



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

July 22, 2020

Kansen Chu

[REDACTED]

Via email: assemblymember.chu@assembly.ca.gov; [REDACTED]

Re: Complaint No. COM-07222020-01236; Kansen Chu

Dear Mr. Chu,

The Enforcement Division of the Fair Political Practices Commission has received a sworn complaint against you. It appears the complainant is alleging you have violated the Political Reform Act's¹ campaign disclosure provisions². The information filed in the complaint is below and any attachments filed are enclosed. The complaint was filed against all those listed above.

The person filing the Complaint is:

Paul Fong

[REDACTED]

The following individuals are listed as Witnesses:

Marsha Grilli

[REDACTED]

Pat Waite

[REDACTED]

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.

² Please note that under the Act, you are required to retain accounts, records, bills, receipts and other original source documentation. These records should be readily available for any audit or investigation conducted by the Fair Political Practices Commission. (GC §§ 84104, 86110 and 90003; Regulations 18401, 18401.1.)

Mike Serrone


The violations alleged are:

Contribution Limits Violation

Contribution Limits Violation/Violation of Rules Regarding Contributions

- *Even though Assemblymember Chu announced that he will not be seeking re-election to the Assembly – instead pursuing a campaign for Santa Clara County Supervisor – Chu has maintained an Assembly campaign committee that he has actively used to promote his Supervisor campaign, Kansen Chu for Assembly 2020. Assemblymember Chu opened his campaign committee for Supervisor on May of 2019 and in doing so, Mr. Chu has found a way to obfuscate the law. Assemblymember Chu has taken advantage of the fact that donation limits are significantly higher for California State Assembly than Santa Clara County Board of Supervisors.*
- *Between May 2019 and February 2020, Chu spent \$176,436.78 from his assembly re-election account. These expenses included \$33,262.84 in printing fees for cards that went to voters inside Santa Clara County District 3 but outside of his assembly constituency. In response to allegations that he violated the Political Reform Act, Chu said, “There is no rule that we have to verify that the receivers have to live in a specific district.”*
- *As you are aware, there are strict rules about contribution limits that regulate campaigns in the California State Assembly and Santa Clara County Board of Supervisors. The max donation in the State Assembly is \$4,700 while the limit in a Santa Clara County Supervisor’s race is \$1,000.*
- *Between May 2019 and February 2020, Chu accepted 18 donations to his Assembly campaign committee greater than the \$1,000 limit allotted to supervisorial campaigns. This distinction allowed him to skirt fundraising restrictions and send misleading mailers to people outside of his assembly district.*
- *In fact, Chu even distributed a mass mailing to voters in District 3 with a disclaimer that noted his Assembly campaign committee, but the mailer advertised that voters visit his Supervisor campaign website. (See attached evidence)*

Campaign Reporting Inaccurate/Incomplete

- *Furthermore, Assemblymember Chu violated section 18421.7, “Reporting an Expenditure for a Gift, a Meal, or Travel,” by under reporting expense*

information and failing to disclose critical details. Chu and his wife, Daisy, repeatedly underreported travel, food and miscellaneous expenses for their own gain – with five instances of incorrectly reporting travel expenses in 2018 and 22 instances of underreported reimbursements between Chu's campaigns and his wife Daisy, totaling \$6,979.13.

- *In addition to transferring underreported reimbursements to his wife, Chu's assembly campaigns have paid his treasurer and son-in-law, Steve Blomquist, \$106,000 since 2014. This includes eight payments totaling \$16,000 from his Kansen Chu for Assembly 2020 account after he announced he would not be seeking re-election.*

At this time, we have not made any determination about the allegation(s) made in the complaint. Within 14 days, the complainant will be notified of our intent to:

- investigate the allegations of the complaint;
- refer the complaint to another governmental agency;
- take no action on the complaint because, on the basis of the information provided, the Commission does not appear to have jurisdiction to investigate; or
- take no action on the complaint because the allegations of the complaint do not warrant the Commission's further action.

