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

11  
12 In the Matter of:

13 CAMPAIGN FOR KIDS – YES ON  
MEASURE I and RUBEN FRUTOS,

14  
15 Respondents.

FPPC No. 17/281

16  
17 STIPULATION, DECISION, AND ORDER

18  
19 **INTRODUCTION**

20 Respondent Campaign for Kids – Yes on Measure I (the “Committee”) was a primarily formed  
21 committee that supported the passage of Measure I, a bond measure for the Paramount Unified School  
22 District. Respondent Ruben Frutos (“Frutos”) was the Committee’s treasurer at all times while the  
23 Committee remained open. Respondents violated the Political Reform Act (the “Act”),<sup>1</sup> by failing to  
24 timely file one pre-election campaign statement, one semi-annual campaign statement, and seventeen 24-  
25 hour reports.

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27 **SUMMARY OF THE LAW**

28 The violations in this case occurred in 2016 and 2017, and all legal references and discussions of  
law pertain to the Act’s provisions as they existed at that time.

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 Need for Liberal Construction and Vigorous Enforcement of the Act

2           When enacting the Act, the people of California found and declared that previous laws regulating  
3 political practices suffered from inadequate enforcement by state and local authorities.<sup>2</sup> Thus, it was  
4 decreed that the Act “should be liberally construed to accomplish its purposes.”<sup>3</sup> One purpose of the Act  
5 is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and  
6 truthfully disclosed so that voters are fully informed and improper practices are inhibited.<sup>4</sup> Another  
7 purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously  
8 enforced.”<sup>5</sup>

9 Primarily Formed Committee

10           One of the ways a committee qualifies as a committee under the Act is by receiving \$2,000 or  
11 more in contributions during a single calendar year.<sup>6</sup> A committee is primarily formed when it is formed  
12 or exists primarily to support or oppose a single candidate; a single measure; a group of specific  
13 candidates being voted upon in the same city, county, or multicounty election; or two or more measure  
14 being voted upon in the same city, county, multicounty, or state election.<sup>7</sup>

15 Pre-Election Campaign Statements

16           A primarily formed committee that supports or opposes a measure appearing on the ballot to be  
17 voted on at the next election must file two pre-election campaign statements before that election.<sup>8</sup> A  
18 committee must file a first pre-election campaign statement for the period ending 45 days before the  
19 election no later than 40 days before the election.<sup>9</sup> A committee must also file a second pre-election  
20 campaign statement for the period ending 17 days before the election no later than 12 days before the  
21 election.<sup>10</sup>

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25 <sup>2</sup> Section 81001, subd. (h).

26 <sup>3</sup> Section 81003.

27 <sup>4</sup> Section 81002, subd. (a).

28 <sup>5</sup> Section 81002, subd. (f).

<sup>6</sup> Section 82013, subd. (a).

<sup>7</sup> Section 82047.5.

<sup>8</sup> Section 84200.5, subd. (a).

<sup>9</sup> Section 84200.8, subd. (a).

<sup>10</sup> Section 84200.8, subd. (b).

1 “Period covered” by a campaign statement usually begins on the day after the closing date of the  
2 most recent campaign statement which was required to be filed , but it is January 1 if a person has not  
3 previously filed a campaign statement.<sup>11</sup>

4 Semi-Annual Campaign Statements

5 A primarily formed committee must file two semi-annual campaign statements each year no later  
6 than July 31 for the period ending June 30 and no later than January 31 for the period ending  
7 December 31.<sup>12</sup>

8 24-Hour Reports

9 A late contribution is a contribution that totals in the aggregate \$1,000 or more that is made to or  
10 received by a candidate, a controlled committee, or a primarily formed committee during the 90-day  
11 period preceding the date of the election, or on the date of the election.<sup>13</sup> Each candidate or committee  
12 that makes or receives a late contribution must report it to its filing officer within 24 hours of the time it  
13 is made or received.<sup>14</sup>

14 An independent expenditure is an expenditure made by any person in connection with a  
15 communication which expressly advocates the election or defeat of a clearly identified candidate or the  
16 qualification, passage, or defeat of a clearly identified measure, or taken as a whole and in context,  
17 unambiguously urges a particular result in an election.<sup>15</sup> A late independent expenditure is an independent  
18 expenditure that totals in the aggregate \$1,000 or more and is made for or against a specific candidate or  
19 measure involved in an election during the 90-day period preceding the date of the election or on the date  
20 of the election.<sup>16</sup> A committee that makes a late independent expenditure must report it in the jurisdiction  
21 where the election is taking place within 24 hours of the time it is made.<sup>17</sup>

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26 <sup>11</sup> Section 82046, subd. (b).

