



Ethics  
Commission

**ANNUAL REPORT**  
**2020**

## MISSION STATEMENT

To preserve public confidence in our City government through education, advice, and the prompt and fair enforcement of local governmental ethics laws.

## DUTIES AND RESPONSIBILITIES

The City of San Diego Ethics Commission is responsible for monitoring, administering, and enforcing the City's governmental ethics laws; conducting audits and investigations; providing formal and informal advice to persons who fall within the jurisdiction of the Commission; conducting training sessions for the regulated community; and proposing governmental ethics law reforms.

Governmental ethics laws include the Ethics Ordinance, the Election Campaign Control Ordinance, and the Municipal Lobbying Ordinance. The Commission accepts complaints regarding alleged violations of laws within its jurisdiction and protects individuals from retaliation for reporting violations. The Commission may impose fines up to \$5,000 for each violation of local governmental ethics laws.

Persons who fell within the jurisdiction of the Commission in 2020 include the following:

- Mayor, Councilmembers, City Attorney, and their respective staffs
- Unclassified managerial employees, including employees of City agencies who file Statements of Economic Interests
- City candidates, political committees, and campaign treasurers
- Members of boards and commissions who file Statements of Economic Interests
- Consultants who file Statements of Economic Interests
- Lobbyists, Lobbying Firms, Organization Lobbyists, and Expenditure Lobbyists

The Commission is an independent City department that does not report to the Mayor or City Council. Instead, Commission staff reports directly to the Commissioners, who are appointed by the Mayor and City Council to serve four-year terms.

# 2020 COMMISSIONERS AND STAFF

## **Chair**

Sid Voorakkara

## **Vice Chair**

Thomas Hebrank

## **Commissioners**

William Baber

Fred Kosmo

Alex Kreit (left office July 21, 2020)

David Potter

Caridad Sanchez

## **Staff**

Stacey Fulhorst, Executive Director

Rosalba Gomez, Audit Program Manager

Stephen Ross, Education Program Manager

Ryan O'Connor, Education Program Manager

Kristina Gagné, Investigative Program Manager

Victoria Velasquez, Program Coordinator

## **General Counsel**

Christina Cameron, Esq.

Devaney Pate Morris & Cameron LLP

## EDUCATION AND OUTREACH

The Commission continued to make education and outreach top priorities during 2020. Specifically, the Commission made the following efforts to educate City Officials regarding the various provisions of the City's Ethics Ordinance:

- The staff conducted a live training session on the Ethics Ordinance for the office of the newly-elected Mayor and a refresher training session for Council District 6.
- The staff conducted four live training sessions on the Ethics Ordinance for unclassified management employees of the City in January, April, July, and October.
- In August, the staff conducted a live training for the Historical Resources Board with special emphasis on issues related to the jurisdiction of this agency.
- In September, the staff conducted live trainings for the outgoing staff of the Mayor and Council Districts 1, 3, 5, 7, and 9 concerning the City's post-employment lobbying restrictions.
- Approximately 500 City Officials (primarily City consultants and volunteer members of City boards and commissions) obtained training on the City's Ethics Ordinance via the Commission's online program.
- The staff responded to approximately 200 requests for informal advice from City Officials regarding compliance with the City's Ethics Ordinance.
- The staff monitored changes to state ethics laws that impacted corresponding local laws and notified City Officials about these changes.
- The staff updated five previously-issued Fact Sheets concerning various provisions of the City's ethics laws.

In addition, the Commission undertook the following efforts to educate City candidates and political committees on the City's campaign laws:

- The staff responded to more than 120 requests for informal assistance from City candidates and treasurers, as well as various political committees participating in City elections.
- Commission staff monitored changes to state laws concerning campaign advertising disclosures and updated the Commission's advertising charts to reflect these changes.
- The staff updated eight previously-issued Fact Sheets concerning various aspects of the City's campaign laws.

During 2020, the Commission made the following efforts to educate lobbying firms and organizations on the City's lobbying laws:

- In January, Commission staff conducted a training on the City's lobbying laws for the Chamber of Commerce.
- Commission staff responded to approximately 60 requests for informal advice and assistance concerning the City's lobbying laws.
- The staff periodically updated a list of candidates and committees active in the 2020 election cycles to assist lobbyists with the disclosure of campaign activities on their quarterly reports.

Finally, the Commission's education and outreach efforts during 2020 included the following:

- In order to provide the public with information regarding the persons and entities largely funding the committees that support or oppose City candidates and measures, the Commission maintained a list on its website of each committee's \$10,000+ donors, the amount contributed, and occupation and employer information when applicable.
- The Commission frequently updated its website ([www.sandiego.gov/ethics](http://www.sandiego.gov/ethics)) to provide the public with timely information regarding Commission meetings, legislative proposals, educational efforts, and enforcement activities.

- The Commission continued to disseminate information to the public, the regulated community, City Officials, and the media, via the Commission’s Twitter account and three “interested persons” e-mail lists: one for campaign finance issues, one for ethics issues, and one for lobbying issues.

