



THE CITY OF SAN DIEGO
PRESS RELEASE

Ethics Commission

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**ETHICS COMMISSION ANNOUNCES SETTLEMENT
WITH CITY COUNCILMEMBER JIM MADDAFER
CONCERNING VIOLATIONS OF ETHICS LAWS**

Stacey Fulhorst, Executive Director of the City of San Diego Ethics Commission, announced today the Commission's approval of a stipulated settlement agreement with Jim Madaffer, the City Councilmember who represents City Council District 7. Councilmember Madaffer has agreed to pay a \$500 fine in connection with the disclosure of several stock investments on his annual Statements of Economic Interests [SEIs].

Ms. Fulhorst explained that Councilmember Madaffer timely disclosed his ownership of stock in Applied Micro Circuits Corporation, USANA Health Sciences, and Leap Wireless at the time he initially purchased these stocks in 2000 and 2001, but failed to carry forward these investments on his subsequent annual SEIs for 2002, 2003, and 2004. Ms. Fulhorst noted that the Commission did not find any evidence to suggest that Councilmember Madaffer participated in any City Council decisions involving any of these companies at the time he had investment interests in them.

Commission Vice-Chair, Gil Cabrera, related that the Commission thought the amount of the fine was appropriate given the factors in mitigation. He explained that Councilmember Madaffer independently identified the need to file amendments to his SEIs during the course of a related Commission investigation. In addition, Commissioner Cabrera distinguished the facts in this case – which involved a failure to carry forward investments from one year to the next –

from a case involving a complete failure to disclose economic interests. According to Commissioner Cabrera, “The penalty could have been much higher if Councilmember Madaffer had not initially disclosed his investments at the time he acquired the stocks.”

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.

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