27 <sup>12</sup> Section 84200, subd. (a).

28 <sup>13</sup> Section 82036, subd. (a).

<sup>14</sup> Section 84203.

<sup>15</sup> Section 82031.

<sup>16</sup> Section 82036.5.

<sup>17</sup> Section 84204.

1 Joint and Several Liability

2 It is the duty of a committee treasurer to ensure that the committee complies with the Act.<sup>18</sup> A  
3 treasurer may be held liable, along with the committee, for violations committed by the committee.<sup>19</sup>

4 **SUMMARY OF THE FACTS**

5 Measure I was a successful bond measure that was on the ballot for the November 8, 2016 General  
6 Election. Measure I was passed with 84.23 percent of the votes, and it authorized the Paramount Unified  
7 School District to increase its debt by up to \$106 million by issuing general obligation bonds.

8 The Committee and Frutos filed an initial statement of organization on October 24, 2016,  
9 indicating that the Committee qualified on September 28, 2016 and that it was primarily formed to  
10 support the passage of Measure I.

11 Although the Committee engaged in many campaign activities, the Committee and Frutos failed  
12 to timely file campaign statements and reports to disclose those activities. The following is a chart  
13 showing every campaign statement filed by the Committee and Frutos while the Committee remained  
14 open:

Type	Reporting Period	Due Date	Date Filed	Reported Activities
Pre-election	1/1/2016-10/22/2016	10/27/2016	3/29/2017 (153 days late), amended 12/22/2017	\$73,200.00 contributions \$8,516.36 expenditures
Semi-annual	10/23/2016-12/31/2016	1/31/2017	4/24/2017 (83 days late), amended 12/22/2017	\$8,000.00 contributions \$29,677.20 expenditures
Semi-annual	1/1/2017-6/30/2017	7/31/2017	7/31/2017, amended 12/22/2017	\$0.00 contributions \$830.00 expenditures
Semi-annual	7/1/2017-12/31/2017	1/31/2018	2/15/2018 (15 days late), amended 3/1/2019	\$0.00 contributions \$0.00 expenditures
Semi-annual	1/1/2018-6/30/2018	7/31/2018	7/2/2018	\$0.00 contributions \$42,209.79 expenditures

23 In 2016, the Committee and Frutos had received \$81,200.00 in contributions and made  
24 \$38,193.56 in expenditures. In 2017, the Committee and Frutos had received \$0.00 in contributions and  
25 \$830.00 in expenditures. In 2018, the Committee and Frutos had received \$0.00 in contributions and  
26 \$42,209.79 in expenditures, a donation of its remaining balance to the Paramount Unified School District.

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28 <sup>18</sup> Sections 81004, 84100, and 84104; Regulation 18427.

<sup>19</sup> Section 83116.5.

1 Since the Committee reported that it qualified within the 90 days prior to the election, all  
 2 contributions and independent expenditures of \$1,000 or more received and made by the Committee  
 3 should have been reported on 24-hour reports. The following chart shows the 24-hour contribution reports  
 4 that the Committee and Frutos failed to timely file:

<b>Date Received</b>	<b>Contributor</b>	<b>Amount</b>	<b>Due Date</b>	<b>Date Filed</b>
9/27/2016	WLC Architects, Inc.	\$20,000.00	9/28/2016	12/22/2017
	McCarthy Building Companies	\$5,000.00		
10/3/2016	FC & Sons Roofing, Inc.	\$4,500.00	10/4/2016	10/5/2016
10/4/2016	Universal Asphalt Co., Inc.	\$1,000.00	10/5/2016	
	Future Design	\$2,000.00		
10/5/2016	Van Diest Bros, Inc.	\$1,000.00	10/6/2016	12/22/2017
	KIS Computer Center	\$7,000.00		
10/5/2016	South Bay Heating & Air Conditioning	\$5,000.00	10/6/2016	
10/6/2016	Paramount Petroleum Corporation	\$5,000.00	10/7/2016	
10/7/2016	Vernon Security, Inc.	\$2,500.00	10/10/2016	
10/10/2016	RICOH	\$5,000.00	10/11/2016	
10/12/2016	Current Electric	\$2,000.00	10/13/2016	
10/13/2016	CYBERTEK	\$10,000.00	10/14/2016	
10/14/2016	Arete Digital Imaging	\$1,500.00	10/17/2016	
10/17/2016	DRO Management Services	\$1,000.00	10/18/2016	
10/27/2016	California Financial Services	\$5,000.00	10/28/2016	
	NIC Partners, Inc.	\$3,000.00		
<b>Total:</b>		<b>\$80,500.00</b>		

