THE CITY OF SAN DIEGO

July 13, 2009

Lincoln Pickard
Votepickard.com
802-B Hollister Street
San Diego, CA 92154

Re: Ethics Commission Audit of Votepickard.com (ID # 1279034)

Dear Mr. Pickard:

The Ethics Commission audit of the above-referenced committee is now concluded, and the Final Audit Report is enclosed. This report was delivered to the Ethics Commission at its regularly-scheduled meeting held on July 9, 2009. Although the report reflects three material findings, the Commission decided that education was more appropriate than enforcement in this situation. As a result, the Commission accepted the report but did not initiate any type of enforcement action.

On a separate but related note, the Commissioners asked me to communicate their concern that you do not seem to be following the advice provided by the Commission staff concerning your plans to run again in the 2010 election. Specifically, you have been advised that you must open a new committee for the 2010 election, and that you may not use your 2005-2006 committee for this purpose. In addition, you have been advised that you may not use the signs prepared in connection with the 2005 special election for the 2010 election. In the event that you choose not to follow the staff's advice, the Commission will have no choice but to initiate an enforcement action and pursue an administrative fine.

If you have any questions concerning the foregoing, please contact me at your convenience.

Sincerely,

Stacey Fulhorst
Executive Director

Enclosure

THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

July 7, 2009

Lincoln Pickard
Votepickard.com
802-B Hollister Street
San Diego, CA 92154

Treasurer: Lincoln Pickard
802-B Hollister Street
San Diego, CA 92154

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
Votepickard.com

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Votepickard.com, Identification Number 1279034 ("the Committee") for the period from August 2, 2005, through June 30, 2008. The Committee was selected for audit by a designee of the City Clerk in a random drawing conducted at a public meeting of the Ethics Commission held on September 13, 2007. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the City of San Diego's Election Campaign Control Ordinance (San Diego Municipal Code Chapter 2, Article 7, Division 29). The Election Campaign Control Ordinance (ECCO) was amended on January 1, 2009. This Committee operated under the previous ECCO, and therefore all Code references in this report relate to the provisions of ECCO that were in effect prior to January 1, 2009.

During the period covered by the audit, the Committee reported total contributions and loans of $17,418.31 and total expenditures of $17,511.39. The difference, $93.08 reflects miscellaneous increases to cash used to offset expenditures. **The audit revealed three material findings: the committee failed to maintain records associated with three expenditures in violation of San Diego Municipal Code section 27.2925.**

II. Committee Information

On August 12, 2005, the Committee filed a Statement of Organization with the San Diego City Clerk indicating that it had qualified as a committee. The Committee was formed to support the election of Lincoln Pickard for City Council in the November 8, 2005, District 8 special election. On December

8, 2005, the Committee was redesignated for the 2006 District 8 election. After the June 6, 2006 District 8 primary election, it appears that the Committee intended to redesignate again in order to carry over contributions to a subsequent election for the same office because it filed subsequent semi-annual campaign statements listing the date of election as "2010". The Committee, however, failed to file an amended Form 410 Statement of Organization before the end of the post-election reporting period (June 30, 2006) in order to properly redesignate the Committee for the 2010 District 8 election. As a result, the Committee's leftover funds of approximately $204.75 became surplus campaign funds at the end of the post-election reporting period on June 30, 2006. The Committee has not terminated. The Committee's treasurer is Lincoln Pickard.

III. Audit Authority

The Commission is mandated by San Diego Municipal Code section 26.0414 to audit campaign statements and other relevant documents to determine whether campaign committees comply with applicable requirements and prohibitions imposed by local law.

IV. Audit Scope and Procedures

This audit was performed in accordance with generally accepted auditing standards. The audit involved a thorough review of the Committee's records for the time period covered by the audit. This review was conducted to determine:

1. Compliance with all disclosure requirements, pertaining to contributions, expenditures, accrued expenditures, and loans, including itemization when required;
2. Compliance with applicable filing deadlines;
3. Compliance with restrictions on contributions, loans and expenditures;
4. Accuracy of total reported receipts, disbursements and cash balances as compared to bank records; and
5. Compliance with all record-keeping requirements.

V. Summary of Applicable Law

San Diego Municipal Code section 27.2925(b)(8) – Accounting

(b) The records required by section 27.2925(a) shall include, but not limited to, all of the following:

. . . .

(8) for each disbursement made from or check drawn on the campaign contribution checking account, the cancelled check, the bank statements showing the disbursement, the name of the payee of each check, an itemized record of the goods or services for which each check is issued or disbursement made, and legible photocopies or originals of any invoices, bills, or other supporting documents for which funds were disbursed.

. . . .

VI. Material Findings

A. Section 27.2925(b)(8): Failure to Maintain Records Associated with Services Rendered

The Committee disbursed the following checks drawn from the campaign checking account but did not retain photocopies or originals of any invoices, bills, or other supporting documentation for the services rendered:

Vendor	Check No.	Check Date	Amount
James Keith, CGE Direct Mail	2316	10/31/05	$ 600.00
James Keith, CGE Direct Mail	2318	11/1/05	$ 300.00
James Keith, CGE Direct Mail	2321	11/3/05	$ 2,580.00
			$ 3,480.00

During the audit, the Committee contacted the vendor, CGE Direct Mail, in order to obtain copies of the invoices for the services rendered. The Committee provided a copy of a letter dated May 4, 2009, from James Keith, President of CGE Direct Mail, which stated that due to past hard drive failures the company's billing records have been lost; however, Mr. Keith confirmed that CGE bank records reflect a deposit of $3,480 on November 8, 2005.

At the post-audit conference held on June 26, 2009, the Committee acknowledged that it failed to maintain the necessary documentation but contended that its overall actions evidence its intent to substantially comply with the applicable regulations.

VII. Conclusion

Through the examination of the Committee's records and campaign disclosure statements, the Auditor verified that the Committee timely disclosed all contributions received and all expenditures made, and that the Committee maintained all necessary documentation regarding contributions and expenditures in accordance with disclosure and record-keeping provisions of ECCO, with the following exceptions: **the committee failed to maintain records associated with three expenditures in violation of San Diego Municipal Code section 27.2925.**

Rosalba Gomez
Ethics Commission Auditor

Date

Lauri Davis
Ethics Commission Senior Investigator

Date