

FINAL AUDIT REPORT

April 14, 2005

SAN DIEGO ETHICS COMMISSION AUDIT REPORT: 2002 Lobbyist Quarterly Disclosure Reports

I. Introduction

This Audit Report contains information pertaining to the audit of Lobbyist Quarterly Disclosure Reports for the period January 1 to December 31, 2002. The audit was conducted to determine whether registered lobbyists properly reported activity expenses during the reporting period.

The audit revealed three material findings: three gifts to high level filers were not reported by the registered lobbyists who were the source of the gifts in violation of San Diego Municipal Code section 27.4017.

II. Audit Authority

The Ethics Commission is mandated by San Diego Municipal Code section 26.0414 to review lobbyist and conflict of interest disclosure forms, and to propose procedures to conduct audits of lobbyist activity.

III. Audit Scope and Procedures

This audit was performed in accordance with generally accepted auditing standards and the Ethics Commission Audit Manual. The audit involved a thorough review of Lobbyist Quarterly Disclosure Reports filed by registered lobbyists for calendar year 2002, and the Statements of Economic Interest (SEI's) filed by high level filers for 2002.

IV. Summary of Applicable Law

San Diego Municipal Code section 27.4017 - Contents of Lobbyist's Quarterly Disclosure Reports

A lobbyist quarterly disclosure report shall contain the following information:

...

- (e) an itemization, which includes the date, amount and description of any Activity Expense made by the Lobbyist during the reporting period of \$10 or more on any one occasion; or Activity Expenses made by the Lobbyist during the reporting period aggregating \$50 or more during the quarter, to benefit any single City Official on behalf of any one Client;
- (f) the name and title of the City Official benefiting from each itemized Activity Expense;
- (g) the name and address of the payee of each itemized Activity Expense;
- (h) the name of the vendor if different from that of the payee of each itemized Activity Expense;
- (i) the name of the Client, if any, on whose behalf each itemized Activity Expense was made;
- (j) the total amount of all Activity Expenses, whether itemized or not, made by the Lobbyist during the reporting period; and
- (k) any other information required by the City Clerk consistent with the purposes and provisions of this division.

V. Material Finding

A. Violations of San Diego Municipal Code section 27.4017 - Contents of Lobbyist’s Quarterly Disclosure Reports

1. Three gifts to high level filers were not reported by the registered lobbyists who were the source of the gifts:

High Level Filer	As shown on Statement of Economic Interest (SEI)				
	Source	Business Activity	Description of Gift	Amount	Date
Scott Peters	James Greco	T&B Planning	BIA Installation Dinner	\$70.00	01/19/02
Ralph Inzunza	T&B Planning	BIA Installation Dinner	Dinner / program	\$70.00	01/19/02
Scott Peters	Carpi & Clay	Lobbyist	Chamber dinner	\$75.00	01/17/02

The source of the first two gifts was James Greco, a registered lobbyist in 2002 employed by T&B Planning. According to Mr. Greco, he misunderstood the reporting requirements and did not know a gift was reportable when it was not related to an on-going project. Upon receiving a letter from the Ethics Commission informing him of these reporting omissions, Mr. Greco immediately amended his Lobbyist Disclosure Report for the reporting period, properly disclosing both gifts at the same value as the high level filer.

The source of the third gift was Nicole Clay, a registered lobbyist in 2002 employed by Carpi & Clay. Ms. Clay was mistaken in her understanding that the San Diego Regional Chamber of Commerce was responsible for this event ticket. Upon receiving a letter from the Ethics Commission informing her of this reporting omission, Ms. Clay immediately amended her Lobbyist Disclosure Report for the reporting period, disclosing this gift at a value of \$50.00. This was the value of the event according to the San Diego Regional Chamber of Commerce.

(According to Fair Political Practices Regulation 18946.4, the value of a ticket to a fundraiser for a non-profit entity is equal to the official's pro rata share of the cost of any food and beverages, as well as the value of any other specific item presented to the official at the event.) The Chamber of Commerce further confirmed that it is a non-profit entity, and that the subject dinner was a fundraiser. Therefore, it appears that Councilmember Peters over-reported the value of this gift at \$75.00.

VII. Conclusion

The review of Lobbyist Quarterly Disclosure Reports and Statements of Economic Interest (SEI's) for high level filers for calendar year 2002 revealed three material findings: three gifts to high level filers were not reported by the registered lobbyists who were the source of the gifts in violation of San Diego Municipal Code section 27.4017.

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Date

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Date