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Ethics Commission Announces Approval of Four Stipulated Settlement Agreements

SAN DIEGO – Stacey Fulhorst, Executive Director of the City of San Diego Ethics Commission, announced today the Commission’s approval of four stipulated settlement agreements. The first concerns Mayor Kevin Faulconer, who agreed to pay a \$4,000 fine for failing to timely disclose payments made at his request to One San Diego, a local nonprofit organization established in part to support the Mayor’s Office. Specifically, between February and October of 2018, seven entities made payments to One San Diego totaling \$67,500. Although these payments should have been disclosed within thirty days, they were reported between one and sixteen months late.

Ms. Fulhorst explained that the City’s Ethics Ordinance requires elected City Officials to file disclosure reports with the City Clerk whenever a donor makes payments totaling \$5,000 or more at their request for a charitable, legislative, or governmental purpose. She added that this disclosure is mandated by state and local law because such payments can create the appearance that donors are seeking to gain favor with elected officials, “which is why timely reporting is important to ensure public awareness” regarding such payments. According to the Commission Chair, Sid Voorakkara, the Commission noted that the Mayor’s staff has disclosed many behested payments on time since he assumed office. He commented that, “The Commission concluded the fine in this case would have been significantly higher if the investigation had revealed an extensive pattern of late filing.”

The second stipulation involves Christian Ramirez, a former candidate for City Council District 8, who agreed to pay a \$5,000 fine for failing to disclose a significant amount of payments made and expenses accrued on pre-election and post-election campaign statements. Ms. Fulhorst described the violations as “systemic” and noted that 60% of the committee’s expenditures were not disclosed until the committee was contacted by the Ethics Commission staff.

The third stipulation concerns Ricardo Flores, a former candidate for City Council District 9, who agreed to pay a \$6,000 fine for failing to include a “paid for by” disclosure on two newspaper ads and conducted ten phone banks using volunteers who did not disclose that they were calling on behalf of the committee. The fourth stipulation concerns Patrick Batten, a candidate for City Council District 5, who paid a \$500 fine for failing to include a “paid for by” disclosure on a campaign

banner. According to Ms. Fulhorst, the committees' failure to include the required disclosure "deprived the public of important information regarding the entity that disseminated these campaign communications."

Commission Chair Voorakkara commented on the importance of disclosures on both campaign advertisements and campaign statements: "The fundamental purpose of the City's campaign laws is to create transparency and ensure that the public receives relevant information about local campaign activities." He added, however, that the violations were mitigated by circumstances unique to each committee. Specifically, Mr. Flores reasonably relied on professional consultants to ensure that campaign communications included the requisite disclosure. On the other hand, Mr. Ramirez was an inexperienced candidate who relied on a volunteer campaign treasurer to file accurate campaign statements. Finally, Mr. Batten's violation was limited to a single campaign banner.

Ethics Commission fines are paid to the City of San Diego's General Fund. The stipulated settlements approved by the Commission resolve all factual and legal issues without the necessity of holding an administrative hearing. Stipulations can be viewed on the Commission's website at <http://www.sandiego.gov/ethics/documents/stipulations.shtml>.

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