A copy of that letter will be forwarded to you. If you have any comments on the allegation(s), your comments must be submitted in writing directed to Ginny Lambing at the address shown above or by email to glambing@fppc.ca.gov. Please include the complaint number referenced above in your response.

Sincerely,



Galena West
Chief, Enforcement Division

GW:gal

July 22, 2020

Galena West, Chief, Enforcement Division
Fair Political Practices Commission
Enforcement Division
1102 Q Street, Suite 3000
Sacramento, CA 95811

RE: Formal Complaint Against Assemblymember Kansen Chu

Submitted via email: advice@fppc.ca.gov

Dear Ms. West,

This letter serves as an official complaint against Assemblymember Kansen Chu who is currently running for Supervisor in Santa Clara County. We are writing to request the Fair Political Practices Commission take immediate action to address violations of the Political Reform Act. The following complaint highlights Assemblymember Chu has violated the Act on multiple occasions, including but not limited to violations of Government Code Sections 85301 through 85306 and 84211.

Contribution Limits Violation/Violation of Rules Regarding Contributions

- Even though Assemblymember Chu announced that he will not be seeking re-election to the Assembly – instead pursuing a campaign for Santa Clara County Supervisor¹ – Chu has maintained an Assembly campaign committee that he has actively used to promote his Supervisor campaign, Kansen Chu for Assembly 2020. Assemblymember Chu opened his campaign committee for Supervisor on May of 2019 and in doing so, Mr. Chu has found a way to obfuscate the law. Assemblymember Chu has taken advantage of the fact that donation limits are significantly higher for California State Assembly than Santa Clara County Board of Supervisors.
 - Between May 2019 and February 2020, Chu spent \$176,436.78² from his assembly re-election account. These expenses included \$33,262.84 in printing fees for cards that went to voters inside Santa Clara County District 3 but [outside of his assembly constituency](#).³ In response to allegations that he violated the Political Reform Act, Chu said, “There is no rule that we have to verify that the receivers have to live in a specific district.”⁴
- As you are aware, there are strict rules about contribution limits that regulate campaigns in the California State Assembly and Santa Clara County Board of Supervisors. The max donation in the State Assembly is \$4,700 while the limit in a Santa Clara County Supervisor’s race is \$1,000.
 - Between May 2019 and February 2020, Chu accepted 18⁵ donations to his Assembly campaign committee greater than the \$1,000 limit allotted to supervisorial campaigns. This distinction allowed him to skirt fundraising restrictions and send misleading mailers to people outside of his assembly district.⁶

¹ *San Jose Spotlight*, “Assemblymember Kansen Chu to leave Legislature, run for county supervisor,” May 9, 2019

² California Secretary of State, Form 460, Kansen Chu for Assembly 2020, January 1, 2019 to June 30m 2019, Filed July 28, 2019, July 1, 2019 to December 31, 2019, Filed January 27, 2020, January 1, 2020 to January 18, 2020, Filed January 20, 2020, January 19, 2020 to February 15, 2020, Filed February 18, 2020

³ *San Jose Spotlight*, Kansen Chu for Assembly 2020 mailer raises eyebrows, December 26, 2019

⁴ *San Jose Spotlight*, “Assemblymember Kansen Chu to leave Legislature, run for county supervisor,” May 9, 2019

⁵ California Secretary of State, Form 460, Kansen Chu for Assembly 2020, January 1, 2019 to June 30m 2019, Filed July 28, 2019, July 1, 2019 to December 31, 2019, Filed January 27, 2020, January 1, 2020 to January 18, 2020, Filed January 20, 2020, January 19, 2020 to February 15, 2020, Filed February 18, 2020

⁶ California Secretary of State, Form 460, Kansen Chu for Assembly 2020, July 1, 2019 to December 31, 2019, Filed January 27, 2020

- In fact, Chu even distributed a mass mailing to voters in District 3 with a disclaimer that noted his Assembly campaign committee, but the mailer advertised that voters visit his Supervisor campaign website. (Attachment A)

