STACY FULHORST, Executive Director
City of San Diego Ethics Commission
1010 Second Avenue, Suite 1530
San Diego, CA 92101
Telephone: (619) 533-3476
Facsimile: (619) 533-3448

Petitioner

BEFORE THE CITY OF SAN DIEGO
ETHICS COMMISSION

In re the Matter of: ) Case No.: 2004-60
BRUCE WILLIAMS, ) STIPULATION, DECISION, AND
    Respondent. ) ORDER

STIPULATION

THE PARTIES STIPULATE AS FOLLOWS:

1. Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer, implement, and enforce local governmental ethics laws contained in the San Diego Municipal Code [SDMC] relating to, among other things, the provisions of the City’s Election Campaign Control Ordinance [ECCO].

2. At all times mentioned herein, Bruce Williams [Williams] was a candidate for San Diego City Council, District 4, in the November 16, 2004, special election. The Friends of Bruce Williams committee is a campaign committee registered with the State of California (Identification No. 1271110) established to support Williams’ bid for the District 4 seat in the November 2004 special election. At all relevant times herein, the committee was controlled by Williams within the meaning of the California Political Reform Act, California Government Code section 82016. Williams is referred to herein as “Respondent.”
3. This Stipulation will be submitted for consideration by the Ethics Commission at its next scheduled meeting, and the agreements contained herein are contingent upon the approval of the Stipulation and the accompanying Decision and Order by the Ethics Commission.

4. This Stipulation resolves all factual and legal issues raised in this matter by the Ethics Commission without the necessity of holding an administrative hearing to determine Respondent’s liability.

5. Respondent understands and knowingly and voluntarily waives any and all procedural rights under the SDMC, including, but not limited to, a determination of probable cause, the issuance and receipt of an administrative complaint, the right to appear personally in any administrative hearing held in this matter, the right to confront and cross-examine witnesses testifying at the hearing, the right to subpoena witnesses to testify at the hearing, and the right to have the Ethics Commission or an impartial hearing officer hear this matter. Respondent agrees to hold the City of San Diego harmless from any and all claims or damages resulting from the Commission’s investigation or this stipulated agreement, or any matter reasonably related thereto. Respondent further agrees that the terms of this Stipulation constitute compliance with the provisions of SDMC section 26.0450 in that the Stipulation includes a recitation of facts, a reference to each violation, and an order.

6. Respondent acknowledges that this Stipulation is not binding upon any other law enforcement or government agency and does not preclude the Ethics Commission from referring this matter to, cooperating with, or assisting any other law enforcement or government agency with regard to this or any other related matter.

7. The parties agree that in the event the Ethics Commission refuses to accept this Stipulation, it shall become null and void. Respondent further agrees that in the event the Ethics Commission rejects the Stipulation and a full evidentiary hearing before the Ethics Commission becomes necessary, no member of the Ethics Commission or its staff shall be disqualified because of prior consideration of this Stipulation.

///
///

STIPULATION, DECISION, AND ORDER
Summary of Law and Facts

8. Because the Friends of Bruce Williams committee is a committee formed for the purpose of supporting a candidate in a City of San Diego election, Respondent is required to comply with the provisions of ECCO.

9. The Committee was selected for audit by the Ethics Commission at a random drawing conducted on April 25, 2005. An audit was performed for the period from September 10, 2004, through March 31, 2005. Prior to the commencement of the audit and the issuance of the Final Audit Report, the Commission received a complaint concerning the activities of the Committee and authorized the staff to conduct a formal investigation. The formal investigation was nearly completed prior to the audit selection in April of 2005. The information set forth in this Stipulation was obtained during the course of the formal investigation and the subsequent audit.

10. SDMC section 27.2947 (currently section 27.2950) prohibited contributions from any person other than an individual to committees formed to support or oppose City candidates.

11. The Commission’s investigation and audit revealed that Respondent accepted and deposited checks from three business entities totaling $228.80.

12. SDMC section 27.2931 (currently section 27.2930) required committees to file campaign statements in the time and manner required by state law. California Government Code section 84211 required that campaign statements include the following information:

   (f) If the cumulative amount of contributions (including loans) received from a person is one hundred dollars ($100) or more and a contribution or loan has been received from that person during the period covered by the campaign statement, all of the following:

   (1) His or her full name.
   (2) His or her street address.
   (3) His or her occupation.
   (4) The name of his or her employer, or if self-employed, the name of the business.
   (5) The date and amount received for each contribution received during the period covered by the campaign statement and if the contribution is a loan, the interest rate for the loan.
   (6) The cumulative amount of contributions.
(k) For each person to whom an expenditure of one hundred dollars ($100) or more has been made during the period covered by the campaign statement, all of the following:

(1) His or her full name.
(2) His or her street address.
(3) The amount of each expenditure.
(4) A brief description of the consideration for which each expenditure was made.

