



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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May 23, 2022

Brian Pierik
City Attorney
City of Camarillo
Burke, Williams & Sorensen LLP
2310 East Ponderosa Dr. Suite 25
Camarillo, CA 93010-4747

Re: Your Request for Advice
Our File No. A-22-043

Dear Mr. Pierik:

This letter responds to your request for advice regarding the Political Reform Act (the “Act”) and Government Code Section 1090, et seq.¹ Please note that we are only providing advice under the Act and not under other general conflict of interest prohibitions such as common law conflict of interest. Moreover, as you have not identified specific contracts before the City of Camarillo, we cannot provide advice under Section 1090 at this time.

Also, note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

We are required to forward your request regarding Section 1090 and all pertinent facts relating to the request to the Attorney General’s Office and the Ventura County District Attorney’s Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice “is not admissible in a criminal proceeding against any individual other than the requestor.” (See Section 1097.1(c)(5).)

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

QUESTION

Does the Act prohibit Vice Mayor Santangelo from taking part in decisions concerning the City of Camarillo's budget given her employment as a registered nurse with Wellpath?

CONCLUSION

No. Vice Mayor Santangelo is not disqualified under the Act from taking part in decisions concerning the City budget because it is not reasonably foreseeable that those decisions will have a material financial effect on Wellpath.

FACTS AS PRESENTED BY REQUESTER

A. City/County Agreement for Law Enforcement Services

The City of Camarillo ("City") contracts with the County of Ventura ("County") for law enforcement services provided by the Ventura County Sheriff's Office ("Sheriff") and has done so since 1964. The City entered into an Agreement with the County for services, including law enforcement services by the Sheriff, most recently on August 27, 1980.

The City/County Agreement includes a description of law enforcement services the County will provide to the City including the enforcement of State statutes and those Municipal Police Ordinances of the City as are of the same type or nature as ordinances of the County which are enforced by the Sheriff in the unincorporated territory of the County. The City/County Agreement does not include jail services.

The City/County Agreement provides that for each year the type and level of staffing for law enforcement services shall be included in an annual update by the Sheriff. The most recent annual update from the Sheriff is dated January 25, 2022, for Fiscal Year 2021-2022. There is nothing in these annual updates from the Sheriff that imposes any charges on the City for jail services.

The County Sheriff submits monthly invoices to the City for services rendered. The lack of charges to the City by the County for jail services is likely due to the requirements in the Government Code that require the County to keep the County jail at County expense.

B. County-Wellpath Agreement

In 2015, the County issued a request for proposal seeking medical services for inmates. In January of 2016, the County entered into an agreement with California Forensic Medical Group, Inc., doing business as Wellpath ("Wellpath"), for an initial five-year term, which may be extended up to four one-year terms. ("County-Wellpath Agreement"). By Amendment #4 to the County-Wellpath Agreement, the term was extended from July 1, 2021, to June 20, 2022. On October 1, 2021, this agreement was amended to add additional staffing for the County's Main Jail and Todd Road Jail, which are located outside of the City.

Vice Mayor Susan Santangelo was elected to the Camarillo City Council in 2018. Vice Mayor Santangelo recently started an employee position as a registered nurse with Wellpath on or

about February of 2022, where she works in Ventura County jails and cares for those in custody. She is an at-will employee who is paid on an hourly basis and her assignments are at County jails, none of which are within the City.

In a follow-up email you stated the City Council will be voting on the City budget on June 8, 2022. By approving the budget, the City Council accepts the deployment of Sheriff personnel for the City, such as number of deputies in patrol and other law enforcement services based on the amount approved by the City Council for the budget. You also stated that it is possible that there may be future City Council actions relating the contract with the Ventura County Sheriff, but no actions are currently planned.