Campaign Reporting Inaccurate/Incomplete

- Furthermore, Assemblymember Chu violated section 18421.7, “Reporting an Expenditure for a Gift, a Meal, or Travel,” by under reporting expense information and failing to disclose critical details. Chu and his wife, Daisy, repeatedly underreported travel, food and miscellaneous expenses for their own gain – with five instances of incorrectly reporting travel expenses in 2018 and 22 instances of underreported reimbursements between Chu’s campaigns and his wife Daisy, totaling \$6,979.13.⁷
- In addition to transferring underreported reimbursements to his wife, Chu’s assembly campaigns have paid his treasurer and son-in-law, Steve Blomquist,⁸ \$106,000⁹ since 2014. This includes eight payments totaling \$16,000 from his Kansen Chu for Assembly 2020 account after he announced he would not be seeking re-election.

This isn’t the first time Assemblymember Chu has circumvented the Political Reform Act. During the course of his career, Chu has been issued three warnings from the FPPC (Attachments C, D and E). In 2010 and 2011, the FPPC sent official warning letters to then-Councilmember Chu about “accepting a gift in excess of the limits” established by Government Code section 8100. The third warning the FPPC issued to Assemblymember Chu came in 2018 after his committee failed to properly report and “maintain adequate records,” which kept the FPPC from determining when donations were received and if the required 24-hour report was filed on time.

According to the FPPC, “Ms. Chu stated that she misunderstood the requirements pertaining to recording and disclosing the dates contributions are received and that new procedures would be enacted to record the date of receipts for contributions received.” Nevertheless, Assemblymember Chu continued to violate the Political Reform Act.

On behalf of our neighbors in District 3 and the people of Santa Clara County, we demand that the FPPC take immediate action to rectify this issue by holding Assemblymember Kansen Chu accountable for his blatant disregard for ethics and integrity in the political process. His transgressions have already impacted the March primary election – do not let them impact the November general election.

Time is of the essence for Office of Enforcement to act now and enforce the rule of law.