13. The Commission’s investigation and audit revealed that the Respondent did not comply with the disclosure requirements in local and state law. In particular:

- Respondent did not disclose two non-monetary contributions totaling $500 made by two individuals who made payments to a vendor on his behalf;
- Respondent did not disclose occupation and employer information for twenty-five itemized contributions totaling $5,050, out of a total of seventy-four contributions received;
- Respondent did not disclose seven expenditures totaling $2,739.48; and
- Respondent did not provide a complete street address for thirteen itemized expenditures.

14. SDMC section 27.2921 (currently section 27.2916) prohibited the deposit of contributions without receipt of all the information required by California Government Code section 84211. (As discussed above, this information includes a contributor’s name, street address, occupation, and employer.) SDMC section 27.2921 (currently section 27.2916) also required candidates and committees to request missing information within ten days of receipt of the contribution.

15. The Commission’s investigation and audit revealed that Respondent did not have the requisite occupation and employer information at the time he deposited six contributions totaling $1,500, and that he did not request the missing information within ten days. (Although the Respondent failed to report the occupation and employer information for twenty-five contributors, the Commission’s investigation revealed that nineteen of these contributors were personally known to Respondent and that he was therefore in possession of the information at the time the contributions were deposited.)
16. As discussed above, ECCO requires candidates and committees to file campaign statements in the time and manner required by state law. California Government Code section 84303 requires Committees to report any payments of $500 or more made by an agent to a subvendor.

17. The Commission’s investigation and audit revealed that the Respondent did not comply with the disclosure requirements in local and state law. In particular, the Respondent failed to disclose a payment in the amount of $1,500.00 made by Gayle Hom Zemen to Emerald Chinese Seafood Restaurant. In addition, the Respondent failed to disclose two payments in the amounts of $1,086.62 and $3,316.42 made by Western Graphics to the United States Postal Service.

Counts

Count 1 – Violations of SDMC section 27.2947 (currently 27.2950)

18. Respondent accepted contributions from three business entities totaling $228.80, in violation of SDMC section 27.2947.

Count 2 - Violations of SDMC sections 27.2931 (currently 27.2930)

19. Respondent did not properly disclose campaign activities, in violation of SDMC section 27.2931. In particular, Respondent did not properly disclose: two non-monetary contributions totaling $500, occupation and employer information for twenty-five itemized contributions totaling $5,050 (approximately one third of all contributions received), seven expenditures totaling $2,739.69, and complete street addresses for thirteen itemized expenditures.

Count 3 – Violations of SDMC section 27.2921 (currently 27.2916)

20. Respondent did not obtain the occupation and employer information required by California Government Code section 84211 prior to depositing six contributions totaling $1,500, in violation of SDMC section 27.2921. Although the Respondent failed to report the occupation and employer information for twenty-five contributors, nineteen of the contributors were personally known to the Respondent at the time he accepted the contributions. Therefore, he was

///
in possession of the occupation and employer information for these nineteen contributors at the
time their contributions were accepted and deposited.

**Count 4 - Violations of SDMC section 27.2931**

21. Respondent did not properly disclose payments by agents to subvendors, in
violation of SDMC section 27.2931 (currently section 27.2930). In particular, Respondent failed
to disclose a payment in the amount of $1,500.00 made by Gayle Hom Zemen to Emerald
Chinese Seafood Restaurant. In addition, the Respondent failed to disclose two payments in the
amounts of $1,086.62 and $3,316.42 made by Western Graphics to the United States Postal
Service.

**Factors in Mitigation**

22. Respondent has fully cooperated with the Ethics Commission investigation.

23. The Committee’s treasurer, Larry Green, is a CPA and friend of Respondent.
Green has never been involved in a campaign and was unfamiliar with the filing requirements
and laws regarding campaign disclosure. Respondent contacted several professional campaign
treasurers, each of whom declined to handle his campaign. As a result, he selected Green as his
treasurer.

**Conclusion**

24. Respondent agrees to take necessary and prudent precautions to comply with all
provisions of the Election Campaign Control Ordinance in the future.

25. Respondent agrees to pay a fine in the amount of $4,500.00 for violating SDMC
sections 27.2921, 27.2931, and 27.2947. This amount must be paid no later than July 29, 2005,
by check or money order made payable to the City Treasurer. The submitted payment will be
held pending Commission approval of this Stipulation and execution of the Decision and Order
portion set forth below.

DATED:_____________        STACEY FULHORST, Executive Director
ETHICS COMMISSION, Petitioner

DATED:_____________        BRUCE WILLIAMS, Respondent
DECISION AND ORDER

The Ethics Commission considered the above Stipulation at its meeting on August 1, 2005. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pay a fine in the amount of $4,500.00.

DATED: ____________________  ______________________________

Dorothy Leonard, Chair
SAN DIEGO ETHICS COMMISSION