

September 28, 2011

Enforcement Division
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

Re: Stop SB 48, ID #1339956
Pacific Justice Institute
Capitol Resource Institute/Capitol Resource Family Impact

Dear Sir or Madam:

It has come to my attention that the above organizations may be engaged in an unlawful scheme to support the qualification of a referendum on SB 48. I urge the Commission to take immediate action to require Stop SB 48 to accurately disclose its sources of support and to require the organizations above that have not registered as political committees to do so.

In addition, it appears that Capitol Resource Institute has retained or employed a state lobbyist without filing the required registration or disclosure reports. Capitol Resource Institute registered as a lobbyist employer several years ago, but has not filed anything since 1997. Capitol Resource Institute has also formed an affiliated organization, Capitol Resource Family Impact, which may also be engaged in lobbying activities.

Factual Background

The Fair, Accurate, Inclusive and Respectful (FAIR) Education Act (SB 48) was signed into law by the Governor on July 14, 2011. The bill amends the Education Code to include social sciences instruction on the contributions of lesbian, gay, bisexual and transgender (LGBT) people and prohibits discriminatory instruction and discriminatory materials from being adopted by the State Board of Education.

Contemporaneously with the passage of SB 48, the organizations identified above, among others, began a campaign to qualify a referendum of SB 48. These organizations have engaged in a statewide public campaign encouraging the public to sign the referendum petition and asking for donations to assist with this effort.

By way of example only, the following statements appear on the organizations' websites¹:

"We have been given clearance by the Attorney General to collect signatures for our referendum. We need 750,000 signatures by October 7th." –Pacific Justice Institute.

"Help us Stop SB 48. Click here to join the effort to stop SB 48." –Capitol Resource Institute.

Each of the organizations identified above appears to be coordinating its efforts with Stop SB 48. For example, Pacific Justice Institute asks that petitions be mailed to "Stop SB 48 Petition Processing" at the same address used by Stop SB 48.

¹ See attached.

Finally, Capitol Resource Institute appears to have hired or retained Paulo Sibaja to work as a state lobbyist on SB 48 and other matters.

Violations of Political Reform Act

These public statements demonstrate that the organizations identified above are acting as political committees under the Act. They are raising and spending funds specifically for the purpose of qualifying a referendum. As you know, organizations that raise or spend funds for political purposes are political committees and incur filing obligations. Such reporting is essential for the public to understand the sources of funding behind statewide ballot measures. In addition, their coordinated campaign with Stop SB 48 likely constitutes unreported in-kind contributions. This violation obscures the source and nature of Stop SB 48's support.

Finally, Capitol Resource Institute's failure to register or report as a lobbyist employer is a blatant violation of the law that should not be tolerated by the Commission. This is particularly troublesome as Capitol Resource Institute's prior filings suggest that it is familiar with the registration and reporting requirements of the Political Reform Act.

Conclusion

I urge the Commission to take immediate action to force these organizations to register as political committees so that the public may learn the truth behind the supporters of the referendum on SB 48.

Sincerely,

Roland Palencia
Executive Director, Equality California