

News from the FPPC



California Fair Political Practices Commission
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FPPC Enforcement Decisions: March 15, 2012

The following are enforcement decisions approved by the Fair Political Practices Commission at its regular monthly meeting held on Thursday, March 15, 2012. Decisions are listed by category and include a brief summary of each case and the total amount of any administrative fine or fines in each case.

Additional information on each of the enforcement cases below can be found in the March agenda on the FPPC website at www.fppc.ca.gov. FPPC agendas are distributed and posted on the agency website at least 10 days prior to each monthly meeting.

The web version of the agenda includes links to the stipulations agreed to by the commission and by the individuals and organizations subject to the fines, or the default decisions proposed to the commission. Exhibits in support of the stipulations and proposed default decisions are also available on the website. If you are unable to access the FPPC website, or need further assistance, please call the FPPC communications office at (916) 322-7761.

Advertisement Violation

Under the Political Reform Act, as implemented by regulations adopted by the Commission, a ballot measure committee which is controlled by a candidate for elective state office may only use committee funds to make expenditures that are related to a state or local measure or potential measure anticipated by the committee. The following used committee funds for unrelated purposes:

Arnold Schwarzenegger and Governor Schwarzenegger's California Dream Team, A Ballot Measure Committee. Arnold Schwarzenegger was governor of the State of California from November 2003 through January 2011. California Dream Team, A Ballot Measure Committee, was his candidate controlled ballot measure committee. Committee funds were used to pay for a television and internet advertisement which referred to state budget negotiations that were in progress – six expenditures, totaling over \$1.1 million, were made that were unrelated to a state or local measure or an anticipated potential measure. **\$30,000 fine.**

Campaign Reporting Violations

Davis Democratic Club and Elizabeth R. Weir. Davis Democratic Club, a county general purpose committee, and Elizabeth R. Weir, the committee's treasurer, failed to file a first preelection campaign statement for the reporting period July 1, 2008, through September 30, 2008, due October 6, 2008, and a second preelection campaign statement for the reporting period October 1, 2008, through October 18, 2008, by the October 23, 2008 due date; both understated and overstated the balance of cash on the

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semiannual reporting periods for calendar years 2007, 2008 and 2009, on the semiannual campaign statement for the reporting period ending June 30, 2010, by up to approximately \$11,449 (understated) and \$9,495 (overstated); failed to disclose information regarding contributions received and expenditures made of \$100 or more on the semiannual reporting periods for calendar years 2007, 2008 and 2009 and 2010; and failed to maintain proper records to support the campaign statements filed for the reporting periods of calendar years 2007, 2008, 2009, and 2010. **\$9,500 fine.**

Michael Glover, Michael G. Glover for Assembly, Glover for Assembly 2008, Committee to Elect Mike Glover for 70th AD, 2010, and Doris Neel. Michael G. Glover was a successful candidate for California State Assembly, 70th District, in the June 6, 2006, Primary Election and the June 3, 2008, Primary Election. However, he was an unsuccessful candidate for California State Assembly in the November 7, 2006, General Election, November 4, 2008, General Election, and the June 8, 2010, Primary Election. Michael G. Glover for Assembly was the controlled committee of his 2006 election campaign. He acted as the committee's treasurer from October 27, 2006, through June 30, 2009. Respondent Glover for Assembly 2008 was the controlled committee of Mr. Glover's 2008 election campaign. Committee to Elect Mike Glover for 70th AD, 2010 was the controlled committee of Mr. Glover's 2010 election campaign. Doris Neel was the treasurer of Mike Glover for 70th AD, 2010 from February 19, 2010, through July 30, 2010.

Mr. Glover and his committee, Michael G. Glover for Assembly: 1) failed to file 4 semi-annual campaign statements; 2) on semi-annual campaign statements from July 1, 2006, through December 31, 2008, failed to report the receipt of contributions totaling approximately \$47,406, and failed to itemize contributions received over \$100 totaling approximately \$52,673; 3) on semi-annual campaign statements from July 1, 2006, through December 31, 2008, failed to report expenditures made totaling approximately \$42,614, and failed to itemize expenditures made over \$100 totaling approximately \$57,144; 4) failed to report accrued expenses on at least one semi-annual campaign statement for the reporting period October 22, 2006, through December 31, 2006, totaling approximately \$23,403; 5) failed to disclose a contribution received of \$5,000 or more within 10 business days of receipt in an online campaign report; 6) failed to maintain the detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that a campaign statement was properly filed, and to comply with the campaign reporting provisions of the Act, from October 22, 2006, through June 30, 2009.

