

February 12, 2019

Fair Political Practices Commission
Attn: Enforcement Division
1102 Q Street, Suite 3000
Sacramento, CA 95811

Subject: Formal Complaint

To whom it may concern:

I wish to file a complaint against Derek Reeve, Troy Bourne and John Taylor, candidates-elect for San Juan Capistrano City Council in 2018, and individuals Steve Oedeker, Tony Brown and Orrie Brown for the following alleged Violations of the Political Reform Act:

- 1. Failure to File as a Recipient Committee, Gov. Code, § 82013(a)**
- 2. Failure to Disclose Political Expenditures, Gov. Code, § 84222; Regulation 18422**
- 3. Failure to File as an Independent Expenditure Committee, Gov. Code, § 82013(b) and (c)**
- 4. Express Advocacy within 60 days of an election, Govt Code Section 82085**
- 5. Failure to Disclose Accurate Contributor Information on Campaign Statements**
- 6. Failure to file Statement of Economic Interest**

On information and belief, I allege that the following actions were taken by incumbent city council candidate-elect Derek Reeve, together with city council candidates-elect Troy Bourne and John Taylor:

- 1. Failure to File as a Recipient Committee**
- 3. Failure to File as an Independent Expenditure Committee**
- 4. Express Advocacy within 60 days of an election**

On information and belief, incumbent San Juan Capistrano City Council member Derek Reeve conspired with several individuals to create and mass distribute an anonymous tabloid-style "newspaper" in order to advocate for his re-election to San Juan Capistrano City Council in 2018. The paper, called The San Juan Scoop ("The Scoop") also advocated for Reeve's two running mates, Troy Bourne and John Taylor, while opposing three candidates running against them in their respective voting districts; candidates Pam Patterson (incumbent council member), Jeff Vasquez and Kimberley McCarthy, within 60 days of the city council election. In this way, The Scoop attempted to influence the outcome of the city council election in 2018. Several editions of The Scoop are attached as **Exhibit 1-A, B, C, & D (4 attachments in date order)**, with relevant articles and and/or ad(s) flagged.

On information and belief, The Scoop, an anonymous paper, served as a de facto contributor to Reeve, Bourne and Taylor's campaigns by mass mailing what amounted to political advertisements advocating for their election to city council while advocating against their opponents. To date, no contributions from The Scoop have been noted on Reeve, Bourne or Taylor's campaign finance disclosure forms. As a result, the public was deprived of important, time-sensitive information regarding political contributions and expenditures, as well as the identity of persons or groups attempting to influence the outcome of the election.

- 2. Failure to Disclose Political Expenditures**
- 5. Failure to Disclose Accurate Contributor Information on Campaign Statements**
- 6. Failure to file Statement of Economic Interest**

Several editions of The Scoop were distributed In San Juan Capistrano (estimated cost for printing and distribution; \$3,500 per edition), including a "Special Election" edition distributed throughout at least three voting districts within 60 days

February 12, 2018
Complaint – Violations of Political Reform Act
Page two

of the election. The Scoop lacks a masthead; thus no publisher or editor is listed, and it is registered as an “anonymous” LLC in Nevada through a company whose address is in the country of Panama. However, on information and belief, City Councilman and incumbent candidate Derek Reeve established The Scoop with local hotel developer Steve Oedekerker, whose projects Reeve had voted to approve while serving on city council, and who still required council approvals for his project which was mired in lawsuits. See **Exhibit 2** – email from Oedekerker admitting his role in providing “technical, style and media” advice to The Scoop; **Exhibit 3** - reprint from Reeve’s Facebook page* of photo of he and Steve Oedekerker in Las Vegas, Nevada, around the time “The Scoop” was incorporated in Nevada. (*Reeve’s Facebook post has since been removed), and **Exhibit #6** – Flyer listing known facts about The Scoop.

San Juan Capistrano residents Tony and Orrie Brown are frequent contributors to The Scoop. On information and belief, the Browns created The Scoop with Councilman Derek Reeve and aspiring hotel developer Steve Oedekerker in an attempt to influence the outcome of the city council election, to insure council approval of Oedekerker’s hotel project. The Browns own a parking lot and commercial building adjacent to Oedekerker’s proposed hotel project, and had signed an agreement with Pacific Hospitality Group, a management company working with Oedekerker at the time, to provide overflow parking for the hotel development should it be approved. The agreement listed an upfront payment of \$6,000 upon city council approval, and \$3,000/month for five years with a percentage increase each year. A copy of the Parking Agreement is enclosed as **Exhibit 4**.

In addition, on information and belief, city council candidate and local developer Troy Bourne (of “Spieker Development”) helped fund The Scoop through the purchase of several full-page ads in The Scoop promoting one of his developments, “Reata Glen”. The ads are flagged in the enclosed editions. Bourne has a current project in San Juan Capistrano (the “Vermeulen Ranch” development) which required/requires city council approvals. Councilmember Derek Reeve consistently voted to approve Bourne’s proposed project, most recently on June 11, 2018. See **Exhibit 5 (Agenda Item E7)** – San Juan Capistrano City Council Meeting Minutes, June 11, 2018.

According to a witness statement (sworn declaration provided on request), Reeve was the point of contact for Bourne’s purchase of full-page ads in The Scoop while Reeve was voting to approve Bourne’s “Vermeulen Ranch” development project in San Juan Capistrano. Conversely, incumbent Council Candidate Pam Patterson, who consistently voted against Bourne’s project, was one of the three candidates whom The Scoop consistently OPPOSED/advocated against (see flagged pages in The Scoop enclosed).

Duty to Disclose Accurate Contributor Information on Campaign Statements

It is my understanding that the public has a right to know who is funding political campaigns and/or funding promotion of or advocating for the election of candidates for public office, and/or who is funding opposition of candidates for public office.

Although I serve as a San Juan Capistrano City Planning Commissioner, I am submitting this complaint as a private citizen. I ask that you investigate this matter and hold accountable the individuals and/or group responsible for what I believe is a violation of campaign finance laws and the duty to disclose accurate contributor information to the public.

Respectfully submitted,

Mark Speros
(redacted)