



Formerly The Foundation for Taxpayer & Consumer Rights

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June 10, 2008

Chairman Ross Johnson
Commissioners Hodson, Huguenin, Leidigh and Remy
Fair Political Practices Commission
428 J Street, Ste. 620
Sacramento, CA 95814

Via Facsimile

Re: June 12, 2008 Meeting
Agenda Items 10, 12 and 13

Dear Chairman and Commissioners:

Consumer Watchdog would like to express support for the Commission's broad move to close the loopholes in current interpretations of the Political Reform Act's gift limits.

Agenda items 10 and 13, as proposed by Commission staff, would each provide more complete disclosure of influence on, or attempts to influence, California and local public officials. However, our purpose in writing is to encourage the adoption of Item 12 after concerns were expressed that we believe are unwarranted.

Item 12 will eliminate the "no value" rule for gifts of tickets to nonprofit fundraising events, and require recipients of such tickets to disclose them as gifts. As a 501(c)(3) nonprofit organization, Consumer Watchdog believes it is completely appropriate and desirable for public officials to openly disclose these tickets as gifts.

There can be no question that free admission to the Rose Bowl, or a celebrity golf tournament, confers a personal benefit on a public official. Such tickets are gifts, regardless of whether a charity benefits at the same time. However it is difficult to imagine, as some have contended, that this regulation would deter any state or local political figure from attending a more staid nonprofit event. The rule does not prohibit public officials from accepting a ticket, as long as its value is below the gift limit (currently \$390). It merely requires the public official to report the free admission, meal or other benefit they receive – exactly the point of the Political Reform Act's disclosure requirement. Every public official must currently file a Form 700 statement of economic interests. It is not a great burden to require the disclosure of a few additional lines of information for a ticket, or even another fifteen tickets, on the same form.

We are concerned with a possible loophole in the rules for valuation of tickets: What would prevent a third party from making a donation to a nonprofit, then arranging the distribution of tickets through the organization to allow recipients to avoid disclosure of the full face value of the gift? Aside from this glitch, the proposed amendments to Regulation 18946.4 will provide overdue sunshine in an area that has been a source of questionable political largesse.

Sincerely,

A handwritten signature in black ink, appearing to read "Carmen Balber". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carmen Balber

cc: Scott Hallabrin, General Counsel
William J. Lenkeit, Senior Commission Counsel