



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

October 6, 2020

Lance Olson

o/b/o Marcie Frost, Marlene Timberlake D'Adamo, Tifani Vincent

Via email: LOlson@olsonremcho.com

Re: Warning Letter; FPPC No. 2020-00820; Frost, Timberlake D'Adamo, Vincent

Dear Mr. Olson:

The Enforcement Division of the Fair Political Practices Commission (“FPPC”) enforces the provisions of the Political Reform Act (the “Act”).¹ As you are aware, the Enforcement Division received a sworn complaint against your clients, Ms. Frost, the Chief Executive Officer for the California Public Employees Retirement System (“CalPERS”); Ms. Timberlake D’Adamo, the Chief Compliance Officer for CalPERS; and Ms. Vincent, the employee responsible for receiving Statements of Economic Interests (“SEIs”) filed with CalPERS. The complaint alleged that your clients violated the filing officer duties provisions of the Act by failing to forward to the FPPC within 5 days amended SEIs filed by Board Member Theresa Taylor.

The Act imposes specific duties upon filing officers.² Regulation 18115 sets out the duties for filing officers and filing officials who receive SEIs. A filing *officer* receives and retains SEIs, while a filing *official* receives SEIs and forward the originals to the filing officer. In this matter, the Office of Enterprise Compliance at CalPERS (“Compliance Office”) acts as both a filing officer and a filing official. The majority of SEIs filed by CalPERS employees are filed with and retained by the Compliance Office. However, the conflict of interest code for CalPERS requires the Compliance Office to forward to the FPPC original SEIs filed by CalPERS Board Members, candidates for the Board, and the Chief Executive Officer. The FPPC’s SEI unit acts as the filing officer for these SEIs.

Filing officials are required to forward SEIs to the filing officer no later than 5 days after the filing deadline or five days after receipt.³ Filing officials must also indicate the date of the agency's receipt on the face of the SEI.⁴

While Regulation 18115 is not clear if the 5-day requirement applies to *amended* SEIs, your clients’ actions violated the Act by failing to correctly indicate the date CalPERS received the amendments filed by CalPERS Board Member Theresa Taylor. Instead of indicating via date

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 18109 through 18997 of Title 2 of the California Code of Regulations.

² Section 81010.

³ Regulation 18115(b)(1).

⁴ *Ibid.*

stamp when the amendments were received, the amendments were instead date stamped with the date the amendments were signed by Ms. Taylor. However, the Enforcement Division has decided to close this case with this warning letter because you explained that, due to the pandemic, the CalPERS offices are essentially closed with employees working from home, there was confusion as to whether or not Ms. Taylor filed the amendments directly with the FPPC, and your clients have no prior history of violating the Act.

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 (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 ten (10) days from the date of this letter.

Please feel free to contact Tara Stock at tstock@fppc.ca.gov with any questions you may have regarding this letter.

Sincerely,



Galena West
Chief, Enforcement Division

GW:ts

cc: JJ Jelincic