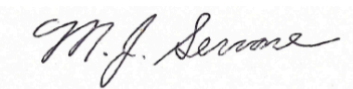
Sincerely,



Marsha Grilli



Patrick Waite



Mike Serrone



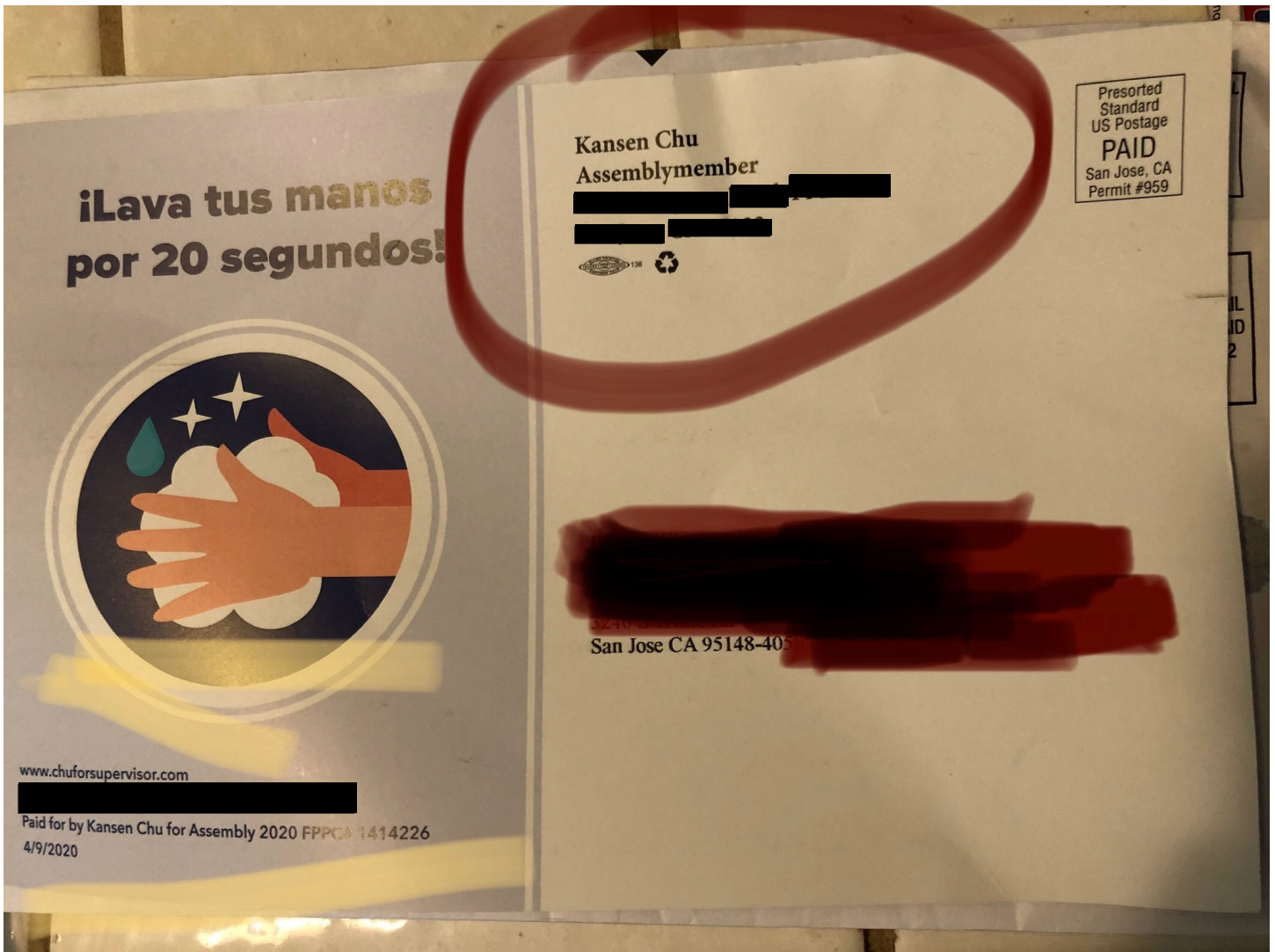
Paul Fong

⁷ Underreported items included in Attachment B

⁸ <http://www.kansenchu.com/meetkansen.html#:~:text=Chu%20and%20his%20wife%20Daisy,two%20grandchildren%20Kimberly%20and%20Connor.>

⁹ California Secretary of State, Form 460, Kansen Chu for Assembly 2020, January 1, 2019 to June 30m 2019, Filed July 28, 2019, July 1, 2019 to December 31, 2019, Filed January 27, 2020, January 1, 2020 to January 18, 2020, Filed January 20, 2020, January 19, 2020 to February 15, 2020, Filed February 18, 2020

Attachment A



§ 18421.7. Reporting an Expenditure for a Gift, a Meal, or Travel.

(a) When reporting an itemized expenditure under Section 84211(k) or Section 84303 for a gift, a meal, or travel, a committee controlled by a candidate shall briefly describe the political, legislative, or governmental purpose of the expenditure and the following:

(1) For an itemized expenditure on a gift, the date of the gift, the nature of the gift, and if made to an individual recipient, the name of the recipient, or if made to a group of recipients, the name of each recipient who received a benefit of \$50 or more.

(2) For an itemized expenditure on a meal, other than a meal reported as an expenditure for travel, the date of the meal, the number of individuals for whom the expenditure was paid, and whether these individuals included the candidate, a member of the candidate's "household" as defined by Section 89511(b)(4), or an individual with the authority to approve expenditures of the committee's campaign funds.

(3) For an itemized expenditure on travel, including lodging or a meal, the date or dates of travel, the destination, the goods or services paid for by the expenditure, the number of individuals for whom the expenditure was paid, and whether these individuals included the candidate, a member of the candidate's "household" as defined by Section 89511(b)

(4), or an individual with authority to approve expenditures of the committee's campaign funds.

Below is an example of Chu's former Treasurer properly reporting a travel expense, leaving no questions to be asked.

