



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

May 9, 2024

Gary Winuk, Kaufman Legal Group
o/b/o Diane Papan for City Council 2020, Diane Papan, and Chelsea Johnson
Via Email: gwinuk@kaufmanlegalgroup.com

Warning Letter Re: FPPC No. 2021-00158; Diane Papan for City Council 2020, Diane Papan, and Chelsea Johnson

Dear Gary Winuk:

The Enforcement Division of the Fair Political Practices Commission (the “Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ As you are aware, the Enforcement Division received an anonymous complaint alleging Diane Papan for City Council 2020 (the “Committee”) laundered certain contributions and violated the contribution aggregation provisions of the Act. The Enforcement Division has completed its investigation and review of the facts in this matter. Specifically, we determined there was insufficient evidence to support a finding that the Committee or its contributors laundered campaign contributions. However, the Enforcement Division found that the Committee failed to aggregate four contributions received.

Under the Act, contributions received from an individual must be aggregated with those contributions received from a business entity whose contributions were directed and controlled by the same individual.² For reporting purposes, if the cumulative amount of contributions received from a person is \$100 or more, the applicable campaign statement must disclose the contributor’s full name, street address, occupation, name of employer, the date and amount of each contribution, and the cumulative amount of contributions.³ When contributions are aggregated the contributors are treated as a single person for determining compliance with any contribution limits that may be in effect. Controlling candidates and committee treasurers are jointly and severally liable for violations by the committee.⁴

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 18104 through 18998 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² Section 82015.5, subd. (b).

³ Section 84211, subd. (f).

⁴ Sections 83116.5 and 91006.

Your clients violated the Act by failing to aggregate and report cumulative contributions received on the pre-election campaign statement for the reporting period of July 1, 2020 through September 19, 2020. The contribution from Bill Butler was required to be aggregated with the contribution from W. L. Butler Construction. The contribution from Lisa Cullinane was required to be aggregated with the contribution from SC Property Management, Inc. Since your clients filed an amendment to the relevant campaign statement after receiving contact from the Enforcement Division, the contributions were timely disclosed, and the candidate and Committee do not have a prior Enforcement history, the Enforcement Division has decided to close this matter with this 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 Enforcement Division case resolution without administrative prosecution or fine. The Commission has adopted Regulation 18360.1 to authorize the Enforcement Division to issue warning letters to conclude cases in specified circumstances. 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 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 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 ten days from the date of this letter.

Should you have any questions regarding this letter, please feel free to contact me at (279) 237-5910 or JRinehart@fppc.ca.gov.

Sincerely,

Jenna Rinehart

Jenna C. Rinehart
Senior Commission Counsel
Enforcement Division