

1 STACEY FULHORST, Executive Director  
City of San Diego Ethics Commission  
2 1010 Second Avenue, Suite 1530  
San Diego, CA 92101  
3 Telephone: (619) 533-3476  
4 Facsimile: (619) 533-3448

5 Petitioner

6  
7 **BEFORE THE CITY OF SAN DIEGO**  
8 **ETHICS COMMISSION**

9  
10 In re the Matter of: ) Case No.: 2004-60  
11 BRUCE WILLIAMS, )  
12 Respondent. ) **STIPULATION, DECISION, AND**  
13 ) **ORDER**  
)

14 **STIPULATION**

15 **THE PARTIES STIPULATE AS FOLLOWS:**

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

21 2. At all times mentioned herein, Bruce Williams [Williams] was a candidate for San  
22 Diego City Council, District 4, in the November 16, 2004, special election. The Friends of Bruce  
23 Williams committee is a campaign committee registered with the State of California  
24 (Identification No. 1271110) established to support Williams' bid for the District 4 seat in the  
25 November 2004 special election. At all relevant times herein, the committee was controlled by  
26 Williams within the meaning of the California Political Reform Act, California Government  
27 Code section 82016. Williams is referred to herein as "Respondent."

28 ///

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

4           4.     This Stipulation resolves all factual and legal issues raised in this matter by the  
5 Ethics Commission without the necessity of holding an administrative hearing to determine  
6 Respondent's liability.

7           5.     Respondent understands and knowingly and voluntarily waives any and all  
8 procedural rights under the SDMC, including, but not limited to, a determination of probable  
9 cause, the issuance and receipt of an administrative complaint, the right to appear personally in  
10 any administrative hearing held in this matter, the right to confront and cross-examine witnesses  
11 testifying at the hearing, the right to subpoena witnesses to testify at the hearing, and the right to  
12 have the Ethics Commission or an impartial hearing officer hear this matter. Respondent agrees  
13 to hold the City of San Diego harmless from any and all claims or damages resulting from the  
14 Commission's investigation or this stipulated agreement, or any matter reasonably related  
15 thereto. Respondent further agrees that the terms of this Stipulation constitute compliance with  
16 the provisions of SDMC section 26.0450 in that the Stipulation includes a recitation of facts, a  
17 reference to each violation, and an order.

18           6.     Respondent acknowledges that this Stipulation is not binding upon any other law  
19 enforcement or government agency and does not preclude the Ethics Commission from referring  
20 this matter to, cooperating with, or assisting any other law enforcement or government agency  
21 with regard to this or any other related matter.

22           7.     The parties agree that in the event the Ethics Commission refuses to accept this  
23 Stipulation, it shall become null and void. Respondent further agrees that in the event the Ethics  
24 Commission rejects the Stipulation and a full evidentiary hearing before the Ethics Commission  
25 becomes necessary, no member of the Ethics Commission or its staff shall be disqualified  
26 because of prior consideration of this Stipulation.

27     ///

28     ///

1 **Summary of Law and Facts**

2 8. Because the Friends of Bruce Williams committee is a committee formed for the  
3 purpose of supporting a candidate in a City of San Diego election, Respondent is required to  
4 comply with the provisions of ECCO.

5 9. The Committee was selected for audit by the Ethics Commission at a random  
6 drawing conducted on April 25, 2005. An audit was performed for the period from September  
7 10, 2004, through March 31, 2005. Prior to the commencement of the audit and the issuance of  
8 the Final Audit Report, the Commission received a complaint concerning the activities of the  
9 Committee and authorized the staff to conduct a formal investigation. The formal investigation  
10 was nearly completed prior to the audit selection in April of 2005. The information set forth in  
11 this Stipulation was obtained during the course of the formal investigation and the subsequent  
12 audit.

13 10. SDMC section 27.2947 (currently section 27.2950) prohibited contributions from  
14 any person other than an individual to committees formed to support or oppose City candidates.

15 11. The Commission's investigation and audit revealed that Respondent accepted and  
16 deposited checks from three business entities totaling \$228.80.

17 12. SDMC section 27.2931 (currently section 27.2930) required committees to file  
18 campaign statements in the time and manner required by state law. California Government Code  
19 section 84211 required that campaign statements include the following information:

20 (f) If the cumulative amount of contributions (including loans) received from a  
21 person is one hundred dollars (\$100) or more and a contribution or loan has been  
22 received from that person during the period covered by the campaign statement,  
all of the following:

23 (1) His or her full name.

24 (2) His or her street address.

(3) His or her occupation.

25 (4) The name of his or her employer, or if self-employed, the name of the  
business.

26 (5) The date and amount received for each contribution received during the period  
covered by the campaign statement and if the contribution is a loan, the interest  
27 rate for the loan.

28 (6) The cumulative amount of contributions.

1 (k) For each person to whom an expenditure of one hundred dollars (\$100) or  
2 more has been made during the period covered by the campaign statement, all of  
the following:

- 3 (1) His or her full name.  
4 (2) His or her street address.  
5 (3) The amount of each expenditure.  
6 (4) A brief description of the consideration for which each expenditure was made.