- **Proper Filing - Travel**

Treasurer: Shawnda Deane

Filing Period: [07/01/13-12/31/13](#)

Payee: Southwest Airlines

Expenditure Code: TRC

Description: 10/24/13, Roundtrip Airfare, San Jose, CA to Los Angeles, CA, to attend Fundraising Event, 1, Candidate

Amount: \$231.60

And, below, are some of MANY improperly reported expenses — covering only a portion of the trips taken during the respective filing periods— submitted by Blomquist.

- **Improper Filings - Travel**

Treasurer: Steve Blomquist

Filing Period: [05/20/18-06/30/18](#)

Payee: Southwest Airlines
Expenditure Code: TRC
Description: Airfare
Amount: \$256.96

Filing Period: [05/20/18-06/30/18](#)
Payee: Southwest Airlines
Expenditure Code: TRS
Description: Spouse Airfare
Amount: \$256.96

Filing Period: [05/20/18-06/30/18](#)
Payee: Marriott Hotel Burbank Airport
Expenditure Code: TR
Description: Hotel Room
Amount: \$256.31

Filing Period: 08/22/16
Payee: Viejas Tribal Government
Expenditure Code: TRC
Description:
Amount: \$201.98

Filing Period: 07/16/18
Payee: Chu, Daisy
Expenditure Code: TRS
Description: SPOUSE AIRFARE
Amount: \$137.96

Payments made to Chu's wife Daisy are often only described as "Reimbursements" on financial filing reports, though give no further details as to how the costs incurred relate to the campaign.

- **Reimbursement Payments - Daisy Chu**

Treasurer: Steve Blomquist
Filing Period: [07/01/13-12/31/13](#)
Payee: Chu, Daisy
Expenditure Code: OE
Description:
Amount: \$226.14

Filing Period: [07/01/13-12/31/13](#)
Payee: Chu, Daisy

Expenditure Code: OE
Description:
Amount: \$196.28

Filing Period: [01/01/14-03/17/14](#)
Payee: Chu, Daisy
Expenditure Code: OE
Description:
Amount: \$80

Filing Period: [01/01/14-03/17/14](#)
Payee: Chu, Daisy
Expenditure Code: OE
Description:
Amount: \$90

Filing Period: [03/18/14-05/17/14](#)
Payee: Chu, Daisy
Expenditure Code: OE
Description:
Amount: \$228.77

Filing Period: [03/18/14-05/17/14](#)
Payee: Chu, Daisy
Expenditure Code: Meetings
Description:
Amount: \$57

Filing Period: [05/18/14-06/30/14](#)
Payee: Chu, Daisy
Expenditure Code: OE
Description:
Amount: \$213.98

Filing Period: [05/18/14-06/30/14](#)
Payee: Chu, Daisy
Expenditure Code: OE
Description:
Amount: \$249.79

Filing Period: 06/06/14
Payee: Chu, Daisy
Expenditure Code: OE
Description:

Amount: \$205.74

Filing Period: [05/18/14-06/30/14](#)

Payee: Chu, Daisy

Expenditure Code: OE

Description:

Amount: \$173.89

Filing Period: [01/01/16-04/23/16](#)

Payee: Chu, Daisy

Expenditure Code: FR

Description: REIMBURSEMENT

Amount: \$601.35

Filing Period: [01/01/16-04/23/16](#)

Payee: Chu, Daisy

Expenditure Code: OE

Description: REIMBURSEMENT

Amount: \$52.05

Filing Period: [01/01/16-04/23/16](#)

Payee: Chu, Daisy

Expenditure Code: OE

Description: REIMBURSEMENT

Amount: \$398.77

Filing Period: [07/01/16-09/24/16](#)

Payee: Chu, Daisy

Expenditure Code:

Description: REIMBURSEMENT

Amount: \$996.18

Filing Period: [01/01/17-06/30/17](#)

Payee: Chu, Daisy

Expenditure Code: TRC

Description: REIMBURSEMENT

Amount: \$89.91

Filing Period: [01/01/17-06/30/17](#)

Payee: Chu, Daisy

Expenditure Code: OE

Description: PHONE

Amount: \$803.66

Filing Period: [01/01/17-06/30/17](#)

Payee: Chu, Daisy

Expenditure Code:

