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8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**  
9 **STATE OF CALIFORNIA**

10  
11 In the Matter of

FPPC Case No. 16/711

12 HANFORD NOW and DAN CHIN

**STIPULATION, DECISION AND ORDER**

13 Respondents.  
14  
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16 **INTRODUCTION**

17 Respondent Hanford Now (“Committee”) is registered as a city general purpose committee.  
18 Respondent Dan Chin (“Chin”) is a former elected official, previously serving as city council member and  
19 Mayor of Hanford. Chin has served as the treasurer and principal officer of the Committee at all relevant  
20 times. The Committee and Chin violated the Political Reform Act (“Act”)<sup>1</sup> by accepting prohibited cash  
21 contributions in the amount of \$100 or more.

22 **SUMMARY OF THE LAW**

23 All legal references and discussions of law pertain to the Act’s provisions as they existed at the  
24 time of the violations.

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27 <sup>1</sup> The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections  
28 81000 through 91014. 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. All regulatory references  
are to this source.



1 Now qualified as a committee on September 26, 2014 – meaning Hanford Now received \$1,000 or more  
2 in contributions.

3 This matter was a Commission initiated investigation. The investigation determined that the  
4 Committee had accepted prohibited cash contributions of \$100 or more.

5 **Accepting Prohibited Cash Contributions**

6 The following chart details the total prohibited cash contributions of \$100 or more that were  
7 accepted by the Committee per campaign reporting period. Due to lack of sufficient recordkeeping, the  
8 true source of the cash contributions could not be determined. This will be discussed in more detail below.

9 10 11 12	<b>Reporting Period</b>	<b>Total Contributions Reported</b>	<b>Total Prohibited Cash Amount</b>	<b>Reported Source</b>	<b>Cash as a percentage of all contributions received.</b>
13 14 15	01/01/16 – 06/30/16	\$8,610	\$3,500	Not Disclosed – reported as an un- itemized contribution	40%
16 17 18	07/01/16 – 09/24/16	\$2,260	\$500	Not Disclosed – reported as an un- itemized contribution	22%
19 20 21	01/01/17 – 06/30/17	\$1,308	\$500	Not Disclosed – reported as an un- itemized contribution	38%
22 23 24	07/07/17 – 09/30/17	\$11,510	\$4,600	Dan Chin	39%
25 26	<b>2-year period</b>	<b>\$23,688</b>	<b>\$9,100</b>		<b>38%</b>

1 As part of this investigation, Chin was asked to produce records for the Committee on January 18,  
2 2018, January 30, 2018, February 28, 2018, and on March 27, 2018. His record production did not include  
3 required documentation. Chin asserted on March 28, 2018, that he had provided all the records that exist  
4 in response to the investigator's requests. Follow up requests were made on March 28, 2018, April 19,  
5 2018, and April 23, 2018.

6 When asked about the cash contributions, Chin did not produce any records or documentation  
7 regarding the contributors, though these records are required for any contribution or receipt of \$25 or more.  
8 In a phone interview with an Enforcement investigator, Chin provided that he was the source of some of  
9 the cash deposits, but he could not produce records to substantiate this statement such as his own bank  
10 records or any other contemporaneous tabulation or accounting. The Act requires that committees and  
11 treasurers maintain adequate documentation, including original source records, in order to substantiate that  
12 the committee's reporting is true and accurate. For settlement purposes, the Enforcement Division is not  
13 pursuing the recordkeeping violations in this matter.

## 14 VIOLATIONS

### 15 Count 1: Accepting Prohibited Cash Contributions

16 The Committee and Chin accepted cash contributions of \$100 or more, in violation of Government  
17 Code Section 84300.

## 18 PROPOSED PENALTY

19 This matter consists of one count. The maximum penalty that may be imposed is \$5,000 per count.  
20 Thus, the maximum penalty that may be imposed is \$5,000.<sup>10</sup>

21 In determining the appropriate penalty for a particular violation of the Act, the Enforcement  
22 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an  
23 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers  
24 the facts and circumstances of the violation in the context of the following factors set forth in Regulation  
25 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused by the specific  
26 violation; (2) The level of experience of the violator with the requirements of the Political Reform Act;

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<sup>10</sup> See Section 83116, subd. (c).

1 (3) Penalties previously imposed by the Commission in comparable cases; (4) The presence or absence of  
2 any intention to conceal, deceive or mislead; (5) Whether the violation was deliberate, negligent or  
3 inadvertent; (6) Whether the violator demonstrated good faith by consulting the Commission staff or any  
4 other governmental agency in a manner not constituting complete defense under Government Code Section  
5 83114(b); (7) Whether the violation was isolated or part of a pattern and whether the violator has a prior  
6 record of violations of the Political Reform Act or similar laws; and (8) Whether the violator, upon learning  
7 of a reporting violation, voluntarily filed amendments to provide full disclosure were filed to provide full  
8 disclosure; and (f) whether the violator has a prior record of violations.<sup>11</sup>

9 Here, the violations of the Committee and Chin caused public harm in the way that these violations  
10 inhibited the ability of the Enforcement Division to determine if other violations were committed. By  
11 accepting cash, the public has no assurances that the true sources of contributions were properly disclosed.

