



THE CITY OF SAN DIEGO
PRESS RELEASE

Ethics Commission

FOR IMMEDIATE RELEASE

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**ETHICS COMMISSION ANNOUNCES SETTLEMENT
WITH CITY ATTORNEY MICHAEL AGUIRRE
CONCERNING VIOLATIONS OF CAMPAIGN LAWS**

Stacey Fulhorst, Executive Director of the City of San Diego Ethics Commission, announced today the Commission's approval of a stipulated settlement agreement with City Attorney Michael Aguirre. Aguirre, a candidate for City Attorney in 2004, has agreed to pay a fine of \$9,000 for failing to disclose \$316,306 in subvendor payments and \$55,583 in accrued expenses prior to the November 2004 general election. Subvendor payments are payments made by a candidate's agent or independent contractor (e.g., a campaign consultant) to campaign vendors. Laws requiring the disclosure of subvendor payments are intended to prevent campaign committees from withholding information regarding their expenditures when payments are made through an agent. Accrued expenses are bills that are incurred but not paid prior to the end of a reporting period. Committees are required to disclose unpaid bills to ensure that the public has information regarding the debt carried by candidates during and after an election campaign.

Ms. Fulhorst commented that, "In this case, the public did not know prior to the election that Mr. Aguirre's committee paid approximately \$225,000 to local television stations for advertising, and approximately \$75,000 to various vendors for the production and distribution of

campaign mailers. In addition, the public was not informed that the Aguirre committee was carrying more than \$50,000 in campaign debts.” Although the Commission’s investigation revealed that Aguirre relied on his campaign treasurer to properly disclose subvendor payments and accrued expenses, Ms. Fulhorst noted that candidates are ultimately responsible for the actions of their treasurers.

According to the Commission Chair, Dorothy Leonard, the Commission felt that the amount of the fine was appropriate in light of the extent of the violations. “Mr. Aguirre did not disclose any subvendor payments prior to the election. The total number and amount of unreported subvendor payments were substantial, and consisted of more than 40% of his committee’s overall expenditures.” Commissioner Leonard added that “the failure to report \$55,583 in unpaid bills was also a factor in determining the amount of the fine.”

The violations of local campaign laws were discovered during the course of a compliance audit after Aguirre’s committee was selected for audit at a random drawing. Through the examination of the committee’s records and campaign disclosure statements, the Commission’s auditor verified that Aguirre’s committee timely filed all campaign statements, and disclosed all contributions and loans received. After discovering its failure to report subvendor payments and accrued expenses, Aguirre’s committee voluntarily filed amended campaign statements in July and September of 2005.

Ethics Commission fines are paid to the City of San Diego’s General Fund. The stipulated settlements approved by the Commission resolve all factual and legal issues without the necessity of holding an administrative hearing.

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