



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

December 19, 2025

Joshua Nelson
BEST BEST & KRIEGER LLP
500 Capitol Mall, Suite 1700
Sacramento, California 95814

Re: Your Request for Advice
Our File No. A-25-134

Dear Mr. Nelson:

This letter responds to your request for advice regarding Government Code Section 1090, et seq.¹ Please note that we are only providing advice under Section 1090, not under other general conflict of interest prohibitions such as common law conflict of interest.

Also, note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice. Further, the Commission is not authorized and does not provide advice concerning past conduct. (Section 1097.1(c)(2) and Regulation 18329(b)(6)(A).) Therefore, nothing in this letter should be construed to evaluate any conduct that may have already taken place, and any conclusions contained in this letter apply only to prospective actions.

We are required to forward your request regarding Section 1090 and all pertinent facts relating to the request to the Attorney General's Office and the Sacramento County District Attorney's Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice "is not admissible in a criminal proceeding against any individual other than the requestor." (See Section 1097.1(c)(5).)

QUESTION

Under Section 1090 and the Act, can the California County Assessors' Information Technology Authority ("CCAIT Authority") enter a contract with Oracle, given that the agency's contracted Executive Director, Robb Grossglauer—acting on behalf of Pinnacle Advocacy

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

(“Pinnacle”)—has a business relationship with a company (Accenture) identified in the contract as a subcontractor to Oracle?

CONCLUSION

Yes, so long as Pinnacle and Executive Director Grossglauer do not take part in the contracting process. Pinnacle and Executive Director Grossglauer are prohibited from taking part in the contracting process because a source of income, Accenture, is a subject of the contract, and consequently, the contract would have a reasonably foreseeable, material financial effect on Accenture. Under Section 1090, when an independent contractor, acting as a consultant of an agency has a financial conflict under Section 1090, the independent contractor’s agency may enter into the contract as long as the consultant plays no role in the contracting process. Accordingly, Pinnacle and its employee acting as the agency’s Executive Director, Rob Grossglauer, must fully recuse from the contracting process under Section 1090.

We note that you have identified previous actions including drafting meeting minutes, handling accounting, billing, and preparing agendas, some of which tangentially relate to the Project. While these actions appear to be ministerial in nature, as stated above, we can offer no assistance regarding any past conduct. Accordingly, we can only caution that Section 1090 requires that Executive Director Grossglauer play no role in the contracting process. To the extent any of his previous actions were more than ministerial in nature, and involved any participation in the decision-making process, Section 1090 prohibits the CCAIT Authority from entering the contract involving Accenture. Additionally, we express no opinion regarding the application of the Act to Executive Director Grossglauer’s previous actions.

FACTS AS PRESENTED BY REQUESTER

In November of 2020, California voters passed Proposition 19, which dramatically changed property tax laws and placed new administrative and valuation requirements on all Assessor Offices throughout the State. These requirements mandate the cooperation of County Assessors throughout the State to certify and share property value information statewide.

The CCAIT Authority was created in November 2022 as a joint powers authority for the purposes of implementing a new information technology program for California County Assessors to assist in the standardization of statewide assessment practices. The program receives state funding as set forth in Revenue and Taxation Code section 95.60.

The first project of the CCAIT Authority is aimed at creating a portal to file required forms by taxpayers and a way for counties to collaborate on data collection and communication pursuant to Proposition 19.

The second project approved by the CCAIT Authority will create a public portal for schools, churches, affordable housing providers, non-profits, museums, etc., to file their property tax exemption claim forms electronically with all participating Assessor Offices. This will allow a more efficient means of communicating and working with property owners, organizations, and other California Assessors.

After an initial proof of concept effort, CCAIT Authority is currently conducting a competitive procurement to secure an information technology vendor to develop and implement the two projects noted above through a single contract and program (“Project”).

The CCAIT Authority has engaged various independent contractors to assist with staffing functions. This includes engaging Pinnacle Advocacy (“Pinnacle”) to provide Executive Director services. Pinnacle’s founding partner, Rob Grossglauser, serves as CCAITA’s Executive Director.

In addition to working with the CCAIT Authority, Pinnacle Advocacy provides advocacy services to clients before the California State Legislature and California’s various departments and agencies. This includes legislative advocacy and business development consulting services for a number of clients, including technology and software companies (“Clients”). Pinnacle solely supports clients with state matters and procurements. In addition, Pinnacle services are contracted as monthly retainers and do not contain contingency or “win” bonuses.

Aware of the likelihood that one of Pinnacle’s Clients could potentially submit a proposal for the Project, both Pinnacle and the Executive Director have not discussed the Project with any of Pinnacle’s Clients. Moreover, given the potential conflict of interest, Pinnacle and the Executive Director did not participate in the development of the request for proposals for the Project nor any draft agreement for services that was included in the request for proposals. Additionally, the Executive Director has primarily been involved in more general manager duties such as drafting meeting minutes, handling accounting, billing, and preparing agendas, some of which tangentially relate to the Project and proposed agreements, but his main function relates to assisting and reporting directly to the CCAIT Authority’s Board. Lastly, Pinnacle and Mr. Grossglauser, serving as the CCAIT Authority’s Executive Director, does not have any decision-making authority. The services specifically exclude and prohibit even recommendations of vendors or contracts. The evaluation, scoring, and decision to award the Project to a vendor will not include any participation by Pinnacle and Mr. Grossglauser.

