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9 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
10 STATE OF CALIFORNIA

11
12 In the Matter of:

FPPC No. 2021-00259

13 ASSOCIATED STUDENTS OF
14 GLENDALE COMMUNITY COLLEGE,

STIPULATION, DECISION, AND ORDER

15 Respondent.
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18 **INTRODUCTION**

19 Respondent Associated Students of Glendale Community College (the “ASGCC”) is a student
20 government organization. The ASGCC engaged in campaign activities as a major donor committee under
21 the Political Reform Act (the “Act”).¹ The Act requires major donor committees to file campaign
22 statements and reports to disclose their campaign activities. The ASGCC violated the Act by failing to
23 timely file two 24-hour contribution reports and a major donor campaign statement.

24 **SUMMARY OF THE LAW**

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

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28 ¹ 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.² Thus, it was
4 decreed that the Act “should be liberally construed to accomplish its purposes.”³ 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.⁴ Another
7 purpose is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.”⁵

8 Major Donor Committee

9 A person qualifies as a major donor committee when they make contributions totaling \$10,000 or
10 more in a calendar year to or at the behest of candidates or committees.⁶

11 24-Hour Contribution Reports

12 A late contribution is a contribution that totals in the aggregate \$1,000 or more that is made to or
13 received by a candidate, a controlled committee, or a primarily formed committee during the 90-day period
14 preceding the date of the election, or on the date of the election, at which the candidate or measure is to
15 be voted on.⁷ Each candidate or committee that makes or receives a late contribution must report it to their
16 filing officer within 24 hours of the time it is made or received.⁸ The 90-day period prior to the
17 November 8, 2016 General Election began on August 10, 2016.

18 Major Donor Campaign Statements

19 A major donor committee must file a campaign statement each year no later than July 31 for the
20 reporting period ending on June 30, and no later than January 31 of the following year for the reporting
21 period ending on December 31, if it made contributions or independent expenditures during the six-month
22 period before the closing date of the statements.⁹

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25 ² Section 81001, subd. (h).

26 ³ Section 81003.

27 ⁴ Section 81002, subd. (a).

28 ⁵ Section 81002, subd. (f).

⁶ Section 82013, subd. (c).

⁷ Section 82036, subd. (a).

⁸ Section 84203.

⁹ Section 84200, subd. (b).

1 Multipurpose Organization

2 A multipurpose organization (MPO) is an organization described in Sections 501(c)(3) to
3 501(c)(10) of the Internal Revenue Code and that is exempt from taxation under Section 501(a) of the
4 Internal Revenue Code, among other types of organizations, that is operating for purposes other than
5 making contributions or expenditures.¹⁰

6 An MPO may qualify as a recipient committee if it (1) is a political committee registered with the
7 Federal Election Commission or a political committee registered with another state, and it makes
8 contributions of \$2,000 or more or expenditures of \$1,000 or more in California; (2) solicits and receives
9 payments from donors of \$2,000 or more for the purpose of making contributions or expenditures; (3)
10 accepts payments from donors in an amount of \$2,000 or more subject to a condition, agreement, or
11 understanding with the donor that all or a portion of the payments may be used for making contributions
12 or expenditures; (4) has existing funds from a donor and a subsequent agreement or understanding is
13 reached with the donor that all or a portion of the funds may be used for making contributions or
14 expenditures of \$2,000 or more; or (5) makes contributions or expenditures totaling more than \$50,000 in
15 a period of 12 months or more than \$100,000 in a period of four consecutive calendar years, unless it
16 makes contributions or expenditures with nondonor funds.¹¹

17 The term “nondonor funds” is defined to mean investment income, including capital gains, or
18 income earned from providing goods, services, or facilities, whether related or unrelated to the
19 multipurpose organization’s program, sale of assets, or other receipts that are not donations.¹²

20 When using nondonor funds to make contributions or expenditures, an MPO must maintain all
21 records necessary to establish its compliance with Section 84222.¹³

22 **SUMMARY OF THE FACTS**

23 This case was opened in response to a sworn complaint alleging that the ASGCC had not filed
24 campaign statements to report its contributions to the Yes on GC for Glendale Community College 2016,

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26 ¹⁰ Section 84222, subd. (a).

27 ¹¹ Section 84222, subd. (c).

28 ¹² Section 84222, subd. (c)(5)(B).

¹³ Former Regulation 18422.1, subd. (f). In October 23, 2019 the Commission adopted a new regulation governing recordkeeping requirements for MPOs, including those using nondonor funds for contributions or expenditures. (*See* Regulation 18422.1, operative November 22, 2019.) While not in effect during 2016, the records provided by the Foundation in connection with this matter comply with the recordkeeping requirements in their current form.