# LEGISLATIVE PROPOSALS

During 2020, the Commission reviewed its Audit Manual with a view toward updating the criteria for selection of candidate and ballot measure committees for audit. Because the Audit Manual had not been updated since 2007, the Commission considered inflation as well as increases in contribution limits (District limit rose from \$270 in 2007 to \$600 in 2020, and Citywide limit rose from \$320 in 2007 to \$1,150 in 2020). In order to ensure that the Commission’s audit program is focused on committees with significant financial activity, as opposed to novice/grassroots committees, the Commission recommended modifying the financial thresholds and selection percentages for candidate and ballot measure committees as follows:

Level of Financial Activity	Candidate Committees	Ballot Measure Committees
\$100,000 or more	<del>75%</del> 100%	<del>75%</del> 100%
\$50,000 - \$99,999	<del>50%</del> 75%	<del>50%</del> 75%
<del>\$10,000</del> \$15,000 - \$49,999	<del>50%</del> 25%	<del>50%</del> 25%

The proposed updates also included housekeeping amendments necessary to reflect updates to state law, local law, and auditing standards that are referenced in the Audit Manual.

The amendments were approved by the City Council Rules Committee on October 9, 2020, and by the full City Council on October 27, 2020.

# AUDIT PROGRAM

On September 12, 2019, the Commission conducted a random drawing of committees from the 2018 election cycle and selected the following candidate committees for audit:

- Neal Arthur for Council 2018
- Jordan Beane for City Council 2018
- Dr. Jen Campbell for City Council 2018
- Public Integrity League Opposed to Jen Campbell for City Council 2018, sponsored by The Lincoln Club of San Diego County
- Cate for Council 2018
- Independent Leadership Coalition Supporting Chris Cate for Council 2018, sponsored by and with major funding from the San Diego Regional Chamber of Commerce Political Action Committee and the Lincoln Club of San Diego County
- Tommy Hough for City Council 2018
- Antonio Martinez for City Council 2018
- Working Families for a Better San Diego, sponsored by Working Families Council, supporting Antonio Martinez for City Council 2018
- Monica Montgomery for City Council 2018
- We the People for Monica Montgomery D4 City Council 2018
- Vivian Moreno for City Council 2018
- Bryan Pease for City Council 2018
- Lorie Zapf for Council 2018

In addition, the following ballot measure committees were chosen at the random drawing:

- GOAL San Diego: Yes on E, No on G, sponsored by MLS SD Pursuit



- Public Land, Public Benefit, No on E, Yes on G, a coalition of San Diego taxpayers, community planners, local business, and education, park & environmental advocates
- San Diegans for the Common Good
- Stand for Jobs, Stop the Vacation Rental Ban. Supported by Share San Diego. Committee major funding from AirBnB, Expedia.
- Yes! For a Better San Diego - supported by a coalition of downtown tourism and lodging organizations, civic and community activists, organized labor, and homeless advocates. Sponsored by the San Diego Lodging Industry Association, the San Diego Regional Chamber of Commerce and the San Diego Imperial Counties Labor Council

During 2020, the Audit Program Manager completed the audits of ten candidate committees:

- Neal Arthur for Council 2018
- Dr. Jen Campbell for City Council 2018
- Public Integrity League Opposed to Jen Campbell for City Council 2018, sponsored by The Lincoln Club of San Diego County
- Cate for Council 2018
- Independent Leadership Coalition Supporting Chris Cate for Council 2018, sponsored by and with major funding from the San Diego Regional Chamber of Commerce Political Action Committee and the Lincoln Club of San Diego County
- Antonio Martinez for City Council 2018
- Working Families for a Better San Diego, sponsored by Working Families Council, supporting Antonio Martinez for City Council 2018
- Monica Montgomery for City Council 2018
- Vivian Moreno for City Council 2018
- Lorie Zapf for Council 2018

In addition, the Audit Program Manager completed the audit of one ballot measure committee:

- GOAL San Diego: Yes on E, No on G, sponsored by MLS SD Pursuit

The Commission anticipates that the audits of the remaining four candidate committees and four ballot measure committees will be completed before the September 2021 audit drawing of committees active in the 2020 election cycle.

# ENFORCEMENT – STATISTICS

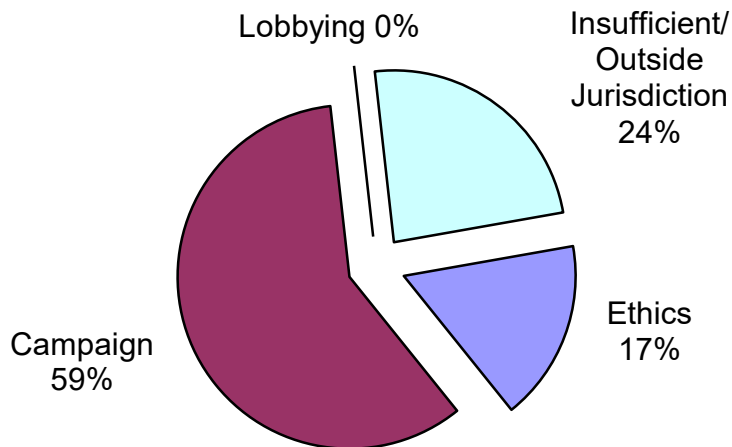
## *Number of Complaints*

During 2020, the Commission processed a total of 41 complaints. These complaints were submitted by way of written complaint forms, letters, memos, e-mails, and telephone calls. They were presented by third parties and other governmental agencies, as well as Commission staff. Three of the complainants were anonymous.