18 The following chart shows the 24-hour independent expenditure reports that the Committee and  
 19 Frutos failed to timely file:

<b>Payee</b>	<b>Activity</b>	<b>Reported on</b>	<b>Amount</b>
Printtio	45 banners	Pre-election through 10/22/2016	\$6,960.74
Patti Cummings	Door hangers	Semi-annual through 12/31/2016	\$2,454.00
Premier Printing & Mailing	Mailer	Semi-annual through 12/31/2016	\$3,436.00
Printtio	Lawn signs	Semi-annual through 12/31/2016	\$2,597.47
Printtio	Promotional banners	Semi-annual through 12/31/2016	\$3,874.16
<b>Total:</b>			<b>\$19,322.37</b>

25 The Committee and Frutos filed the campaign statements and 24-hour contribution reports prior  
 26 to receiving contact from the Enforcement Division. The Los Angeles County Registrar-Recorder/County  
 27 Clerk (the "LA Registrar") fined the Committee and Frutos \$830 in 2017 and \$100 in 2018 for failing to  
 28 timely file campaign statements. The Committee and Frutos terminated the Committee as of

1 June 26, 2018 after donating the bank account balance of \$42,109.79 to the Paramount Unified School  
2 District.

3 **VIOLATIONS**

4 Count 1: Failure to Timely File Campaign Statements

5 The Committee and Frutos failed to timely file one pre-election campaign statement for the  
6 reporting period covering January 1, 2016 through October 22, 2016 by October 27, 2016 and one semi-  
7 annual campaign statement for the reporting period covering October 23, 2016 through  
8 December 31, 2016 by January 31, 2017, in violation of Government Code sections 84200, 84200.5,  
9 subdivision (a), and 84200.8.

10 Count 2: Failure to Timely File 24-Hour Reports

11 The Committee and Frutos failed to timely file 24-hour contribution reports for seventeen late  
12 contributions received totaling \$80,500 and five late independent expenditure made totaling \$19,322.37,  
13 in violation of Government Code sections 84203 and 84204.

14 **PROPOSED PENALTY**

15 This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per  
16 count. Thus, the maximum penalty that may be imposed is \$10,000.

17 In determining the appropriate penalty for a particular violation of the Act, the Commission  
18 considers the facts of the case, the public harm involved, and the purpose of the Act. Also, the  
19 Commission considers factors such as: (a) the seriousness of the violation; (b) the presence or absence of  
20 any intention to conceal, deceive, or mislead; (c) whether the violation was deliberate, negligent, or  
21 inadvertent; (d) whether the violation was isolated or part of a pattern; (e) whether corrective amendments  
22 voluntarily were filed to provide full disclosure; and (f) whether the violator has a prior record of  
23 violations.<sup>20</sup>

24 These violations resulted in a lack of transparency for the public into the Committee's campaign,  
25 as the Committee and Frutos failed to provide any disclosure prior to the election and provided delayed  
26 disclosure after. However, there is no evidence of an intention to conceal, deceive, or mislead the public.  
27 The violations seem to have been negligent, as the Committee and Frutos, for the most part, timely filed  
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<sup>20</sup> Regulation 18361.5, subd. (d).

1 campaign statements starting with the semi-annual campaign statement for the reporting period ending  
2 on June 30, 2017. The Committee and Frutos also filed campaign statements, filed amended campaign  
3 statements at the request of the Los Angeles Registrar, and terminated the Committee all prior to  
4 receiving contact from Enforcement. Lastly, the Committee and Frutos do not have prior enforcement  
5 history.

