



THE CITY OF SAN DIEGO

March 15, 2013

Ms. C. April Boling  
San Diegans for Fair and Open City Contracting  
Supported by the construction industry, et al.  
7185 Navajo Road, Suite P  
San Diego, CA 92119

Re: Ethics Commission Audit of San Diegans for Fair and Open City Contracting  
Supported by the construction industry, et al. (ID # 1322891)

Dear Ms. Boling:

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 14, 2013. Although the report reflects one material finding, the Commission does not believe that the finding warrants additional administrative remedies. 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.

If you have any questions concerning the foregoing, please contact me at your convenience.

Sincerely,

[REDACTED]

Rosalba Gomez  
Ethics Commission Auditor

Enclosure

**Ethics Commission**

1010 Second Avenue, Suite 1530 • San Diego, CA 92101  
Tel (619) 533-3476 Fax (619) 533-3448





THE CITY OF SAN DIEGO

## FINAL AUDIT REPORT

March 6, 2013

Ms. C. April Boling  
San Diegans for Fair and Open City Contracting  
Supported by the construction industry, et al.  
7185 Navajo Road, Suite P  
San Diego, CA 92119

Treasurer: Ms. C. April Boling  
7185 Navajo Road, Suite P  
San Diego, CA 92119

### SAN DIEGO ETHICS COMMISSION AUDIT REPORT:

*San Diegans for Fair and Open City Contracting, supported by the constructing industry with major funding by The Infrastructure PAC of the Associated General Contractors and Reforming City Hall with Carl DeMaio committees*

#### I. Introduction

This Audit Report contains information pertaining to the audit of the committee, San Diegans for Fair and Open City Contracting, supported by the constructing industry with major funding by The Infrastructure PAC of the Associated General Contractors and Reforming City Hall with Carl DeMaio committees, Identification Number 1322891 ("the Committee") for the period from November 23, 2009, through November 30, 2010. 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 23, 2011. 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 \$418,627.87 (inclusive of \$48,984.87 in non-monetary contributions) and total expenditures of \$398,511.96. Total cash contributions relative to total expenditures resulted in a \$28,868.96 differential that was reconciled by the Committee's miscellaneous increase to cash. **The audit revealed one material finding: the committee failed to timely amend its Statement of Organization (Form 410) to identify a major donor in violation of San Diego Municipal Code section 27.2976.**

#### II. Committee Information

On November 23, 2009, 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

#### Ethics Commission

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qualification of a ballot measure for Competition and Transparency in City Contracting in the June 8, 2010 primary election. (The effort was ultimately unsuccessful.) On December 7, 2010, the Committee filed a Statement of Termination indicating that its filing obligations were completed on November 30, 2010. The Committee's treasurer was C. April Boling, CPA.

### **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 27.2976 - Identification of Entities Supporting Ballot Measures**

Any committee that supports or opposes one or more ballot measures shall name and identify itself using a name or phrase that clearly identifies the economic or other special interest of its major donors of \$50,000 or more in any reference to the committee required by law, including, but not limited, to its statement of organization filed pursuant to California Code section 84101.

#### **Section 27.2930 – Base Level of Campaign Statements and Disclosures**

Each candidate and committee shall file campaign statements in the time and manner required by California Government Code sections 81000 et seq. and title 2 of the California Code of Regulations...

#### **California Code Section 84103**

- (a) Whenever there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the original of the amendment with the Secretary of State and shall also file a copy of the amendment with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.

....

## VI. Material Findings

### Section 27.2976: Failure to timely Amend Statement of Organization

Section 27.2976 requires ballot measure committees to identify major donors of \$50,000 or more in their committee names using language that clearly identifies a donor's economic or other special interest. Section 27.2930 requires committees to file campaign statements in accordance with state law, and California Code section 84103 requires the amendment of Statements of Organization (Forms 410) within ten days of any change to the information contained therein. The audit revealed that the Committee received cumulative contributions of \$64,142.17 from the Reforming City Hall with Carl DeMaio committee as of April 27, 2010. Accordingly, the Committee was required to file an amended Form 410 to change its name to include this major donor no later than May 7, 2010. The Committee filed this amended Form 410 with the City Clerk on June 14, 2010, 38 days late.

## 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. However the audit revealed one material finding: **the Committee failed to timely amend its Statement of Organization (Form 410) to identify a major donor in violation of San Diego Municipal Code section 27.2976.**

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Rosalba Gomez  
Ethics Commission Auditor

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Date

[REDACTED}

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Lauri Davis  
Ethics Commission Senior Investigator

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Date