1 Major Funding by the Glendale College Foundation, Inc. and Associated Students of Glendale Community
2 College (the “Yes on GC Committee”) (ID# 1390507), a primarily formed ballot measure committee in
3 support of a measure on the November 8, 2016 ballot that permitted the Glendale Community College
4 District (the “District”) to issue \$325 million of general obligation bonds. According to the District,
5 Measure GC was placed on the ballot to update and repair the facilities needed by the District.

6 The ASGCC made two contributions to the Yes on GC Committee during the 90-day period
7 preceding the date of the election. On August 2, 2016, the ASGCC voted to approve making a contribution
8 to support Measure GC. On August 4, 2016, a fund requisition was requested. On September 14, 2016,
9 the ASGCC issued a check for \$50,000 to the Yes on GC Committee. On October 11, 2016, the ASGCC
10 voted to approve making a contribution to support Measure GC. On the same day, a fund requisition was
11 requested. On October 17, 2016, the ASGCC issued a check for \$50,000 to the Yes on GC Committee.
12 The ASGCC’s decision was implemented according to the usual process for issuing ASGCC checks, as
13 outlined by the ASGCC’s Finance Code. However, the ASGCC did not timely file 24-hour contribution
14 reports for the contributions, as required under the Act, and as summarized in the following chart:

Contribution Date	Due Date	File Date	Amount
September 14, 2016	September 15, 2016	October 31, 2016	\$50,000
October 17, 2016	October 18, 2016	October 31, 2016	\$50,000
		Total:	\$100,000

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18 The ASGCC’s annual budget is developed using commission sales from the campus bookstore,
19 commission sales from vending machines on campus, and student service fees, all nondonor funds. At the
20 end of every budget years, all moneys that have not been spent from the ASGCC’s annual budget are
21 moved to the Unappropriated Surplus Account. The moneys used to contribute to the Yes on GC
22 Committee were ultimately drawn from the ASGCC’s Unappropriated Surplus Account, which is an
23 account from which the ASGCC pays for major expenses that do not fall under its regular operational
24 expenses. The ASGCC has provided the Enforcement Division with accounting documents which
25 demonstrate the contributions were attributed to and paid from the Unappropriated Surplus Account.

26 On February 27, 2017, prior to Enforcement contact, the ASGCC late-filed a major donor
27 campaign statement for the period covering July 1, 2016 through December 31, 2016, disclosing the two
28 late contributions that it made to the Yes on GC Committee. The Yes on GC Committee had timely

1 disclosed the two late contributions in its 24-hour reports and campaign statements. The ASGCC also late-
2 filed its two 24-hour contribution reports on October 31, 2016, so the public had ample disclosure
3 regarding the ASGCC's campaign activities prior to the November 8, 2016 General Election.

4 **VIOLATIONS**

5 Count 1: Failure to Timely File 24-Hour Contribution Reports

6 The ASGCC failed to timely file 24-hour contribution reports for two \$50,000 contributions made
7 on September 14, 2016 and October 17, 2016, in violation of Government Code Section 84203.

8 Count 2: Failure to Timely File a Major Donor Campaign Statement

9 The ASGCC failed to timely file a major donor campaign statement for the reporting period
10 covering July 1, 2016 through December 31, 2016 by January 31, 2017, in violation of Government Code
11 Section 84200, subdivision (b).

12 **PROPOSED PENALTY**

13 This matter consists of two counts. The maximum penalty that may be imposed is \$5,000 per
14 count. Thus, the maximum penalty that may be imposed is \$10,000. This case does not qualify for the
15 Commission's streamline program because the ASGCC failed to timely file three statements or reports in
16 a calendar year.

17 In determining the appropriate penalty for a particular violation of the Act, the Enforcement
18 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an
19 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers
20 the facts and circumstances of the violation in the context of the following factors set forth in Regulation
21 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused by the
22 specific violation; (2) The level of experience of the violator with the requirements of the Act;
23 (3) Penalties previously imposed by the Commission in comparable cases; (4) The presence or absence of
24 any intention to conceal, deceive or mislead; (5) Whether the violation was deliberate, negligent or
25 inadvertent; (6) Whether the violator demonstrated good faith by consulting the Commission staff or any
26 other governmental agency in a manner not constituting complete defense under Government Code
27 Section 83114(b); (7) Whether the violation was isolated or part of a pattern and whether the violator has

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1 a prior record of violations of the Political Reform Act or similar laws; and (8) Whether the violator, upon
2 learning of a reporting violation, voluntarily filed amendments to provide full disclosure.¹⁴