6 The Commission also considers penalties in prior cases with comparable violations. Recent cases  
7 with a similar violation include the following:

8 Counts 1 and 2

9 *In the Matter of Apple Valley Professional Firefighters Association Local 4742, James Peratt,*  
10 *and Larry Soper*; FPPC No. 16/19935. (The Commission approved a stipulated agreement on  
11 August 15, 2019.) Respondents failed to timely file two pre-election campaign statements, and both  
12 campaign statements were filed after the election. The first pre-election campaign statement was filed  
13 107 days late and reported \$3,570 in contributions received and \$23,148 in expenditures made by the  
14 committee. The second pre-election campaign statement was filed 75 days late and reported \$1,428 in  
15 contributions received and \$9,618 in expenditures made by the committee. Respondents also failed to  
16 timely file 24-hour reports for two late contributions totaling \$4,000 and six late independent  
17 expenditures totaling \$21,843. In total, the Committee reported receiving \$20,334.21 in contributions  
18 and making \$32,816.86 in expenditures in 2016. The Commission approved a penalty of \$3,500 for  
19 failure to timely file campaign statements and \$2,500 for failure to timely file 24-hour reports

20 The Committee and Frutos also failed to timely file a pre-election campaign statement prior to  
21 the election. The late-filed pre-election and semi-annual campaign statements were filed almost the same  
22 number of days late as in *Apple Valley Firefighters*. However, the campaign statements disclosed over  
23 \$80,000 of campaign activity that was not timely reported due to the late filing. Additionally, the  
24 Committee and Frutos also failed to timely file twenty-two 24-hour reports, which would have accounted  
25 for \$80,500 of late contributions and \$19,322.37 of late independent expenditures.

26 Regardless, the mitigating factors present in this case justify pursuing the same penalty as in *Apple*  
27 *Valley Firefighters* for Count 1 and a slightly higher penalty for Count 2 due to the larger amount of late  
28 contributions not timely reported. The Committee and Frutos 1) filed campaign statements prior to

1 receiving contact from Enforcement; 2) paid \$930 total in late fines to the Los Angeles Registrar; 3) filed  
2 amended campaign statements at the request of the Los Angeles Registrar prior to receiving contact from  
3 Enforcement; 4) donated the remaining balance of \$42,109.79 to the Paramount Unified School District;  
4 5) terminated the Committee prior to receiving contact from Enforcement; 6) had low level of experience  
5 with the Act; and 7) do not have prior enforcement history. As a result, a penalty of \$3,500 is  
6 recommended for both Count 1 and Count 2.

### 7 **CONCLUSION**

8 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
9 Respondents Campaign for Kids – Yes on Measure I and Ruben Frutos hereby agree as follows:

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

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

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

17 4. The Respondents understand, and hereby knowingly and voluntarily waive, any and all  
18 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9.  
19 This includes, but is not limited to the right to appear personally at any administrative hearing held in  
20 this matter, to be represented by an attorney at the Respondents' own expense, to confront and cross-  
21 examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an  
22 impartial administrative law judge preside over the hearing as a hearing officer, and to have the matter  
23 judicially reviewed.

24 5. The Respondents agree to the issuance of the decision and order set forth below. Also, the  
25 Respondents agree to the Commission imposing against it an administrative penalty in the amount of  
26 \$7,000. One or more credit/debit card payments, cashier's checks, or money orders totaling said  
27 amount—to be paid to the General Fund of the State of California—is/are submitted with this stipulation

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1 as full payment of the administrative penalty described above, and same shall be held by the State of  
2 California until the Commission issues its decision and order regarding the matter.

3 6. If the Commission declines 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 the Respondents in connection with this stipulation shall be reimbursed  
6 to the Respondents. 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 of Enforcement  
15 Fair Political Practices Commission

16 Dated: \_\_\_\_\_  
17 Ruben Frutos, individually and on behalf of Campaign  
18 for Kids – Yes on Measure I

1 The foregoing stipulation of the parties “In the Matter of Campaign for Kids – Yes on Measure I and  
2 Ruben Frutos,” FPPC No. 17/281, is hereby accepted as the final decision and order of the Fair Political  
3 Practices Commission, effective upon execution below by the Chair.

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5 IT IS SO ORDERED.

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

\_\_\_\_\_ Richard C. Miadich, Chair  
8 Fair Political Practices Commission  
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