

1 GARY WINUK, Special Counsel
City of San Diego Ethics Commission
2 Murphy Austin Adams Schoenfeld LLP
Sacramento, CA 95814
3 Phone: 916-446-2300

4 Petitioner

5
6 **BEFORE THE CITY OF SAN DIEGO**
7 **ETHICS COMMISSION**
8

9 In re the Matter of:) Ethics Commission Case No.: No. 2013-15
) OAH Case No. 2015090579
10)
ADVANTAGE TOWING COMPANY INC.,) **FINAL ADMINISTRATIVE**
11 and AYMAN AREKAT,) **COMPLAINT**
)
12 Respondents.) [SDMC § 26.0435]
)
13) **Date:** February 22-25, 2015
14) **Time:** 9:00 a.m.
) **Location:** 1350 Front Street, Suite 3005
15) San Diego, CA 92101

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17 Petitioner Gary Winuk, Special Counsel to the City of San Diego Ethics Commission
18 [Ethics Commission], hereby alleges that the above-named Respondents violated the San
19 Diego Municipal Code as follows:

20 **The Parties**

21 1. Petitioner Gary Winuk is Special Counsel to the Ethics Commission and makes
22 this accusation in his official capacity. The Ethics Commission is charged with a duty to
23 administer, implement, and enforce local governmental ethics laws contained in the San Diego
24 Municipal Code [SDMC] relating to, among other things, the provisions of the City's Election
25 Campaign Control Ordinance [ECCO].

26 2. At all times mentioned herein, Advantage Towing Company Inc. [Advantage
27 Towing] was a California corporation owned and operated by Ayman Arekat [Arekat]. Arekat

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1 is also Advantage Towing's agent for service of process. Advantage Towing and Arekat are
2 referred to herein as "Respondents."

3 General Allegations

4 3. ECCO requires City candidates to disclose contributions in the manner prescribed
5 by state law to ensure that voters receive accurate information regarding the candidates'
6 financial supporters. SDMC § 27.2930. In addition, ECCO prohibits contributions from
7 organizations (other than political parties) and imposes limits on contributions to City
8 candidates in order to prevent the corruption and appearance of corruption that would result if
9 candidates for elective City office were permitted to accept large campaign contributions.
10 SDMC §§ 27.2935, 27.2950. At all times mentioned herein, the contribution limit for City
11 candidates was \$500 per election.

12 4. In order to ensure that the true sources of campaign contributions are disclosed,
13 and in order to prevent circumvention of the \$500 contribution limit, ECCO prohibits any
14 person from making a contribution in the name of another person, a practice commonly known
15 as "campaign money laundering." SDMC § 27.2943.

16 5. Respondent Arekat asked six (6) Advantage Towing employees to each make a
17 \$500 contribution to the Fletcher for Mayor 2012 committee [Fletcher Mayoral Committee]
18 with the understanding that they would be reimbursed by Respondent Advantage Towing. The
19 employees agreed to this arrangement. Each employee received \$500 from Advantage Towing
20 in exchange for making the requested contribution. The Fletcher Mayoral Committee reported
21 receiving these contributions as follows:

| 22 | <u>Date</u> | <u>Contributor</u> | <u>Amount</u> |
|----|-------------|--------------------|---------------|
| 23 | 12/28/11 | Seror Mikha | \$500 |
| 24 | 12/28/11 | Mohammed Mohammed | \$500 |
| 25 | 12/28/11 | Zyad Raheem | \$500 |
| 26 | 12/28/11 | Husam Shuibat | \$500 |
| 27 | 12/29/11 | Yazid Iriqat | \$500 |
| 28 | 12/29/11 | Shaheen Shaheen | \$500 |

1 6. By making contributions in the names of the straw donors identified above in
2 paragraph 5, Respondents concealed the fact that Advantage Towing made contributions
3 totaling \$3,000 to a City candidate in violation of the source and amount restrictions in ECCO.

4 7. Respondent Arekat asked six (6) Advantage Towing employees and two (2) of the
5 employees' spouses to each make a \$500 contribution to the Bonnie Dumanis for Mayor 2012
6 committee [Dumanis Mayoral Committee] with the understanding that they would be
7 reimbursed by Respondent Advantage Towing. The employees and spouses agreed to this
8 arrangement. Each employee and spouse received \$500 from Advantage Towing in exchange
9 for making the requested contribution. The Dumanis Mayoral Committee reported receiving
10 these contributions as follows:

| <u>Date</u> | <u>Contributor</u> | <u>Amount</u> |
|-------------|--------------------|---------------|
| 01/19/12 | Manal Asad | \$500 |
| 01/19/12 | Wasan Khudhair | \$500 |
| 01/19/12 | Mohammed Mohammed | \$500 |
| 01/19/12 | Shaheen Shaheen | \$500 |
| 01/19/12 | Dina Ziada | \$500 |
| 01/19/12 | Mohammed Ziada | \$500 |
| 03/17/12 | Yazid Iriqat | \$500 |
| 03/17/12 | Husam Shuibat | \$500 |

20 8. By making contributions in the names of the straw donors identified above in
21 paragraph 7, Respondents concealed the fact that Advantage Towing made contributions
22 totaling \$4,000 to a City candidate in violation of the source and amount restrictions in ECCO.

