STACEY 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.: 2007-39
ARTURO CASTANARES,	**STIPULATION, DECISION AND ORDER**
Respondent.	

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 Municipal Lobbying Ordinance.

2. At all times mentioned herein, Respondent Arturo Castanares [Respondent] was a registered lobbyist employed by CornerStone Strategies, Inc. through 2006, and by FourSquare Creative Solutions thereafter. Respondent has been registered as a lobbyist with the Office of the City Clerk since August of 2003.

3. This Stipulation, Decision and Order [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 the 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 a volunteer 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. The Respondent acknowledges that this Stipulation is not binding upon any other law enforcement or government agency and does not preclude the Ethics Commission from 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 City Ethics Commission becomes necessary, no member of the Ethics Commission or its staff shall be disqualified because of prior consideration of this Stipulation.

Summary of Law and Allegations

8. The City's Municipal Lobbying Ordinance requires lobbyists to register with the City Clerk within ten days of qualifying as a lobbyist (qualification is based on the receipt of a threshold level of compensation for lobbying and related activities). An individual who is registered as a lobbyist during one calendar year, and who continues to qualify as a lobbyist,

must renew his/her registration on or before January 15 of the following year. SDMC §§ 27.4007, 27.4013.

9. Respondent did not renew his lobbyist registration for 2007 until June 27, 2007, more than 163 days late.

10. The Lobbying Ordinance requires registered lobbyists to file quarterly disclosure reports no later than the last day of the months of April, July, October, and January, covering the preceding calendar quarter. SDMC §§ 27.4015, and 27.4016.

11. As a registered lobbyist, Respondent filed quarterly disclosure reports as follows:

Calendar Quarter	Filing Deadline	Date Filed	Days Past Due
2nd quarter 2006	July 31, 2006	September 15, 2006	45
3rd quarter 2006	October 31, 2006	December 13, 2006	43
4th quarter 2006	January 31, 2007	June 27, 2007	147
1st quarter 2007	April 30, 2007	June 27, 2007	58
2nd quarter 2007	July 31, 2007	August 23, 2007	23

Counts

Count 1 - Violation of SDMC section 27.4013

12. Respondent failed to timely renew his registration as a lobbyist as required by SDMC section 27.4013. Respondent was required to renew his registration on or before January 15, 2007, but did not do so until approximately June 27, 2007, more than five months late.

Counts 2 through 6 - Violation of SDMC section 27.4016

13. Respondent failed to timely file five quarterly disclosure reports as required by SDMC section 27.4016. The disclosure report for the second quarter of 2006 was due on July 31, 2006, but Respondent did not file it until September 15, 2006, approximately six weeks late. The disclosure report for the third quarter of 2006 was due on October 31, 2006, but Respondent did not file it on December 13, 2006, approximately six weeks late. The disclosure report for the fourth quarter of 2006 was due on January 31, 2007, but was not filed until approximately June 27, 2007, almost five months late. The disclosure report for the first quarter of 2007 was due on April 30, 2007, but was not filed until approximately June 27, 2007, almost two months late.

The disclosure report for the second quarter of 2007 was due on July 31, 2007, but was not filed until August 23, 2007, almost one month late.

Factors in Aggravation

14. Respondent is an experienced lobbyist in the City of San Diego. There is, therefore, a reasonable expectation that Respondent was aware of the registration and quarterly filing requirements in the City's Municipal Lobbying Ordinance.

15. The City Clerk sent Respondent numerous letters regarding his registration and quarterly filing responsibilities, both before and after the filing deadlines. Despite these efforts by the City Clerk, Respondent failed to timely register as a lobbyist in 2007, and failed to timely file five quarterly disclosure reports.

16. Respondent's failure to timely renew his registration as a lobbyist and disclose his lobbying activities resulted in the public and City Officials being deprived of timely information concerning his compensated efforts to influence multiple municipal decisions on behalf of his clients. Respondent's clients included the Joint Labor Management Committee, Authorized City Towing, Makar Properties, Sports Arena Group 2000, and JMI Realty. The decisions he influenced on behalf of his clients included the "Big Box Ordinance," a City towing services contract, the La Jolla Commons project, operations of the Sports Arena, and various real estate development matters.

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

Conclusion

17. Respondent agrees to take necessary and prudent precautions to comply with all provisions of the Municipal Lobbying Ordinance in the future.

18. Respondent agrees to pay a fine in the amount of $4,500. This amount must be paid no later than December 31, 2007, by check or money order made payable to the City Treasurer. Respondent acknowledges that if the fine is not timely paid in full, the Commission may refer the collection of the fine to the City Treasurer's Collection Division, which may pursue any or all available legal remedies to recover late penalties, interest, and costs, in addition to seeking the outstanding balance owed.

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

DATED:_____ _____
ARTURO CASTANARES, Respondent

DECISION AND ORDER

The Ethics Commission has considered the above Stipulation at its meeting on _____, 2007. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pays a fine in the amount of $4,500.

DATED:_____ _____
Guillermo Cabrera, Chair
SAN DIEGO ETHICS COMMISSION