Additionally, Mr. Glover and his committee, Glover for Assembly 2008: 1) failed to file 2 pre-election campaign statements; 2) failed to file a semi-annual campaign statement; 3) failed to deposit all campaign contributions into a designated campaign bank account for Glover for Assembly 2008. Further, Mr. Glover, Committee to Elect Mike Glover for 70th AD, 2010, and Doris Neel, the committee's treasurer: 1) failed to file 2 pre-election campaign statements in electronic format; and 2) failed to file a semi-annual campaign statement in electronic format. **\$47,000 fine against Mr. Glover. Commission directed staff to bring the matter back before the Commission at the April 5, 2012, hearing to address the potential fine/waiver related to Doris Neel.**

Put California Back to Work, Sponsored by the Civil Justice Association of California and J. Richard Eichman. Put California Back to Work, Sponsored by the Civil Justice Association of California formed as a state general purpose committee on January 19, 2010. J. Richard Eichman was the committee's treasurer. Respondents violated the requirements of the Political Reform Act by failing to file an amended statement of organization within 10 days to disclose that Respondent Committee was a primarily formed committee; by failing to add the full name and office of the candidate it supported as its primary activity, and by failing to identify the name of the candidate, including the office sought, the election year and whether the committee supported or opposed the candidate, in the name of the Respondent Committee. Further, Respondents made an independent expenditure which caused a mass mailing to be sent in support of Juan Vargas for State Senate District 40 and in opposition to his opponent, Mary Salas, which failed to display the top two contributors of \$50,000 or more during the 12 month period prior to the expenditure. **\$6,000 fine.**

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Fernando Vasquez, Vasquez for Downey Council 2010, and Jane Leiderman. Fernando Vasquez, his candidate controlled committee, Vasquez for Downey Council 2010, and the committee's treasurer, Jane Leiderman, failed to report in a timely manner eight monetary contributions of \$100 or more, totaling

approximately \$1,600, received between July 1, 2010, and September 30, 2010, due by October 5, 2010, and failed to report in a timely manner nine monetary contributions of \$100 or more, totaling approximately \$6,096, received between October 1, 2010, and October 16, 2010, due by October 21, 2010. **\$4,000 fine.**

American Subcontractors Association of California PAC, and Jordi Grant, Treasurer. American Subcontractors Association of California PAC, a state general purpose committee, and Jordi Grant, the committee's treasurer, received \$2,950, contributing to a total balance of \$23,032.86 during the semi-annual reporting period of January 1, 2011, through June 30, 2011. They failed to file paper and electronic semi-annual campaign statements for this period by the August 1, 2011, due date. **\$400 fine.**

Barnett for School Board 2010 and Scott Barnett. Barnett for School Board 2010 and Scott Barnett failed to file a semiannual campaign statement in a timely manner for the reporting period of January 1, 2011, through June 30, 2011, due on August 1, 2011. **\$200 fine.**

Maritza Molina, a current member of the Los Angeles County Centinela Valley Union High School Governing Board, failed to file the Form 470 campaign statement covering the period January 1, 2011, through December 31, 2011, due August 1, 2011, in a timely manner with the County of Los Angeles. **\$200 fine.**

National City Elementary Teachers Association PAC; Ana B. Zuniga-Juarez, Treasurer. National City Elementary Teachers Association PAC, a local general purpose committee, and the committee's treasurer, Ana B. Zuniga-Juarez, failed to file a semiannual campaign statement for the reporting period of January 1, 2011, through June 30, 2011, in a timely manner. **\$200 fine.**

Hugo M. Rojas, a current member of the Los Angeles County Centinela Valley Union High School Governing Board, failed to file the Form 470 campaign statement covering the period January 1, 2011, through December 31, 2011, due August 1, 2011, in a timely manner with the County of Los Angeles. **\$200 fine.**

Tuolumne County Republican Central Committee, Jo Day, Treasurer, and Charles Day, Chairman. Tuolumne County Republican Central Committee was a state general purpose committee with Jo Day serving as treasurer, and Charles Day serving as chairman. They failed to file two semi-annual campaign statements in a timely manner, one for the reporting period January 1, 2008, through June 30, 2008, due July 31, 2008, and one for the reporting period July 1, 2008, through December 31, 2008, due February 2, 2009. **\$400 fine.**

Westside Republicans of Los Angeles and Robert Pedersen, Chairman. Los Angeles County recipient committee Westside Republicans of Los Angeles with Robert Pedersen, Chairman, failed to file the Form 460 campaign statement covering the period January 1, 2011, through June 30, 2011, due August 1, 2011, in a timely manner with the County of Los Angeles. **\$200 fine.**

Money Laundering Violation

California law requires those giving or receiving monetary contributions of \$100 or more to affect the outcome of political contests to provide certain information identifying the contributor, their employer and the amount of the contribution. Providing the public with the sources of contributions is a fundamental component of the philosophy of the Political Reform Act. The following concealed the true source of campaign contributions:

