timely File and Failure to Fully Disclose Interests on Statement of Economic Interests

15 *In the Matter of Jeffrey Senior*, FPPC Case No. 15/033. Respondent, a commissioner of the
16 California Travel and Tourism Commission, failed to timely file his Annual SEI for 2013 and 2014, in
17 violation of Government Code Section 87300 (2 counts). The Respondent had a prior enforcement action
18 for failure to file SEIs. In April 2016, the Commission imposed a penalty of \$1,000 per violation.

19 In this case, a higher penalty than those imposed in the comparable cases is recommended. Like
20 the *Farrukh* and *Senior* cases, Minor was an experienced public official who should have been aware of
21 his duties under the Act to timely file his SEIs and fully disclose all of his reportable economic interests
22 on each of his SEIs. Also, like *Senior* and unlike *Farrukh* and *Mitchell*, Minor has prior enforcement
23 action for similar violations. Minor was fined for failing to fully disclose interests in real property and
24 sources of income in his SEIs just three years ago at \$1,000 per violation. And the violations here are for
25 the four consecutive SEIs following the prior case, so Minor has failed to fully disclose his interests for
26 at least seven years. Overall, Minor's violations deprived the public of important information regarding
27 his economic interests over many years.

1 In some mitigation, Minor’s disclosure was more complete in his 2015 through 2018 SEIs than
2 in his prior violations. And Minor’s late-filed leaving office SEI was due less than 2 months after the due
3 date for the 2017 annual SEI, which was timely filed.

4 For the foregoing reasons, a total administrative penalty in the amount of \$16,000 is
5 recommended: \$2,000 for each of Counts 1 – 8.

6 **CONCLUSION**

7 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
8 Respondent, James Larry Minor, hereby agree as follows:

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

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

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

16 4. Respondent has consulted with his attorney, Brian Hildreth, Bell, McAndrews & Hiltachk
17 LLP. Respondent understands, and hereby knowingly and voluntarily waives, any and all procedural
18 rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This
19 includes, but is not limited to the right to appear personally at any administrative hearing held in this
20 matter, to be represented by an attorney at Respondents’ own expense, to confront and cross-examine all
21 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
22 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
23 reviewed.

24 5. Respondent agrees to the issuance of the decision and order set forth below. Also,
25 Respondent agrees to the Commission imposing against her an administrative penalty in the amount of
26 \$16,000. One or more payments totaling this amount, to be paid to the General Fund of the State of
27 California, is/are submitted with this Stipulation as full payment of the administrative penalty described
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1 above, and they will be held by the State of California until the Commission issues its decision and order
2 regarding this matter.

3 6. If the Commission refuses to approve this Stipulation then this Stipulation shall become
4 null and void, and within fifteen business days after the Commission meeting at which the Stipulation is
5 rejected, all payments tendered by Respondent in connection with this Stipulation shall be reimbursed to
6 Respondent. If this Stipulation is not approved by the Commission, and if a full evidentiary hearing
7 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
8 Director, shall be disqualified because of prior consideration of this Stipulation.

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

12
13 Dated: _____
14 Galena West, Chief, on behalf of the Enforcement Division
15 Fair Political Practices Commission

16 Dated: _____
17 James Larry Minor, Respondent

18 The foregoing Stipulation of the parties "In the Matter of James Larry Minor," FPPC Case No.
19 16/697 is hereby accepted as the final decision and order of the Fair Political Practices Commission,
20 effective upon execution below by the Chair.

21 IT IS SO ORDERED.

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23 Dated: _____
24 Richard C. Miadich, Chair
25 Fair Political Practices Commission