## *Types of Complaints*

Complaints processed by the Commission in 2020 concern alleged violations of law as follows:

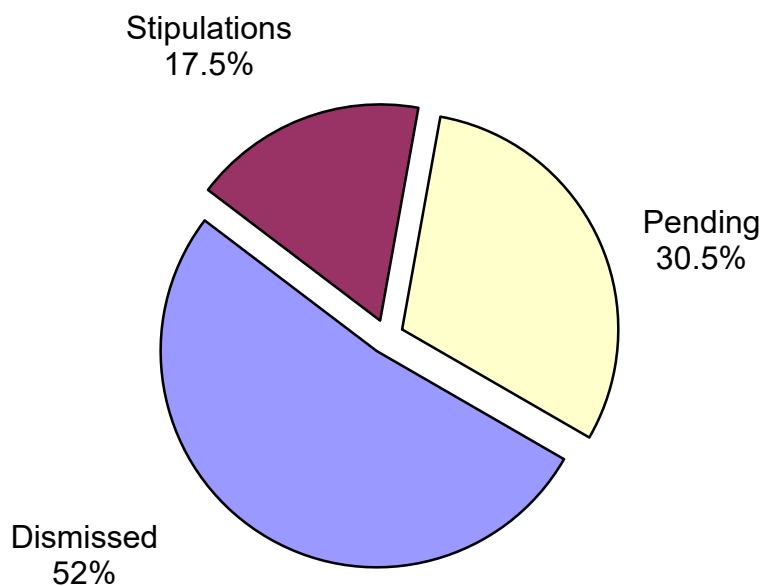
- 24 complaints alleged a violation of the Election Campaign Control Ordinance;
- 7 complaints alleged a violation of the Ethics Ordinance;
- 0 complaints alleged a violation of the Lobbying Ordinance; and
- 10 complaints contained insufficient information to support an allegation or alleged a violation outside of the Commission’s jurisdiction.



## *Investigations*

Out of the 41 complaints processed by the Commission during 2020, 21 were approved for investigation. These 21 cases, together with 2 cases approved for investigation but not resolved in previous years, resulted in the following disposition during 2020:

- 12 matters were ultimately dismissed by the Commission after considering the results of staff investigations;
- 4 matters resulted in stipulated settlement agreements; and
- 7 matters are currently pending.



## ENFORCEMENT – STIPULATIONS

During 2020, the Commission entered into four stipulated settlements, all of which concerned violations of the City’s campaign laws:

- Raul Campillo, a candidate for City Council District 7, paid a \$1,000 fine for disseminating four campaign advertisements that did not include a proper “paid for by” disclosure.
- Ross Naismith, a candidate for City Council District 9, paid a \$250 fine for disseminating campaign literature that did not comply with the City’s “paid for by” disclosure requirements.
- Wendy Wheatcroft, a candidate for City Council District 7, paid a \$500 fine for disseminating two campaign advertisements without a proper “paid for by” disclosure.
- Noli Zosa, a candidate for City Council District 7, paid a \$500 fine after sending emails to City employees at their City email addresses that included solicitations for campaign contributions.

All fines are paid to the City of San Diego’s General Fund and are not credited to the Commission’s operating budget.

## ENFORCEMENT – HEARINGS

In April of 2016, following an Administrative Hearing, the Commission issued an Administrative Enforcement Order that requires Advantage Towing Company and Ayman Arekat to pay a \$128,000 fine for laundering campaign contributions through company employees to three different mayoral candidates in the 2012 election cycle.

On July 25, 2016, Advantage Towing and Mr. Arekat filed a Petition for Writ of Mandate with the San Diego Superior Court, and on September 13, 2017, they served the City with the Petition. During 2018, the Commission prepared the extensive administrative record and on July 12, 2019, the Court heard the matter and denied the Petition. In particular, the Court found that the City's campaign laws are constitutional and that it was legally permissible for the Commission to hold both Mr. Arekat and Advantage Towing responsible for the violations. In response to a request from Advantage Towing and Mr. Arekat, the Court issued a Statement of Decision on October 15, 2019, explaining in detail the basis for the denial.

On December 13, 2019, Advantage Towing and Mr. Arekat filed a Notice of Appeal; however, on December 1, 2020, the Court of Appeal dismissed the matter after the Appellant failed to file an opening brief.