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Go Lorrie's Airport Shuttle is a door-to-door transportation company operating in San Francisco. The company's employees and relatives of employees made political contributions to San Francisco's then-interim Mayor, Ed Lee, in the amount of \$500 - the limit under San Francisco's local elections rules; the company reimbursed all contributions in cash. **\$49,500 fine.**

Slate Mailer Organization Violation

California law requires slate mailer organizations to file campaign reports, which must contain specified information, including subvendor payment information. The following did not report in a timely manner the required subvendor payment information:

Matter of Voter Information Guide and Tracey Pomerance-Poirier. Voter Information Guide is a slate mailer organization and Tracey Pomerance-Poirier is the organization's treasurer. For the reporting periods ending June 30 and December 31, 2010, subvendor information for payments totaling approximately \$407,400, was not reported in a timely manner. **\$2,000 fine.**

Conflict of Interest Violations

California law states that, absent an exception, a public official may not make, participate in making or in any way attempt to use his or her official position to influence a governmental decision in which he or she knows or has reason to know he or she has a financial interest. The following officials made or participated in making governmental decisions in which he or she had a financial interest:

Floyd Leeson was an associate oil and gas engineer for the Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) from May 1, 1985, to June 13, 2007. DOGGR regulates oil and gas wells in the Las Cienegas Oil Field, located in Los Angeles County, through DOGGR's District One Office located in Cypress, CA. Respondent violated the conflict of interest provisions of the Act when he processed four (4) Notices of Intent to Conduct Well Operations (Rework) submitted to DOGGR by PXP and prepared, for his supervisor's approval, four (4) related permits to conduct well operations for PXP, at a time in which he held an investment interest in PXP of more than \$25,000, and failed to disclose his investments in oil and gas companies regulated by his agency in his 2005 annual Statement of Economic Interests. Mr. Leeson participated in governmental decisions in which he had a material financial interest and failed to disclose his investment interests in oil and gas companies in his 2005 annual Statement of Economic Interests. **\$24,500 fine.**

Clay Aurell was a member of the Architectural Board of Review for the City of Santa Barbara. Mr. Aurell and his architectural firm were representing a client in connection with a proposal to construct an accessory dwelling unit in the City of Santa Barbara. Mr. Aurell attempted to use his official position to influence a governmental decision on the proposal knowing he had a financial interest in the matter. **\$3,500 fine.**

Jordan Ehrenkranz, as a member of the city council for the City of Canyon Lake, failed to disqualify himself from three governmental decisions relating to a proposed moratorium on hillside development in which he had a financial interest. **\$6,000 fine.**

Lobbying Violation

California law requires lobbyist employers to file reports to provide the public with specified information, including payments made in connection with lobbying activity. The following failed to timely file the required forms:

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Mark D. Nobili and Mark Nobili and Associates. Mark D. Nobili, a registered California lobbyist, failed to file lobbyist reports for reporting periods ending June 30, 2009, September 30, 2009, March 31, 2010, and June 30, 2010, in a timely manner. Mark Nobili and Associates, a California lobbying firm, failed to file lobbying firm reports for reporting periods ending September 30, 2009, June 30, 2010, and September 30, 2010, in a timely manner. **\$1,400 fine.**

Late Contribution Reporting Violation

When contributions of \$1,000 or more are made during the final days of an election—the time between the last campaign statement required to be filed and the end of the election—late contribution reports must be filed within 24 hours of making or receiving the “late” contribution. The following failed to file a late contribution report as required by law:

Stephen Grand made a contribution of \$10,000 to the Coalition for Civil Sidewalks, Yes on L, ballot measure committee during the late contribution reporting period in connection with the November 2, 2010, election and failed to report it in a timely manner. **\$1,500 fine.**

Statements of Economic Interests Violations

California law requires elected officials, certain board members and governmental employees, and consultants employed by governmental entities to complete and file Statements of Economic Interests (SEIs or Form 700s). SEIs serve a dual purpose: they make a filer aware of personal economic interests relative to a governmental decision, and they are an important disclosure document for the public and media. The following individuals failed to file their Statement of Economic Interests forms on time:

Susan Bury, a commissioner on the Madera County Economic Development Commission from July 9, 2007, to April 1, 2009, failed to file a Statement of Economic Interests for the January 1, 2008, through December 31, 2008, reporting period, due April 1, 2009, and failed to file a leaving office Statement of Economic Interests for the January 1, 2009, through April 1, 2009, reporting period, due May 1, 2009. **\$6,000 fine.**

Jill Sherman-Warne, California Native American Heritage Commissioner, failed to file a Statement of Economic Interests in a timely manner for the reporting period of January 1, 2010, through December 31, 2010. **\$1,000 fine.**

