

August 14, 2020

Councilmember Jennifer Campbell
Dr. Jen Campbell for City Council 2018
202 "C" Street, 10th Floor
San Diego, CA 92101

Re: Dr. Jen Campbell for City Council 2018 (ID # 1398814)

Dear Councilmember Campbell:

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 August 13, 2020. Although the report reflects one material finding, the Commission does not believe that the finding warrants an additional administrative remedy. In summary, the Commission determined that education was more appropriate than enforcement in this situation. As a result, the Commission voted to accept the report and take no further action.

Sincerely,

[REDACTED]

Rosalba Gomez
Audit Program Manager

Enclosure

cc: Ms. Nancy R. Haley, Treasurer
Haley & Company, LLC
374 No. Coast Highway 101, Suite 2
Encinitas, CA 92024

FINAL AUDIT REPORT

July 24, 2020

Councilmember Jennifer Campbell
Dr. Jen Campbell for City Council 2018
202 "C" Street, 10th Floor
San Diego, CA 92101

Treasurer: Ms. Nancy R. Haley
374 No. Coast Highway 101, Suite 2
Encinitas, CA 92024

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
Dr. Jen Campbell for City Council 2018

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Dr. Jen Campbell for City Council 2018, Identification Number 1398814 ("the Committee") for the period from August 28, 2017, through March 15, 2019. 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 12, 2019. 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 \$294,300.33 (inclusive of \$1,870.83 of non-monetary contributions) and total expenditures of \$332,045.40. Total cash contributions relative to total expenditures resulted in a \$39,615.90 differential that was reconciled by the Committee's miscellaneous increase to cash. **The audit revealed one material finding: the committee failed to include a proper identification disclosure on a campaign advertisement in violation of San Diego Municipal Code section 27.2970.**

II. Committee Information

On October 11, 2017, 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

Jennifer Campbell for Council District 2 in the June 5, 2018, primary election and November 6, 2018, general election. On March 21, 2019, the Committee filed a Statement of Termination indicating that its filing obligations were completed on March 15, 2019. The Committee's treasurer was Nancy R. Haley of Haley & Company, LLC.

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 27.2970 – Disclosures on Campaign Advertisements

- (a) Subject to the additional requirements and exceptions expressly noted in section 27.2970, and limited to advertisements concerning City candidates and City measures, the campaign advertising disclosures rules included in the Political Reform Act of 1974, as amended, including but not limited to California Government Code sections 84305 through 84511, and the regulations of the California Fair Political Practices Commission, as amended, including but not limited to Regulations 18440 through 18450.11, are adopted by reference and incorporated into the San Diego Municipal Election Campaign Control Ordinance as if fully set forth herein.
- (b) When a candidate or candidate-controlled committee established for elective City office is not required to make a “paid for by” advertising disclosure under state law, the candidate or committee shall make such a disclosure as if the advertisement is an independent expenditure.

.....

California Government Code Section 84504.5 – Disclosure; Independent Expenditure Ads; Political Parties and Candidates

....

(c)(2) [E]ach line of the required disclosures on a print advertisement that is larger than those designed to be individually distributed, such as a yard sign or billboard, shall in total constitute no less than 5 percent of the total height of the advertisement and shall appear in a color that has a reasonable degree of contrast with the background of the advertisement.

....

VI. Material Findings

Section 27.2970: Disclosures on Campaign Advertisements

Section 27.2970 requires committees that pay for campaign literature for the purpose of supporting or opposing a city candidate include the words “paid for by” followed by the name and address of the committee. With respect to yard signs, the disclosure must be printed in a contrasting typeface at least five percent of the sign height.

The Committee produced and disseminated 1,500 yard signs in support of the candidate that included a “paid for by” disclosure printed in a typeface equal to two percent of the sign height.

(It is relevant to note that the Committee previously accepted responsibility for its failure to comply with the City’s identification disclosure requirements; see stipulation in Case No. 2018-38.)

V. 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 the necessary documentation regarding contributions and expenditures. **However, the audit revealed the following material finding: the committee failed to include a proper identification disclosure on a campaign advertisement in violation of San Diego Municipal Code section 27.2970.**

[REDACTED]

Rosalba Gomez
Audit Program Manager

Date

[REDACTED]Z

Stacey Fulhorst
Executive Director

Date