

April 3, 2016

Honorable Shirley Weber  
Chair, Elections and Redistricting Committee  
Capitol Office  
P.O. Box 942849, Room 3123  
Sacramento, CA 94249-0079

Re: **Clarification of AB 1828 (Dodd) Kopp Act Amendments**

Dear Chair Weber,

As the Director of the Asian Pacific Islander Small Business Program (API SBP), I'm writing to seek clarification and express concern regarding the amendments to the Kopp Act as proposed in AB 1828. API SBP is a nonprofit 501(c)(3) collaborative of five community-based organizations in Los Angeles, created to assist the development of small and micro businesses in Los Angeles with a particular focus on the underserved Chinese, Filipino, Japanese, Korean and Thai business communities, especially those of low-income immigrants.

My questions are focused on behested payments and reporting requirements. I'm concerned that behested payments are not sufficiently defined in the proposed legislation to differentiate between general promotional activities by an elected official in support of workshops, conferences and events that provide information and access to resources that would benefit their constituents, and (for example) a direct request from an elected official to a constituent to provide a donation to a specific charity. My questions are as follows:

1. To what extent is a behested payment defined? For example, API SBP holds an annual fundraising event, our Asian Small Business Expo. Elected officials (US Congresspersons, State Senators and Assemblypersons, City Councilpersons, Members of the Board of Equalization, etc.) often assist us in promoting our annual event through newsletters, emails and announcements. If an individual or corporation learns of our Expo through a Member of the Board of Equalization and subsequently chooses to pay for an exhibit table or provide a sponsorship of our event, would this be considered a behested payment?
2. API SBP holds an annual press event to promote our Asian Small Business Expo. Government agencies such as the US Small Business Administration and elected officials regularly attend this press event. If a Member of the Board of Equalization attends our press event, and an individual or corporation learns of our Expo through the press event and subsequently chooses to pay for an exhibit table or provide a sponsorship of our event, would this be considered a behested payment?



3. We often work with other nonprofit organizations such as chambers of commerce to help promote our events – workshops, trainings, networking events, etc. We will often provide exhibit space or promote another organization’s events in exchange for the promotion of our events. If a member of a chamber of commerce or any nonprofit organization learns of any of our events that are supported by a Member of the Board of Equalization and subsequently chooses to financially support our event and organization, would this be considered a behested payment? Promotional activities may be exchanged which may have a monetary value but no funds have been exchanged – would this be considered a contribution and therefore a behested payment? Would either organization be required to track and report such activity?
4. If an individual or corporation learns of any of our events through a Member of the Board of Equalization, attends said event and chooses to purchase an item that benefits our organization (e.g. a silent auction item), would this be considered a behested payment?
5. Lastly, will there be any reporting requirements of any nonprofit organizations under the scenarios described above?

I’m concerned that nonprofit organizations that host events to which they invite elected officials, or hold events which elected officials help sponsor or promote, may be asked by an elected official to provide data on all sponsorships, purchases and expenditures of all attendees at an event, including companies that attendees have worked for or have a business interest in within the past 12 months – anything that may qualify an attendee as a party, participant or agent – in order to comply with this proposed amendment. Providing extensive reports such as this would be a burden to nonprofit organizations.

I applaud the efforts of Assemblymember Bill Dodd and State Board of Equalization Member Fiona Ma to strengthen the Kopp Act, promote transparency and increase accountability in our government. I believe Assemblymember Dodd and State Board of Equalization Member Ma are on the right track in addressing these issues. I merely suggest that the legislation be crafted to continue to allow elected officials to partake in activities that promote and support the work of nonprofit organizations that would benefit their constituents. I support the work of Assemblymember Dodd and State Board of Equalization Member Ma but am concerned about unintended consequences that would hinder support of worthy nonprofit organizations such as API SBP or saddle us with burdensome reporting requirements.

Thank you for your consideration.

Sincerely,

Ron Fong  
Director  
Asian Pacific Islander Small Business Program