

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.: 2013-25 (RZ)
11 RYAN ZYLIUS,) **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, Ryan Zylius was an employee of Coastline Protection
23 and Investigations, a security company owned by Ernesto Encinas [Encinas]. Mr. Zylius is
24 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 result if candidates for elective City office were permitted to accept large campaign
2 contributions. At all times mentioned herein, the contribution limit for City candidates was
3 \$500 per election. SDMC § 27.2935.

4 9. In order to ensure that the true sources of campaign contributions are disclosed, and in
5 order to prevent circumvention of the \$500 contribution limit, ECCO prohibits any person from
6 making a contribution on behalf of another, or while acting as an intermediary or agent of
7 another, without disclosing to the recipient the true source of the funds (a practice commonly
8 known as “campaign money laundering”). SDMC § 27.2944.

9 10. In December of 2011, Encinas asked Respondent to make a \$500 campaign
10 contribution to the Bonnie Dumanis for Mayor 2012 committee [Dumanis Mayoral Committee]
11 with the understanding that Respondent would be reimbursed in full for the contribution by
12 Encinas. Respondent agreed to this arrangement. He wrote a check to the Dumanis Mayoral
13 Committee and subsequently received \$500 cash from Encinas. The Dumanis Mayoral
14 Committee filed a campaign disclosure statement reflecting receipt of a \$500 contribution from
15 Respondent on December 31, 2011.

16 11. As described above, Respondent made a contribution to the Dumanis Mayoral
17 Committee while acting as an intermediary for Encinas. Respondent did not inform the Dumanis
18 Mayoral Committee that Encinas was the true source of the \$500 contribution. By failing to
19 disclose that he was not the true source of the \$500 contribution, Respondent (and a series of
20 other “straw donors”) enabled Encinas to make contributions to the Dumanis Mayoral Committee
21 far in excess of the City’s contribution limit.

22 **Counts**

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

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

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1 **Factors in Mitigation**

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

3 **Conclusion**

4 14. Respondent agrees to take necessary and prudent precautions to comply with all
5 provisions of ECCO in the future.

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

8 16. Respondent agrees to pay a fine in the amount of \$5,000 for violating SDMC section
9 27.2944. This amount must be paid no later than August 15, 2015, by check or money order
10 made payable to the City Treasurer. Respondent acknowledges that if the fine is not timely paid
11 in full, the Commission may refer the collection of the fine to the City Treasurer’s Collection
12 Division, which may pursue any or all available legal remedies to recover late penalties, interest,
13 and costs, in addition to seeking the outstanding balance owed.

14 [REDACTED]

15 DATED: _____

16 _____
17 STACEY FULHORST, Executive Director
18 ETHICS COMMISSION, Petitioner

19 [REDACTED]

20 DATED: _____

21 _____
22 RYAN ZYLIUS, Respondent

23 **DECISION AND ORDER**

24 The Ethics Commission considered the above Stipulation at its meeting on November 13,
25 2014. The Ethics Commission hereby approves the Stipulation and orders that, in accordance
26 with the Stipulation, Respondent pay a fine in the amount of \$5,000.

27 [REDACTED]

28 DATED: _____

CLYDE FULLER, Vice Chair
SAN DIEGO ETHICS COMMISSION