7 13. The Commission's investigation and audit revealed that the Respondent  
did not comply with the disclosure requirements in local and state law. In particular:

8 - Respondent did not disclose two non-monetary contributions totaling \$500  
9 made by two individuals who made payments to a vendor on his behalf;

10 - Respondent did not disclose occupation and employer information for  
11 twenty-five itemized contributions totaling \$5,050, out of a total of seventy-four  
12 contributions received;

13 - Respondent did not disclose seven expenditures totaling \$2,739.48; and

14 - Respondent did not provide a complete street address for thirteen itemized  
15 expenditures.

16 14. SDMC section 27.2921 (currently section 27.2916) prohibited the deposit  
17 of contributions without receipt of all the information required by California Government  
18 Code section 84211. (As discussed above, this information includes a contributor's  
19 name, street address, occupation, and employer.) SDMC section 27.2921 (currently  
20 section 27.2916) also required candidates and committees to request missing information  
21 within ten days of receipt of the contribution.

22 15. The Commission's investigation and audit revealed that Respondent did  
23 not have the requisite occupation and employer information at the time he deposited six  
24 contributions totaling \$1,500, and that he did not request the missing information within  
25 ten days. (Although the Respondent failed to report the occupation and employer  
26 information for twenty-five contributors, the Commission's investigation revealed that  
27 nineteen of these contributors were personally known to Respondent and that he was  
28 therefore in possession of the information at the time the contributions were deposited.)

1 16. As discussed above, ECCO requires candidates and committees to file  
2 campaign statements in the time and manner required by state law. California  
3 Government Code section 84303 requires Committees to report any payments of \$500 or  
4 more made by an agent to a subvendor.

5 17. The Commission's investigation and audit revealed that the Respondent  
6 did not comply with the disclosure requirements in local and state law. In particular, the  
7 Respondent failed to disclose a payment in the amount of \$1,500.00 made by Gayle Hom  
8 Zemen to Emerald Chinese Seafood Restaurant. In addition, the Respondent failed to  
9 disclose two payments in the amounts of \$1,086.62 and \$3,316.42 made by Western  
10 Graphics to the United States Postal Service.

### 11 Counts

#### 12 **Count 1 – Violations of SDMC section 27.2947 (currently 27.2950)**

13 18. Respondent accepted contributions from three business entities totaling \$228.80,  
14 in violation of SDMC section 27.2947.

#### 15 **Count 2 - Violations of SDMC sections 27.2931 (currently 27.2930)**

16 19. Respondent did not properly disclose campaign activities, in violation of SDMC  
17 section 27.2931. In particular, Respondent did not properly disclose: two non-monetary  
18 contributions totaling \$500, occupation and employer information for twenty-five itemized  
19 contributions totaling \$5,050 (approximately one third of all contributions received), seven  
20 expenditures totaling \$2,739.69, and complete street addresses for thirteen itemized  
21 expenditures.

#### 22 **Count 3 – Violations of SDMC section 27.2921 (currently 27.2916)**

23 20. Respondent did not obtain the occupation and employer information required by  
24 California Government Code section 84211 prior to depositing six contributions totaling \$1,500,  
25 in violation of SDMC section 27.2921. Although the Respondent failed to report the occupation  
26 and employer information for twenty-five contributors, nineteen of the contributors were  
27 personally known to the Respondent at the time he accepted the contributions. Therefore, he was

28 ///

1 in possession of the occupation and employer information for these nineteen contributors at the  
2 time their contributions were accepted and deposited.

3 **Count 4 - Violations of SDMC section 27.2931**

4 21. Respondent did not properly disclose payments by agents to subvendors, in  
5 violation of SDMC section 27.2931 (currently section 27.2930). In particular, Respondent failed  
6 to disclose a payment in the amount of \$1,500.00 made by Gayle Hom Zemen to Emerald  
7 Chinese Seafood Restaurant. In addition, the Respondent failed to disclose two payments in the  
8 amounts of \$1,086.62 and \$3,316.42 made by Western Graphics to the United States Postal  
9 Service.

10 **Factors in Mitigation**

11 22. Respondent has fully cooperated with the Ethics Commission investigation.

12 23. The Committee's treasurer, Larry Green, is a CPA and friend of Respondent.  
13 Green has never been involved in a campaign and was unfamiliar with the filing requirements  
14 and laws regarding campaign disclosure. Respondent contacted several professional campaign  
15 treasurers, each of whom declined to handle his campaign. As a result, he selected Green as his  
16 treasurer.

17 **Conclusion**

18 24. Respondent agrees to take necessary and prudent precautions to comply with all  
19 provisions of the Election Campaign Control Ordinance in the future.

20 25. Respondent agrees to pay a fine in the amount of \$4,500.00 for violating SDMC  
21 sections 27.2921, 27.2931, and 27.2947. This amount must be paid no later than July 29, 2005,  
22 by check or money order made payable to the City Treasurer. The submitted payment will be  
23 held pending Commission approval of this Stipulation and execution of the Decision and Order  
24 portion set forth below.

25 DATED: \_\_\_\_\_

26 \_\_\_\_\_  
27 STACEY FULHORST, Executive Director  
ETHICS COMMISSION, Petitioner

28 DATED: \_\_\_\_\_

\_\_\_\_\_  
BRUCE WILLIAMS, Respondent

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DECISION AND ORDER**

The Ethics Commission considered the above Stipulation at its meeting on August 1, 2005. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pay a fine in the amount of \$4,500.00.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Dorothy Leonard, Chair  
SAN DIEGO ETHICS COMMISSION