



THE CITY OF SAN DIEGO

March 13, 2015

Mr. Bob Filner
Bob Filner for Mayor 2012
639 North Broadway #617
Los Angeles, CA 90012

Re: Bob Filner for Mayor 2012 (ID # 1339185)

Dear Mr. Filner:

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 March 12, 2015. 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
Ethics Commission Auditor

Enclosure

cc: Nancy L. Warren, Assistant Treasurer
Warren & Associates, LLC
20 Galli Drive, Suite A
Novato, CA 94949-5731

Ethics Commission

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THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

March 5, 2015

Mr. Bob Filner
Bob Filner for Mayor 2012
639 North Broadway #617
Los Angeles, CA 90012

Treasurer: Bob Filner
639 North Broadway #617
Los Angeles, CA 90012

SAN DIEGO ETHICS COMMISSION AUDIT REPORT: *Bob Filner for Mayor 2012*

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Bob Filner for Mayor 2012, Identification Number 1339185 ("the Committee") for the period from June 8, 2011, through June 30, 2013. 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, 2013. 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).

During the period covered by the audit, the Committee reported total contributions of \$1,237,112.31 (inclusive of \$21,579.87 in non-monetary contributions) and total expenditures of \$1,240,589.61. Total cash contributions relative to total expenditures resulted in a \$25,057.17 differential that was reconciled by the Committee's miscellaneous increase to cash. **The audit revealed one material finding: the committee failed to maintain records associated with six mass telephone communications in violation of San Diego Municipal Code section 27.2971.**

II. Committee Information

On June 30, 2011, 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 Bob

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Filner for Mayor in the June 5, 2012, primary election and November 4, 2012, general election. On July 31, 2013, the Committee filed a Statement of Termination indicating that its filing obligations were completed on June 30, 2013. During the period June 30, 2011 through September 26, 2011, the Committee's treasurer was Bob Filner and the assistant treasurer was Kinde Durkee of Durkee & Associates. On September 26, 2011, Ms. Durkee was dismissed as assistant treasurer due to pending legal proceedings. On October 25, 2011, Nancy L. Warren of Warren & Associates, LLP became the Committee's assistant treasurer.

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

San Diego Municipal Code Section 27.2903 - Definitions

Mass telephone communications means live or recorded telephone calls that are substantially similar in nature to 500 or more individuals or households for the purpose of (a) supporting or opposing a clearly identified candidate or a clearly identified measure; or (b) conducting a poll that mentions or refers to a clearly identified candidate or a clearly identified measure.

San Diego Municipal Code Section 27.2971 - Telephone Communications

- (a) It is unlawful for any candidate or committee to engage or hire others to engage in mass telephone communications unless the communications include a statement that the communications are "paid for by," "authorized by," or are otherwise being made "on behalf of"

immediately followed by the name of each candidate or committee that is paying for any of the resources used for the communications or that it otherwise authorizing the communication. For purposes of this subsection, “resources” include the purchase of a contact list, the development of a script, overhead expenses, and telephone charges. The type of disclosure required by this section shall be determined as follows:

- (1) A call is “paid for by” a candidate or committee when the candidate or committee pays directly for the call or pays another person to make the call on its behalf.

....

- (e) Any candidate or committee paying for a live or recorded telephone communication subject to this section shall be maintained for four years a transcript of the message being communicated, a copy of any recorded messages, and a record of the number of calls for each message.

....

VI. Material Findings

Section 27.2971: Failure to Maintain Mass Telephone Communication Records

SDMC Section 27.2971 requires committees that pay for mass telephone communications to include the words “paid for by” immediately followed by the name of the committee that paid for it. In addition, Committees are required to maintain the transcripts of the live or recorded telephone communication and maintain a record of the number of calls for each message.

The audit revealed that the Committee paid two vendors to conduct six separate robo calls between October 13, 2011, and November 5, 2012. However, the Committee failed to maintain copies of the transcripts used for the six robo calls, as well as records reflecting the number of calls for five of the messages, as required by SDMC section 27.2971. As a result of the Committee’s failure to maintain copies of the transcripts, the Auditor was unable to determine whether the robo calls included the requisite “paid for by” disclosure.

At the post-audit conference held on March 4, 2015, Mr. Filner acknowledged that the Committee was required to maintain records associated with the robo calls. He stated that he attempted to obtain duplicate copies of the records from the Committee’s vendor, Asher Burke of Strategic Solutions; however, Mr. Burke advised him that he did not retain any records associated with his work for the Committee. Mr. Filner also pointed out that, other than the missing robo call records, the audit revealed that the Committee substantially complied with the record keeping and disclosure requirements.

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 six mass telephone communications in violation of San Diego Municipal Code section 27.2971.**

[REDACTED]

Rosalba Gomez
Ethics Commission Auditor

Date

[REDACTED]

Lauri Davis
Ethics Commission Senior Investigator

Date