

1 STACEY FULHORST, Executive Director
2 City of San Diego Ethics Commission
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7 Petitioner

8 **BEFORE THE CITY OF SAN DIEGO**
9 **ETHICS COMMISSION**

10 In re the Matter of:) Case No.: 2013-26 (OF)
11 OLIVIA FALCONE,) **STIPULATION, DECISION, AND**
12 Respondent.) **ORDER**
13)
14)

15 **STIPULATION**

16 **THE PARTIES STIPULATE AS FOLLOWS:**

17 1. Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics
18 Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer,
19 implement, and enforce local governmental ethics laws contained in the San Diego Municipal
20 Code [SDMC] relating to, among other things, the provisions of the City's Election Campaign
21 Control Ordinance [ECCO].

22 2. At all times mentioned herein, Olivia Falcone was an administrative professional
23 employed by Symbolic Motor Car Company, a luxury automobile dealership doing business in La
24 Jolla, California. Ms. Falcone is referred to herein as "Respondent."

25 3. This Stipulation will be submitted for consideration by the Ethics Commission at its
26 next scheduled meeting, and the agreements contained herein are contingent upon the approval of
27 the Stipulation and the accompanying Decision and Order by the Ethics Commission.

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1 9. In order to prevent circumvention of the \$500 contribution limit, ECCO prohibits any
2 person from making a contribution on behalf of another, or while acting as an intermediary or
3 agent of another, without disclosing to the recipient the true source of the funds. SDMC §
4 27.2944. Requiring the identity of the true source making a contribution serves to ensure that no
5 one contributes more than \$500 to a candidate. Making a contribution on behalf of another
6 without the requisite disclosure is commonly known as money laundering, and is prohibited by
7 ECCO because it deprives the public of important information concerning the identity of
8 campaign donors.

9 10. In December of 2011, Respondent's employer, Marc Chase [Chase], asked
10 Respondent to make a \$500 contribution to the Bonnie Dumanis for Mayor 2012 committee
11 [Dumanis Mayoral Committee] with the understanding that Respondent would be reimbursed in
12 full for the contribution. Respondent agreed to this arrangement. She immediately wrote a \$500
13 check to the Dumanis Mayoral Committee and, in exchange, Chase gave her \$500 in cash.
14 Neither Respondent nor Chase informed the Dumanis Mayoral Committee that the source of the
15 \$500 contribution was anyone other than Respondent. The Dumanis Mayoral Committee filed a
16 campaign disclosure statement reflecting receipt of a \$500 contribution from Respondent on
17 December 29, 2011.

18 11. Jose Susumo Azano Matsura [Azano], a customer of Symbolic Motor Car Company,
19 was the source of the \$500 cash that Chase gave to Respondent. Consequently, at the time
20 Respondent made the \$500 contribution to the Dumanis Mayoral Committee, Azano was the true
21 source of the contribution, and Respondent was acting as an intermediary for Azano, a fact that
22 was not disclosed to the Dumanis Mayoral Committee. Additionally, by failing to disclose that
23 she was not the true source of the \$500 contribution, Respondent (and a series of other straw
24 donors) enabled Azano to make contributions to the Dumanis Mayoral Committee far in excess of
25 the City's contribution limit.

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1 **Counts**

2 **Count 1 - Violation of SDMC section 27.2944**

3 12. Respondent violated SDMC section 27.2944 when she made a \$500 contribution to
4 the Dumanis Mayoral Committee on behalf of someone else without disclosing that she was not
5 the true source of the funds.

6 **Factors in Mitigation**

7 13. Respondent cooperated with the Ethics Commission’s investigation.

8 **Conclusion**

9 14. Respondent agrees to take necessary and prudent precautions to ensure compliance
10 with all provisions of ECCO in the future.

11 15. Respondent acknowledges that the Ethics Commission may impose increased fines in
12 connection with any future violations of the City’s campaign laws.

13 16. Respondent agrees to pay a fine in the amount of \$5,000 for violating SDMC section
14 27.2944. This amount must be paid no later than July 3, 2014, by check or money order made
15 payable to the City Treasurer. The submitted payment will be held pending Commission approval
16 of this Stipulation and execution of the Decision and Order portion set forth below.

17 [REDACTED]

18 DATED: _____

19 _____
20 STACEY FULHORST, Executive Director
21 ETHICS COMMISSION, Petitioner

22 [REDACTED]

23 DATED: _____

24 _____
25 OLIVIA FALCONE, Respondent

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1 **DECISION AND ORDER**

2 The Ethics Commission considered the above Stipulation at its meeting on July 10,
3 2014. The Ethics Commission hereby approves the Stipulation and orders that, in accordance
4 with the Stipulation, Respondent pay a fine in the amount of \$5,000.

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6 [REDACTED]

7 DATED: _____

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9 JOHN C. O'NEILL, Chair
10 SAN DIEGO ETHICS COMMISSION
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