

FPPC investigating alleged misuse of public funds by Burbank Hospitality Assn.

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The California Fair Political Practices Commission, or FPPC, is opening an investigation into the alleged misuse of \$50,000 in public funds in the form of a donation by the Burbank Hospitality Assn. to a committee supporting construction of a new replacement terminal at Hollywood Burbank Airport, following a complaint filed by a local resident.

At the same time, the Burbank City Council is tightening its reins on the association in light of its donation to pay for campaign mailers for the Committee for Yes on Measure B.

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[Passage of the measure in the November election](#) paved the way for construction of a new 14-gate terminal at the airport, a move that some residents expressed concerns about.

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City Council members unanimously voted during Tuesday's meeting to take several steps that they think will prevent another such incident from happening — urging that the association, better known as Visit Burbank, provide Brown Act training to its board members and staff; prohibit the group from making any further donations to political campaigns; remove the director of the city's community development department as a voting board member; require that the association use its own address rather than the city's; and cut the organization's budget by \$50,000, according to a city staff report.

The City Council also agreed to have city staff come back with a resolution to reduce the agreement with the Burbank Hospitality Assn. from five years to three years.

Additionally, council members approved to have the city manager contact the public integrity division of the Los Angeles County District Attorney's office to start an investigation on whether the actions by the association were legal.

Earlier this month, resident David Spell [filed a complaint with the FPPC](#), alleging that the Burbank Hospitality Assn. illegally donated \$50,000 to a committee advocating for approval of Measure B.

During a Burbank Hospitality Assn. meeting Sept. 14, Sunder Ramani, a former state Assembly candidate and member of the Committee for Yes on Measure B, asked the association to donate \$50,000 to his organization "to educate Burbank residents on the importance of voting yes on Measure B," according to a city memo dated Sept. 20.

Spell and other residents believe the donation used public funds because the Burbank Hospitality Assn. deals with funds generated by the city's Tourism Business Improvement District, which collects money from hotels via a 1% assessment on hotel stays.

According to the FPPC, it is illegal to use city funds for campaign materials. Violations can be as high as a \$5,000 fine per violation.

Spell said that he received a letter from the FPPC on Monday informing him that it is opening an investigation into the issue, and it could take several weeks to finish.

During the City Council meeting, several residents told council members they think the donation was done illegally.

Aside from the city's community development director, Patrick Prescott, none of the association's board members were present.

However, in an unsigned letter, which City Manager Ron Davis said came from Tony Garibian, the association's chair, members of the organization feel they have not had enough time to "prepare a response or counterargument to the issues that are being raised."

"The public wants to hear how this happened," Spell said during the meeting. "I shouldn't be standing here talking about this [for] three weeks in a row. City employees should be standing here. [Burbank Hospitality Assn.] board members should be standing here. The committee on Yes on Measure B board members should be standing here."

Resident Sue Cleereman concurred with Spell, adding that the recommended changes to the association did not go far enough.

"They do not address the key issue of how the funds were approved in the first place," she said. "This appropriation of funds was way too easy."

Councilman David Gordon wanted to take matters further by holding a public hearing and subpoenaing all the board members of the association and figuring out how they allowed such a donation to happen.

"I think we need to subpoena every single one of them and anyone involved in this, and we need to have them tell us under oath whether or not they discussed with Mr. Ramani before that meeting whether or not this was going to go down," Gordon said.

City Atty. Amy Albano said that because the association is classified as a mutual-benefit corporation nonprofit, it is allowed to donate toward political campaigns, but added that it is unclear if the money used is considered public funds.

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