3 The public harm caused by these violations is serious, as they resulted in delayed transparency for
4 the public into the ASGCC's campaign activities. However, the Yes on GC Committee timely filed 24-
5 hour contribution reports and pre-election campaign statements to disclose the two \$50,000 contributions
6 and the ASGCC late-filed its 24-hour contribution reports and major donor campaign statement prior to
7 the election, so the public received ample disclosure regarding the ASGCC's campaign activities prior to
8 the relevant election. It seems the violations were isolated, as the ASGCC does not have prior experience
9 with the requirements of the Act and does not have a prior record of violating the Act. There is no evidence
10 of an intention to conceal, deceive, or mislead the public, as the ASGCC filed campaign statements and
11 reports prior to the election and prior to receiving contact from the Enforcement Division. The ASGCC
12 also fully cooperated with the Enforcement Division in the investigation. Additionally, the violations seem
13 to have been negligent, as the ASGCC did not receive required notices from the Yes on Measure GC
14 Committee about its campaign filing obligations. The Enforcement Division did not find that the ASGCC
15 consulted the Commission staff or any other governmental agency regarding the Act's campaign filing
16 requirements.

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

19 *In the Matter of College of the Canyons Foundation*; FPPC No. 2019-00475. (The Commission
20 approved a stipulated agreement on April 15, 2021.) Respondent made three \$50,000 contributions to a
21 primarily formed ballot measure committee during the 90-day period prior to the June 7, 2016 General
22 Election and qualified as a major donor committee. Respondent was required to file a 24-hour contribution
23 report and campaign statement for the three late contributions but failed to timely do so. Respondent late-
24 filed its 24-hour contribution reports and campaign statement after receiving contact from the Enforcement
25 Division. The recipient of the late contributions reported the late contributions prior to the election. The
26 Commission approved a penalty of \$3,000 for failure to timely file three 24-hour contribution reports and
27 \$2,500 for failure to timely file a major donor campaign statement.

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¹⁴ Regulation 18361.5, subd. (e).

1 Like *College of the Canyons Foundation*, the ASGCC made several contributions of \$50,000 to a
2 primarily formed ballot measure committee. Unlike *College of the Canyons Foundation*, the ASGCC
3 made two, not three, \$50,000 contributions. Also, the ASGCC late-filed two 24-hour contribution reports
4 for the late contributions prior to the election and a semi-annual campaign statement. All three reports and
5 campaign statement were filed prior to receiving contact from the Enforcement Division. Furthermore,
6 the recipient of the late contributions also timely reported the late contributions, so the public received
7 ample notice of the ASGCC’s campaign activities. Based on these facts, a lower penalty is recommended
8 for Count 1 and a similar penalty is recommended for Count 2.

9 Based on the foregoing, the following penalty is recommended:

Count #	Violation	Penalty
1	Failure to Timely File 24-Hour Contribution Reports	\$2,500
2	Failure to Timely File a Major Donor Campaign Statement	\$2,500
	Total:	\$5,000

13 CONCLUSION

14 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
15 Respondent Associated Students of Glendale Community College hereby agree as follows:

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

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

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

23 4. The Respondent has consulted with its attorney, Lacey Keys, and understands, and hereby
24 knowingly and voluntarily waives, any and all procedural rights set forth in Sections 83115.5, 11503,
25 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to appear
26 personally at any administrative hearing held in this matter, to be represented by an attorney at the
27 Respondent’s own expense, to confront and cross-examine all witnesses testifying at the hearing, to

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1 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over
2 the hearing as a hearing officer, and to have the matter judicially reviewed.

3 5. The Respondent agrees to the issuance of the decision and order set forth below. Also, the
4 Respondent agrees to the Commission imposing against it an administrative penalty in the amount of
5 \$5,000. One or more credit/debit card payments, cashier's checks, or money orders totaling said amount—
6 to be paid to the General Fund of the State of California—is/are submitted with this stipulation as full
7 payment of the administrative penalty described above, and same shall be held by the State of California
8 until the Commission issues its decision and order regarding the matter.

9 6. If the Commission declines to approve this stipulation—then this stipulation shall become
10 null and void, and within fifteen business days after the Commission meeting at which the stipulation is
11 rejected, all payments tendered by the Respondent in connection with this stipulation shall be reimbursed
12 to the Respondent. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
13 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
14 Director, shall be disqualified because of prior consideration of this Stipulation.

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

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19 Dated: _____
20 Angela J. Brereton, Chief of Enforcement
21 Fair Political Practices Commission

22 Dated: _____
23 Tzoler Oukayan, Dean of Student Affairs, on behalf of
24 Respondent Associated Students of Glendale
25 Community College
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