12 The Committee has been active since 2014 and Chin has a long history serving as a public official  
13 in Hanford. Respondent Committee and Chin are experienced and should be familiar with the requirements  
14 of the Act. Chin was cooperative in the investigation for a time and produced records voluntarily. However,  
15 Chin also made statements that were not consistent with the evidence. For example, when asked about cash  
16 contributions, he asserted that he did not need to report individual contributors because the cash  
17 contributions were under \$100. However, the evidence contradicts that claim as all the cash charged in this  
18 matter, \$9,100, was received in the form of \$100 bills. It's unclear if there was an intent to mislead or  
19 conceal the true source, or if Chin was negligent in his collection of contributions and his failure to keep  
20 adequate source documentation led to the erroneous reporting. Later in the investigation, Chin refused to  
21 meet for an interview with the investigator.

22 The evidence supports a finding that the violations were negligent. While Chin kept and produced  
23 records as part of this investigation, including bank records, invoices, checks, and more, Chin failed to  
24 keep his own accounting, such as a spreadsheet to track receipts and payments or documentation regarding  
25 required information about contributors. There is no evidence that Chin consulted Commission staff or  
26 another governmental agency regarding accepting cash contributions or recordkeeping.

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<sup>11</sup> Regulation 18361.5, subd. (e).

1           There is a pattern of Chin repeatedly accepting cash contributions. Chin has failed to amend the  
2 campaign statements to reflect the itemized contributions of \$100 or more that were received in cash. Based  
3 on his statements, the required records do not exist, and he would be unable to accurately amend the  
4 campaign statements. The Committee and Chin have prior history. On November 5, 2014, the Enforcement  
5 Division issued a warning letter to the Committee and Chin for failing to designate as a primarily formed  
6 committee opposed to a local measure.

7           The Commission also considers penalties previously imposed by the Commission in comparable  
8 cases:

9           Regarding Count 1: *In the Matter of Harmesh Kumar, Committee to Elect Dr. Kumar for Assembly*  
10 *(District 14) 2016, Alex Cardoso, and Committee to Elect Dr. Kumar 4 BOS CCC District 4, FPPC Case*  
11 *Nos. 2018-00590 and 2018-00777.* In this matter, the 2016 committee reported contributions from 17  
12 individual contributors totaling \$3,300. These contributions were accepted in the form of cash and  
13 accounted for approximately 19% of the contributions received during the election cycle. The 2016  
14 committee also paid a payee \$1,700 in the form of cash and this accounted for approximately 18% of the  
15 expenditures made during the election cycle. The committee did not have documentation for the 17 cash  
16 contributors but did have documentation regarding the cash expenditure. The Commission imposed a  
17 penalty of \$2,000 for this count on January 21, 2021.

18           In this matter, the amount of cash activity exceeds that in the comparable case. In addition, Chin  
19 failed to produce records to substantiate any of the cash contributions and failed to report individual  
20 contributors for most of the cash contributions. Chin claims that the contributions were permitted to be un-  
21 itemized, as they were under \$100. However, this is unlikely to be true as the cash was received as \$100  
22 bills. Therefore, Chin was required to disclose individual contributors. In aggravation, Chin failed to  
23 maintain required documentation to identify or track contributors of \$25 or more, or to identify or track  
24 contributors of \$100 or more. In aggravation, the failure to maintain adequate records to substantiate the  
25 reporting has inhibited further investigation into potential additional violations.

26           Additional violations, including failure to timely file post-election campaign statements and  
27 recordkeeping were considered in this matter but are being dropped as part of this stipulated agreement.

1 For the foregoing reasons, it is respectfully submitted that imposition of an agreed upon penalty in  
2 the amount of \$3,500 is justified.

### 3 CONCLUSION

4 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
5 Respondents Hanford Now and Dan Chin hereby agree as follows:

6 1. Respondents violated the Act as described in the foregoing pages, which are a true and  
7 accurate summary of the facts in this matter.

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

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

13 4. Respondents understand and hereby knowingly and voluntarily waive, any and all  
14 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9.  
15 This includes, but is not limited to the right to appear personally at any administrative hearing held in this  
16 matter, to be represented by an attorney at respondents' own expense, to confront and cross-examine all  
17 witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial  
18 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially  
19 reviewed.

20 5. Respondents agree to the issuance of the decision and order set forth below. Also,  
21 respondents agree to the Commission imposing against them an administrative penalty in the amount of  
22 \$3,500. One or more payments totaling this amount—to be paid to the General Fund of the State of  
23 California—is/are submitted with this stipulation as full payment of the administrative penalty described  
24 above, and they will be held by the State of California until the Commission issues its decision and order  
25 regarding this matter.

26 6. If the Commission refuses to approve this stipulation—then this stipulation shall become  
27 null and void, and within fifteen business days after the Commission meeting at which the stipulation is  
28 rejected, all payments tendered by respondents in connection with this stipulation shall be reimbursed to

1 respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing before  
2 the Commission becomes necessary, neither any member of the Commission, nor the Executive Director,  
3 shall be disqualified because of prior consideration of this Stipulation.

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

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9 Dated: \_\_\_\_\_

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Angela J. Brereton, Chief of Enforcement  
Fair Political Practices Commission

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13 Dated: \_\_\_\_\_

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Dan Chin, individually, and on behalf of Hanford Now,  
Respondents



1           The foregoing stipulation of the parties “In the Matter of Hanford Now and Dan Chin,” FPPC Case  
2 No. 16/711, is hereby accepted as the final decision and order of the Fair Political Practices Commission,  
3 effective upon execution below by the Chair.

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5           IT IS SO ORDERED.

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7 Dated: \_\_\_\_\_

\_\_\_\_\_ Richard C. Miadich, Chair  
Fair Political Practices Commission