

July 15, 2022

Mayor Todd Gloria
Todd Gloria for Mayor 2020
202 C Street, 11th Floor
San Diego, CA 92101

SENT VIA-EMAIL

Re: Todd Gloria for Mayor 2020 (ID # 1414821)

Dear Mayor Gloria:

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 14, 2020. Although the report reflects one material finding, the Commission does not believe that the finding warrants an additional administrative remedy. In summary, the Commission determined that education was more appropriate than enforcement in this situation. As a result, the Commission voted to accept the report and take no further action.

Sincerely,

[REDACTED]

Rosalba Gomez
Audit Program Manager

Enclosure

cc: Ms. Nancy R. Haley, Treasurer
Haley & Company, LLC
374 No. Coast Highway 101, Suite 2
Encinitas, CA 92024

FINAL AUDIT REPORT

June 28, 2022

Mayor Todd Gloria
Todd Gloria for Mayor 2020
202 C Street, 11th Floor
San Diego, CA 92101

Treasurer: Nancy R. Haley
374 No. Coast Highway 101, Suite 2
Encinitas, CA 92024

SAN DIEGO ETHICS COMMISSION AUDIT REPORT: *Todd Gloria for Mayor 2020*

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Todd Gloria for Mayor 2020, Identification Number 1414821 (“the Committee”) for the period from December 20, 2018, through April 7, 2021. 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 9, 2021. 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).

During the period covered by the audit, the Committee reported total contributions of \$2,234,147.41 (inclusive of \$42,627.45 of non-monetary contributions) and total expenditures of \$2,231,770.17. Total cash contributions relative to total expenditures resulted in a \$130,250.21 differential that was reconciled by the Committee’s miscellaneous increase to cash. **The audit revealed one material finding: the committee failed to include a “paid for by” disclosure in one campaign advertisement in violation of San Diego Municipal Code section 27.2970.**

II. Committee Information

On January 3, 2019, the Committee filed a Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee. The Committee was formed to support the election of Todd Gloria for Mayor in the March 3, 2020, primary election and November 3, 2020, general election. On April 12, 2021 the Committee filed a Statement of Termination indicating that its filing obligations were completed on April 7, 2021. The Committee's treasurer was Nancy R. Haley of Haley & Co., LLC.

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

Section 27.2970 – Disclosures on Campaign Advertisements

- (a) Subject to the additional requirements and exceptions expressly noted in section 27.2970, and limited to advertisements concerning City candidates and City measures, the campaign advertising disclosure rules included in the Political Reform Act of 1974, as amended, including but not limited to California Government Code sections 84305 through 84511, and the regulations of the California Fair Political Practices Commission, as amended, including but not limited to Regulations 18440 through 18450.11, are adopted by reference and incorporated into the San Diego Municipal Election Campaign Control Ordinance as if fully set forth herein.

....

California Government Code Section 84502 – Committee Name Disclosure

- (a)(1) Any advertisement paid for by a committee pursuant to subdivision (a) of Section 82013, other than a political party committee or a candidate controlled committee established for an elective office of the controlling candidate, shall include the words “Ad paid for by” followed by the name of the committee as it appears on the most recent Statement of Organization filed pursuant to Section 84101.

....

California Government Code Section 82013 – Committee Definition

“Committee” means any person or combination of persons who directly or indirectly does any of the following:

- (a) Receives contributions totaling two thousand dollars (\$2,000) or more in a calendar year;

....

VI. Material Findings

Section 27.2970: Campaign Advertisements

Section 27.2970 requires committees that pay for campaign advertisements to include the words “Ad paid for by” immediately followed by the name of the committee. The Committee paid The Filipino Press newspaper to print two campaign advertisements. The publication dates for the first campaign advertisement were February 22, 2020, and February 29, 2020. The publication dates for the second campaign advertisement were October 24, 2020, and October 31, 2020. According to information and documentation provided by Committee representatives, the October 2020 advertisement publications included an “Ad paid for by” disclosure. However, the February 2020 advertisement publications did not include the requisite “Ad paid for by” disclosure.

Despite various efforts, the Committee representatives could not verify that the “Ad paid for by” disclosure was included during the approval of the February 2020 publications. Consequently, the Auditor determined that the February 2020 campaign advertisements did not comply with the disclosure laws.

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 the necessary documentation regarding contributions and expenditures. **However, the audit revealed the following material finding: the committee failed to include a “paid for by” disclosure in one campaign advertisement in violation of San Diego Municipal Code section 27.2970.**

[REDACTED]

 Rosalba Gomez
 Audit Program Manager

Date

[REDACTED]

 Sharon Spivak
 Executive Director

Date