It was recently discovered that one of Pinnacle’s Clients, Accenture, is a subcontractor to a third-party entity, Oracle, which has submitted a bid for the Project.

ANALYSIS

The Act

Under Section 87100 of the Act, “[a] public official at any level of state or local government shall not make, participate in making or in any way attempt to use the official’s position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.” “A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of the official’s immediate family,” or on certain specified economic interests. (Section 87103.) Such economic interests include “[a]ny business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more,” as well as “[a]ny source of

income . . . aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.” (Section 87103(a), (c).)

Under the Act, the term “public official” includes “every . . . consultant of a state or local government agency.” (Section 82048(a)(1).) “Consultant” includes an individual who serves in a staff capacity with the agency and in that capacity participates in making governmental decisions or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency’s Conflict of Interest Code under Section 87302. (Regulation 18700.3(a)(2).) Here, given that Robb Grossglauer, on behalf of Pinnacle, is acting as the CCAIT Authority’s Executive Director, he qualifies as a consultant and public official subject to the Act’s conflict of interest provisions.

Regulation 18701(a) provides the applicable standard for determining the foreseeability of a financial effect on an economic interest explicitly involved in the governmental decision. It states, “[a] financial effect on a financial interest is presumed to be reasonably foreseeable if the financial interest is a named party in, or the subject of, a governmental decision before the official or the official’s agency. A financial interest is the subject of a proceeding if the decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the financial interest, and includes any governmental decision affecting a real property financial interest as described in Regulation 18702.2(a)(1)-(6).”

Under Regulation 18702.3(a)(1), where a public official’s source of income is a named party in, or the subject of, a governmental decision, the governmental decision’s financial effect on the source of income is material. Given that Accenture is a source of income to Pinnacle and is a named party in the contract (as a subcontractor), the contract would have a reasonably foreseeable, material effect on Accenture. As such, Pinnacle and Executive Director Grossglauer are prohibited from taking part in the contracting process under the Act.

Section 1090

Section 1090 provides, “[m]embers of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members.” Section 1090 generally prohibits public officers, while acting in their official capacities, from making contracts in which they are financially interested. Section 1090 is concerned with financial interests, other than remote or minimal interests, that prevent public officials from exercising absolute loyalty and undivided allegiance in furthering the best interests of their agencies. (*Stigall v. Taft* (1962) 58 Cal.2d 565, 569.) Section 1090 is intended “not only to strike at actual impropriety, but also to strike at the appearance of impropriety.” (*City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191, 197.)

Under Section 1090, “the prohibited act is the making of a contract in which the official has a financial interest.” (*People v. Honig* (1996) 48 Cal.App.4th 289, 333.) A contract that violates Section 1090 is void. (*Thomson v. Call* (1985) 38 Cal.3d 633, 646.) The prohibition applies regardless of whether the terms of the contract are fair and equitable to all parties. (*Id.* at

pp. 646-649.) Typically, a contract is “made” on mutual assent of the involved parties. (*Stigall, supra*, at p. 569.) In addition, making or participating in making a contract has been broadly construed to include those instances where a public official has influence over the contract or its terms. (See 80 Ops. Cal. Atty. Gen. 41.)

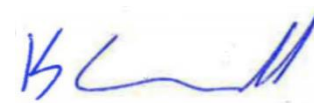
Here, the potential contract at issue is between the CCAIT Authority and Oracle. The concern is whether Section 1090 prohibits the CCAIT Authority’s contract, where its independent contractor, Pinnacle, is serving as its Executive Director and it has a client (Accenture) serving as a subcontractor to Oracle. When an employee of an agency, as opposed to a board member, has a financial conflict under Section 1090, the employee’s agency may enter into the contract as long as the employee plays no role in the contracting process. Pinnacle does not have authority to enter contracts on behalf of the CCAIT Authority and has not taken part in any aspect of the contracting process, including developing the RFP or any draft agreement for services. Likewise, Pinnacle will not be involved in scoring any RFP submissions. Consistent with the advice regarding an interested agency employee, Section 1090 would prohibit a contract involving Accenture only if Pinnacle/Executive Director Grossglauer took part in the contracting process. So long as Pinnacle/Executive Director Grossglauer plays no role in the contracting process, the CCAIT Authority is not prohibited from contracting with Oracle, despite Pinnacle’s client working on the Project as a subcontractor. (See 80 Ops. Cal. Atty. Gen. 41 (1997); *Shafie* Advice Letter, No. A-21-147; *Burns* Advice Letter, No. A-14-060.)

If you have other questions on this matter, please contact me at kcornwall@fppc.ca.gov.

Sincerely,

Dave Bainbridge
General Counsel

By:



Kevin Cornwall
Senior Counsel, Legal Division

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