



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

August 3, 2009

Dean Chu
REDACTED

**RE: Warning Letter
FPPC No. 06/1027; Dean Chu**

Dear Mr. Chu:

The Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (the “Act”) found in Government Code Section 81000, and following. As you may be aware, the Commission was investigating whether you were in violation of the gift limit provisions of the Act because of a gift of travel that you received in 2004. The Commission has decided to close this case with this warning letter.

In January 2006, the Enforcement Division of the Commission (“Enforcement”) received a referral from the Commission’s Technical Assistance Division regarding travel payments reported on your 2004 Statement of Economic Interests (“SEI”). On that SEI, you reported receiving approximately \$4,500 in travel expenses paid by Viagold Capital Limited to give a speech on Government and Technology in Yun An, China.

Section 89503, subdivision (c), of the Act states:

“No member of a state board or commission or designated employee of a state or local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty (\$250) if the member or employee would be required to report receipt of income or gifts from that source on his or her statement of economic interests.”

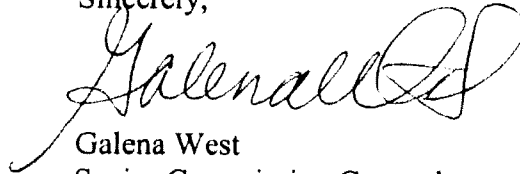
The \$250 gift limit amount is adjusted biennially to reflect changes in the Consumer Price Index pursuant to Section 89503, subdivision (f). For calendar year 2004, the applicable gift limit was \$340 from a single source in a calendar year. The gift that you received from Viagold Capital Limited was clearly in excess of the \$340 gift limit.

Your acceptance of a gift over the limits is a violation of the Act. (Section 89503, subdivision (c).) Although you had a non-delegable duty to understand and abide by the provisions of the Act, we are not moving forward with this matter based on the specific facts of this case. These include the fact that you timely reported the gift and your assertions that, at the time of the trip, the travel appeared to qualify as exempt from the gift limits under Section 89506, subdivision (a)(2), and Regulation 18950.1. You have stated that the exemption appeared to apply because the event was purported as being sponsored by the Chinese government and you were scheduled to make a speech. It was not until you requested an accounting of the cost after the trip to complete your SEI that you discovered that although the Chinese government was the official sponsor of the event, Viagold Capital Limited and the China Association of Mayors reimbursed the expenses.

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 future conduct or newly discovered information. 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.

The Commission publishes forms and manuals to facilitate compliance with the provisions of the Act and provides guidance regarding filing obligations over the telephone and through written advice. Please call the Commission's Technical Assistance Division at 1-866-275-3772 or visit our website at www.fppc.ca.gov.

Sincerely,



Galena West
Senior Commission Counsel
Enforcement Division