Description: REIMBURSEMENT

Amount: \$458.77

Filing Period: [01/01/17-06/30/17](#)

Payee: Chu, Daisy

Expenditure Code:

Description: REIMBURSEMENT

Amount: \$21.74

Filing Period: [01/01/17-06/30/17](#)

Payee: Chu, Daisy

Expenditure Code:

Description: REIMBURSEMENT

Amount: \$1,205.60

Filing Period: [01/01/17-06/30/17](#)

Payee: Chu, Daisy

Expenditure Code:

Description: REIMBURSEMENT

Amount: \$186.55

Filing Period: [07/01/17-12/31/17](#)

Payee: Chu, Daisy

Expenditure Code:

Description: REIMBURSEMENT

Amount: \$305

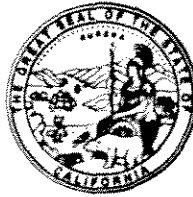
Filing Period: [05/20/18-06/30/18](#)

Payee: Chu, Daisy

Expenditure Code: TRS

Description: SPOUSE AIRFARE

Amount: \$137.96



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

July 19, 2010

Kansen Chu

REDACTED

Warning Letter Re: FPPC No. 10/314; Kansen Chu

Dear Mr. Chu:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),¹ found in Government Code section 81000, et seq. This letter is in response to a referral from the FPPC's Technical Assistance Division alleging that you violated the gift limits.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that on the Schedule E of the Statement of Economic Interests you filed on or about March 30, 2009, covering calendar year 2008, you disclosed that you received gifts of travel from the US Silicon Valley-China Sister Cities in the amount of \$3,565, and the Anhui Benevolent Association in the amount of \$900. Both gifts were in excess of the 2008 gift limit imposed by the Act in Section 89503.

The Act places limitations on the acceptance of gifts by certain public officials. As an elected city council member, you are prohibited from accepting gifts from any single source in any calendar year with a total value of more than the gift limit. (GC § 89503(a).) The gift limit in 2008 was \$390. (Regulation 18940.2.) Under some circumstances, payments for transportation, lodging, and subsistence may be exempt from the definition of "gift." Section 89506(a)(2) provides that travel expenses reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international policy, are *not prohibited or limited* if they are provided by certain specified sources such as governmental agencies, bona fide public or private educational institutions, or non-profit 501(c)(3) organizations. In your letter to us in

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 18110 through 18997 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.

response to our inquiry regarding the gifts, you stated that you believed that US Silicon Valley-China Sister Cities and the Anhui Benevolent Association were 501(c)(3) organizations. However, neither organization appears to have ever been registered as a 501(c)(3) organization. Therefore, the requirements under Section 89506(a)(2) for an exception to the gift limit were not met and both travel payments were reportable gifts that were subject to gift limits.

Your actions violated the Act because you received two gifts over the limit. However, because you appear to have believed both organizations met the standard for the exception in Section 89506(a)(2), we have decided to close this case. This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

If you have questions regarding this matter, please contact Adrienne Korchmaros at (916) 322-8241.

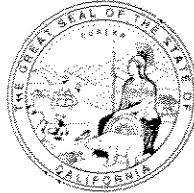
Sincerely,

REDACTED

Gary S. Winuk, Chief
Enforcement Division

GSW:AK:ak

cc: FPPC Technical Assistance Division



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

March 11, 2011

Council Member Kansen Chu
District 4, City of San José

REDACTED

Warning Letter Re: FPPC No. 11/112, Kansen Chu

Dear Mr. Chu:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),¹ found in Government Code section 81000, et seq. This letter is in response to a proactive investigation begun against you by the FPPC that alleged you accepted a gift in excess of the limits.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you accepted gifts of tickets from California Waste Solutions in October 2009 that exceeded the gift limit. The gift limit for calendar year 2009 was \$420 and the two tickets you received were valued in total at \$450. Once we wrote to you regarding this gift on February 23, 2011, you responded with a copy of a check you sent to California Waste Solutions on or about March 22, 2010, repaying the entire \$450.