23 9. Respondent Arekat asked one (1) Advantage Towing employee to make a \$500
24 contribution to the Carl DeMaio for Mayor 2012 committee [DeMaio Mayoral Committee]
25 with the understanding that she would be reimbursed by Respondent Advantage Towing. The
26 employee agreed to this arrangement. The employee received \$500 from Advantage Towing
27 in exchange for making the requested contribution. The DeMaio Mayoral Committee reported
28 receiving this contribution as follows:

| | <u>Date</u> | <u>Contributor</u> | <u>Amount</u> |
|---|-------------|--------------------|---------------|
| 2 | 10/05/12 | Manal Asad | \$500 |

3 10. By making a contribution in the name of the straw donor identified above in
4 paragraph 9, Respondents concealed the fact that Advantage Towing made a contribution to a
5 City candidate in violation of the source restriction in ECCO.

6 **Counts**

7 **Counts 1 through 15 - Violations of SDMC section 27.2943**

8 11. Respondents violated SDMC section 27.2943 by making six (6) campaign
9 contributions of \$500 each in December of 2011 in the names of the Advantage Towing
10 employees identified above in paragraph 5 to the Fletcher Mayoral Committee, while
11 concealing Advantage Towing as the true source of the contributions.

12 12. Respondents violated SDMC section 27.2943 by making eight (8) campaign
13 contributions of \$500 each between January and March of 2012 in the names of the Advantage
14 Towing employees and their spouses identified above in paragraph 7 to the Dumanis Mayoral
15 Committee, while concealing Advantage Towing as the true source of the contributions.

16 13. Respondents violated SDMC section 27.2943 by making one (1) campaign
17 contribution of \$500 in October of 2012 in the name of the Advantage Towing employee
18 identified above in paragraph 9 to the DeMaio Mayoral Committee, while concealing
19 Advantage Towing as the true source of the contribution.

20 **Counts 16 through 30 - Violations of SDMC section 27.2950**

21 14. Respondents violated SDMC section 27.2950 by making fifteen (15) campaign
22 contributions from an organization to a City candidate, as described above in paragraphs 5, 7,
23 and 9.

24 **Counts 31 and 32 - Violation of SDMC section 27.2935**

25 15. Respondents violated SDMC section 27.2935 by making six (6) contributions
26 totaling \$3,000 to the Fletcher Mayoral Committee, an amount far in excess of the \$500
27 contribution limit in effect at the time.

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16. Respondents violated SDMC section 27.2935 by making eight (8) contributions totaling \$4,000 to the Dumanis Mayoral Committee, an amount far in excess of the \$500 contribution limit in effect at the time.

WHEREFORE, Petitioner prays as follows:

1. That the Ethics Commission find that Respondents violated the San Diego Municipal Code as alleged herein;
2. That the Ethics Commission order Respondents to pay a monetary penalty to the General Fund of the City of up to five thousand dollars (\$5,000) for each violation; and
3. That the Ethics Commission grant such other relief as it deems just and proper.

Dated: Dec 16, 2015

CITY OF SAN DIEGO ETHICS COMMISSION

By Gary Winuk, Special Counsel

AMENDED
NOTICE OF ASSIGNED HEARING DATES

Case Name: Advantage Towing Company Inc., and Ayman Arekat **OAH Case No.** 2015090579

Agency: **Agency Case No.** 2013-15

The following time(s), hearing date(s), and location(s) have been assigned to the case entitled above:

| Date: | Time | Location |
|--------------|-------------|-----------------|
| 02/22/2016 | 9:00AM | OAH/SD |
| 02/23/2015 | 9:00AM | OAH/SD |
| 02/24/2016 | 9:00AM | OAH/SD |
| 02/25/2016 | 9:00AM | OAH/SD |

This case has been filed with the San Diego regional office of the Office of Administrative Hearings (OAH). All further communications related to this case shall reference the OAH file number and be directed to OAH, 1350 Front Street, Suite 3005, San Diego, CA 92101- Telephone No. (619) 525-4475/Facsimile No. (916) 376-6325/ Email: SanFilings@dgs.ca.gov.

OAH is dedicated to ensuring that all qualified individuals with disabilities have equal access to our facilities and legal proceedings. More information about accessibility can be found on our website at www.dgs.ca.gov/oah.

The agency shall serve on all parties and file with OAH the Notice of Hearing pursuant to Government Code section 11509.

This notice has been mailed, faxed, or electronically transmitted to:

Gary Winuk
Murphy Austin Adams, et al.
555 Capitol Mall, #850
Sacramento, CA 94814

Stephen F. Lopez
Attorney at Law
600 B Street, Ste. 2230
San Diego, CA 92101

Date: October 08, 2015

OAH - San Diego - General Jurisdiction,
Office of Administrative Hearings