Ben Alaoui, Associate Transportation Engineer for the City of Oakland Public Works Agency, failed to timely file a Statement of Economic Interests for the reporting period January 1, 2009, through December 31, 2009, by the April 1, 2010, due date. **\$400 fine.**

Daniel Chavez, Commissioner for the California Strawberry Commission, failed to file a Statement of Economic Interests covering the period January 1, 2010, through December 31, 2010, due April 1, 2011, in a timely manner with the FPPC's Technical Assistance Division. **\$400 fine.**

Lorena Chavez, Commissioner for the California Strawberry Commission, failed to file a Statement of Economic Interests covering the period January 1, 2010, through December 31, 2010, due April 1, 2011, in a timely manner with the FPPC's Technical Assistance Division. **\$400 fine.**

Manual Ferreira, Orange Cove Fire Protection District Member, failed to timely file an assuming office Statement of Economic Interests covering the period August 12, 2010, through August 12, 2011, due September 12, 2011, with the Technical Assistance Division. **\$200 fine.**

John Lacy, Community Development Board Member for District 7 in the City of Oakland, failed to timely file a Statement of Economic Interests for the reporting period January 1, 2009, through December 31, 2009, by the April 1, 2010, due date. **\$200 fine.**

Marshall McCay, Yolo County Indian Gaming Local Benefit Committee member, failed to timely file his 2008 and 2009 Statements of Economic Interests covering the periods January 1, 2008, through December 31, 2008, due April 1, 2009, and January 1, 2009, through December 31, 2009, due April 1, 2010, in a timely manner with the Technical Assistance Division. **\$400 fine.**

William Mungary, Commissioner for the Native American Heritage Commission, failed to timely file a Statement of Economic Interests covering the period January 1, 2010, through December 31, 2010, due April 1, 2011, in a timely manner. **\$200 fine.**

Alvaro Preciado, Councilmember for the City of Avenal, failed to timely file a Statement of Economic Interests for the reporting period of January 1, 2010, through December 31, 2010, due April 1, 2011. **\$200 fine.**

Scott Pynes, as a governing board member of Scott Valley Unified School District and as the director of Scott Valley Irrigation District, both for the County of Siskiyou, failed to timely file a Statement of Economic Interests covering the period January 1, 2010, through December 31, 2010, due April 1, 2011, in a timely manner with the County of Siskiyou. **\$200 fine.**

Andrew Ratermann, Board President for the Santa Clara Unified School District, failed to timely file a Statement of Economic Interests for the reporting period of January 1, 2010, through December 31, 2010, due April 1, 2011. **\$200 fine.**

Carlos Romero, Mayor for the City of East Palo Alto, failed to timely file a Statement of Economic Interests for the reporting period of January 1, 2010, through December 31, 2010, due April 1, 2011. **\$400 fine.**

Jeffrey Senior, California Travel and Tourism Commissioner, failed to timely file a Statement of Economic Interests covering the period January 1, 2010, through December 31, 2010, due April 1, 2011, in a timely manner with the Technical Assistance Division. **\$400 fine.**

Iztok Stajner, a member of the Discovery Charter School in the County of Santa Clara, failed to timely file a Statement of Economic Interests for the reporting period of January 1, 2010, through December 31, 2010, due April 1, 2011. **\$200 fine.**

Zehra Sun, a member of the San Marino-Crowell Public Library Board of Trustees, failed to timely file a Statement of Economic Interests for the January 1, 2010, through December 31, 2010, reporting period, due April 1, 2011. **\$200 fine.**

Money Laundering Settlement

The following matter was submitted to the Commission for informational purposes only. In the Matter of Neiland Kenneth Derry and Neil Derry for Supervisor (Receipt of Joint Settlement Funds).

Neiland Kenneth Derry was a successful candidate for the San Bernardino County Board of Supervisors in 2008. Neil Derry for Supervisor was his candidate controlled committee. Mr. Derry knowingly and willfully failed to report the true source of a \$5,000 contribution that was made to his committee in the name of another. As part of a joint effort by the California Attorney General's office and the FPPC Enforcement Division, Mr. Derry pled guilty to a misdemeanor count of violating Government Code Section 84302 for failure to report the true source of the contribution. His sentence, which was imposed by the San Bernardino County Superior Court, included a \$10,000 fine, and of this amount, he was ordered to pay \$5,820 to the FPPC. Thereafter, he paid the ordered amount to the FPPC, and after that, he made a disgorgement payment to the FPPC in the amount of \$5,000 pursuant to Government Code Section 85701, which requires candidates and committees to surrender certain unlawful contributions to the General Fund of the State of California. **Total Penalty Collected by the FPPC (including disgorgement): \$10,820.**