

February 14, 2020

Mr. Jose Caballero
Jose Caballero for City Council District 7 2016
4477 48th Street, Apt. 5
San Diego, CA 92115

Re: Jose Caballero for City Council District 7 2016 (ID # 1378201)

Dear Mr. Caballero:

The Ethics Commission audit of the above-referenced committee is now concluded, and the Final Audit Report is enclosed. This report was delivered to the Ethics Commission at its regularly-scheduled meeting held on February 13, 2020. As reflected in the report, you failed to produce an original sample of several campaign advertisements during the audit, which prevented the auditor from verifying that they contained the requisite “paid for by” disclosure. As a result of your failure to cooperate during the audit, the Commission was required to initiate an investigation. During this investigation, you produced electronic copies of the advertising samples and the investigator confirmed that they included the requisite disclosure. In light of these investigative findings, the Commission voted to accept the Final Audit Report and take no further action.

Sincerely,

[REDACTED]

Rosalba Gomez
Audit Program Manager

Enclosure

cc: Simon Mayeski, Treasurer
11152 Portobelo Drive
San Diego, CA 92124-4016

FINAL AUDIT REPORT

January 7, 2020

Mr. Jose Caballero
Jose Caballero for City Council District 7 2016
4477 48th Street, Apt. 5
San Diego, CA 92115

Treasurers: Simon Mayeski
11152 Portobelo Drive
San Diego, CA 92124-4016

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
Jose Caballero for City Council District 7 2016

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Jose Caballero for City Council District 7 2016, Identification Number 1378201 (“the Committee”) for the period from May 29, 2015, through July 31, 2016. The Committee was selected for audit by a designee of the City Clerk in a random drawing conducted at a public meeting of the Ethics Commission held on September 14, 2017. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the City of San Diego’s Election Campaign Control Ordinance (San Diego Municipal Code Chapter 2, Article 7, Division 29). The Election Campaign Control Ordinance (ECCO) has been amended on several occasions; all Municipal Code references in this report relate to the provisions of ECCO that were in effect at the time of the actions described herein.

During the period covered by the audit, the Committee reported total contributions of \$27,793.69 and total expenditures of \$27,793.69. **The audit revealed one material finding: the committee failed to maintain records associated with campaign literature in violation of San Diego Municipal Code section 27.2925.**

II. Committee Information

On June 18, 2015, the Committee filed a Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee. The Committee was formed to support the election of Jose

Caballero for Council District 7 in the June 7, 2016, primary election. On August 17, 2016, the Committee filed a Statement of Termination indicating that its filing obligations were completed on July 31, 2016. The Committee's treasurer was Simon Mayeski.

III. Audit Authority

The Commission is mandated by San Diego Municipal Code section 26.0414 to audit campaign statements and other relevant documents to determine whether campaign committees comply with applicable requirements and prohibitions imposed by local law.

IV. Audit Scope and Procedures

This audit was performed in accordance with generally accepted auditing standards. The audit involved a thorough review of the Committee's records for the time period covered by the audit. This review was conducted to determine:

1. Compliance with all disclosure requirements, pertaining to contributions, expenditures, accrued expenditures, and loans, including itemization when required;
2. Compliance with applicable filing deadlines;
3. Compliance with restrictions on contributions, loans and expenditures;
4. Accuracy of total reported receipts, disbursements and cash balances as compared to bank records; and
5. Compliance with all record-keeping requirements.

V. Summary of Applicable Law

Section 27.2925 – Recordkeeping

....

- (c) Every candidate or committee paying for campaign advertisements supporting or opposing on or more City candidates or City measures shall maintain records in accordance with the following requirements:
 - (1) for campaign literature, records that identify the date(s) of dissemination, the number of pieces disseminated, and the method of dissemination, as well as an original sample of each item of campaign literature disseminated by the candidate or committee, except that an advertising proof or comparable image of the item in printed or electronic format will comply with this requirement when the size of the item makes maintaining an original sample impracticable;

....

Section 27.2970 – Mass Campaign Literature

- (a) It is unlawful for any candidate or committee to pay for mass campaign literature for the purpose of supporting or opposing a City candidate or ballot measure unless each item of mass campaign literature includes the words “paid for by” immediately followed by the name, street address, and city of that candidate or committee.

....

- (d) It is unlawful for any candidate or committee to pay for mass campaign literature in the form of yard signs for the purpose of supporting or opposing a City candidate or ballot measure unless the face of each yard sign includes the words “paid for by” immediately followed by the name, street address, and city of that candidate or committee in a typeface that is easily legible, contrasts with the background, and has a height no less than five percent of the height of the yard sign.

....

VI. Material Findings

Section 27.2925 – Recordkeeping for Campaign Literature

SDMC section 27.2970 requires committees that pay for mass campaign literature to include the words “paid for by” immediately followed by the name of the committee that paid for it. In addition, SDMC section 27.2925 requires committees to maintain records associated with campaign literature including an original sample of each item. The audit revealed that the Committee paid a vendor to produce the campaign literature described below:

Vendor	Description	Invoice Date	Amount
Plavidian	1,000 Business Cards	12/15/15	\$ 55.00
Plavidian	250 Yard Signs	04/25/16	\$ 1,567.83
Plavidian	5,000 Door Hangers	05/11/16	\$ 505.61
Plavidian	5,000 Door Hangers	05/11/16	\$ 505.61

The audit also revealed that the Committee did not maintain an original sample of any of the four campaign communications referenced above. As a result, the Auditor could not verify that the requisite “paid for by” disclosure was included on these campaign advertisements.

VII. Conclusion

Through the examination of the Committee’s records and campaign disclosure statements, the Auditor verified that the Committee timely disclosed all contributions received and all expenditures made, and that the Committee maintained all necessary documentation regarding contributions and expenditures

in accordance with disclosure and record-keeping provisions of ECCO with the following exception:
the committee failed to maintain records associated with campaign literature in violation of San Diego Municipal Code section 27.2925.

[REDACTED]

Rosalba Gomez
Audit Program Manager

Date

[REDACTED]

Stacey Fulhorst
Executive Director

Date