The Act provides that no elected officer of a local government agency may accept gifts in excess of the applicable gift limit. Specifically, the Act states that elected officers of local government agencies may not receive a gift from any single source in any calendar year with a total value of more than \$250. (GC § 89503, subd. (a).) The \$250 gift limit is adjusted biennially to reflect changes in the Consumer Price Index, pursuant to Section 89503, subdivision (f). For calendar year 2009, the applicable gift limit was \$420 from a single source in a calendar year. Your actions violated the Act because you accepted a gift in excess of \$420. However, because you have provided proof that you repaid the gift shortly before you filed your 2009 Annual Statement of

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 18110 through 18997 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.

Economic Interests when it appears you became aware of the violation, we have decided to close this case with a warning letter.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

If you have questions regarding this matter, please contact Adrienne Korchmaros at (916) 322-8241.

Sincerely,

REDACTED

✓ Gary S. Winuk, Chief
Enforcement Division

GSW:ak

cc: FPPC Technical Assistance Division



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

August 15, 2018

Kansen Chu
Daisy Chu
[REDACTED]
[REDACTED]

Steve Blomquist
[REDACTED]
[REDACTED]

Warning Letter: FPPC No. 2018-00251; Kansen Chu for Assembly 2016 (ID# 1374408)

Dear Mr. Chu, Ms. Chu, and Mr. Blomquist:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a referral the Enforcement Division received from the Franchise Tax Board’s (“FTB”) Political Reform Audit Program, resulting from an audit of your committee, Kansen Chu for Assembly 2016 (“Committee”), for the period from January 1, 2014 through December 31, 2016.

The FTB audit report concluded that the Committee substantially complied with the Act’s disclosure and recordkeeping provisions, but that the Committee violated the Act by failing to maintain adequate records. The Committee failed to maintain records of the dates of receipt for two monetary contributions totaling \$8,800, in violation of Section 84104 and Regulation 18401. Due to the lack of records, it cannot be conclusively determined whether the contributions were permissible under the Act and whether a 24-Hour Report was required to be filed.

Despite the violations, the Enforcement Division has determined that further enforcement action is not warranted because the FTB audit report concluded the Committee substantially complied with the Act, the contributions were reported on the timely filed semiannual campaign statement covering October 23, 2016 through December 31, 2016, and the committee has since terminated. Additionally, Ms. Chu stated that she misunderstood the requirements pertaining to recording and disclosing the dates contributions are received and that new procedures will be enacted to record the date of receipts for contributions received.

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.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an Enforcement Division case resolution without administrative prosecution or fine. But the warning letter resolution does not provide the Committee with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If the Committee wishes to avail itself of these proceedings by requesting that its case proceed with prosecution rather than a warning, please notify us within 10 days from the date of this letter. Upon this notification, the Enforcement Division will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the Commission's website 10 days from the date of this letter.

If you need forms or a manual, or guidance regarding your obligations, please visit our website at www.fppc.ca.gov. Please feel free to contact Hayley Porter at (916) 327-2020 or hporter@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,

A handwritten signature in cursive script that reads "Galena West".

Galena West
Chief, Enforcement Division

GW: hp

cc: Franchise Tax Board



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

August 5, 2020

Paul Fong
[REDACTED]

Re: Re: Complaint No. COM-07222020-01236; Kansen Chu

Dear Mr. Fong,

The Enforcement Division of the Fair Political Practices Commission received your sworn complaint alleging violations of the campaign and advertising disclosure provisions of the Political Reform Act. After reviewing the complaint, we have concluded that we will require additional time beyond the initial 14-day period to obtain additional information and evaluate this matter in order to determine whether additional investigation is appropriate. We appreciate your patience in this regard.

Please be advised that, at this time, we have not made any determination about the validity of the allegations you have made or about the culpability, if any, of the person you identify in your complaint. If you have any questions regarding this letter, you may contact Ginny Lambing at glambing@fppc.ca.gov.

Sincerely,

GWest

Galena West
Chief, Enforcement Division

GW:gal

cc: Tom Willis o/b/o Kansen Chu