ANALYSIS

The Act's conflict of interest provisions prohibit a public official from taking part in a governmental decision if it is reasonably foreseeable that the decision would have a material financial effect on one or more of the official's financial interests distinguishable from the decision's effect on the public generally. (Sections 87100 and 87103.) An official's financial interests, which may give rise to a disqualifying conflict of interest under the Act, are identified in Section 87103. The following interests are relevant to the City budget decisions at issue here:

- A source of income from which the public official has aggregated \$500 or more in income in the 12 months prior to the decision at issue. (Section 87103(c).)
- A business entity in which the public official is a director, officer, partner, trustee, employee, or manager. (Section 87103(d).)
- The official's interest in his or her personal finances and those of immediate family members. (Section 87103.)

Based on the facts, Vice Mayor Santangelo has interests in Wellpath as a business entity and source of income. In addition, an official, including Vice Mayor Santangelo, always has an interest in the official's personal finances and those of immediate family members.

Foreseeability and Materiality

A decision's financial effect on an official's financial interest is presumed to be reasonably foreseeable if the official's interest is "explicitly involved" in the decision. (Regulation 18701(a).) An official's interest is "explicitly involved" if the interest is a named party in, or the subject of, the decision. (*Ibid.*) An interest is the "subject of a proceeding" if the decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the interest. (*Ibid.*) In addition, an official's business interest is explicitly involved in any decision affecting the business as described in Regulation 18702.1(a)(1).

When a decision's effect on an official's interest is not explicitly involved in the decision, as here, then its effect on the official's interest is reasonably foreseeable if it "can be recognized as a realistic possibility and more than hypothetical or theoretical." (Regulation 18701(b).)

Regulation 18702.1 sets forth the materiality standards that apply to a decision's reasonably foreseeable financial effect on an official's business interest, including a business entity that is a source of income to the official (Regulation 18702.3(a)(4)),² and provides that the decision's effect is material if:

- The decision may result in an increase or decrease of the business's annual gross revenues, or the value of the business's assets or liabilities, in an amount equal to or more than \$1,000,000; or five percent of the business's annual gross revenues and the increase or decrease is at least \$10,000. (Regulation 18702.1(a)(2).)
- The decision may cause the business to incur or avoid additional expenses or to reduce or eliminate expenses by equal to or more than \$250,000; or one percent of the business's annual gross revenues and the change in expenses is at least \$2,500. (Regulation 18702.1(a)(3).)

Here, there are no facts suggesting decisions regarding the City budget will meet the applicable materiality thresholds with respect to Wellpath's annual gross revenues. According to the facts, the City currently has a contract with the County, executed in 1980, to provide law enforcement services to the City. That agreement sets forth a description of law enforcement services the County will provide to the City but does not include jail services. Pursuant to the agreement, the Sheriff provides an annual update providing the type and level of staffing for law enforcement services it will provide – these updates, including the most recent one Fiscal Year 2021-2022, do not impose charges for jail services such as medical services for inmates. In addition, monthly invoices submitted to the City by the Sheriff for services rendered do not include charges for the services Wellpath provides to inmates.

Therefore, based on these facts, it does not appear funds from the City budget are used to pay for or have any connection to services Wellpath provides to the County. Instead, by approving the budget, the City Council accepts the deployment of Sheriff personnel for the City, such as number of deputies in patrol and other law enforcement services. Accordingly, Vice Mayor Santangelo is not disqualified under the Act from taking part in decisions concerning the City budget based on her employment with Wellpath.

² Regulation 18702.5 sets forth the materiality standard applicable to a decision's effect on an official's personal finances and those of immediate family members. Regulation 18702.5(c), however, provides that if the decision at issue affects the official's business interest, materiality is determined pursuant to Regulation 18702.2. Therefore, we apply Regulation 18702.2 to determine whether the decisions relating to the City budget would have a disqualifying effect on the Vice Mayor's interests.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Dave Bainbridge
General Counsel

By: *Jack Woodside*
Jack Woodside
Senior Counsel, Legal Division

JW:aja