STACEY FULHORST, Executive Director 1 City of San Diego Ethics Commission 1010 Second Avenue, Suite 1530 San Diego, CA 92101 3 Telephone: (619) 533-3476 Facsimile: (619) 533-3448 Petitioner 5 6 **BEFORE THE CITY OF SAN DIEGO** 7 ETHICS COMMISSION 8 Case No.: 2013-26 (EG) In re the Matter of: 10 STIPULATION, DECISION, AND ELLIOT GROSSMAN, **ORDER** 11 Respondent. 12 13 14 **STIPULATION** 15 THE PARTIES STIPULATE AS FOLLOWS: 16 17 Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics 18 Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer, 19 implement, and enforce local governmental ethics laws contained in the San Diego Municipal 20 Code [SDMC] relating to, among other things, the provisions of the City's Election Campaign 21 Control Ordinance [ECCO]. 22 2. At all times mentioned herein, Elliot Grossman was the owner of Iconic Car 23 Consulting Inc., a company located in San Diego, California, in the business of matching buyers and sellers of collectible and exotic cars. Mr. Grossman is referred to herein as "Respondent." 24 25 3. This Stipulation will be submitted for consideration by the Ethics Commission at its 26 next scheduled meeting, and the agreements contained herein are contingent upon the approval of 27 the Stipulation and the accompanying Decision and Order by the Ethics Commission. 28 ///

- 4. This Stipulation resolves all factual and legal issues raised in this matter by the Ethics Commission concerning the Respondent's conduct 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.

Summary of Law and Facts

8. ECCO imposes limits on contributions to City candidates in order to prevent the corruption and appearance of corruption that would result if candidates for elective City office were permitted to accept large campaign contributions. At all times mentioned herein, the contribution limit for City candidates was \$500 per election. SDMC § 27.2935.

- 9. In order to prevent circumvention of the \$500 contribution limit, ECCO prohibits any person from making a contribution on behalf of another, or while acting as an intermediary or agent of another, without disclosing to the recipient the true source of the funds. SDMC § 27.2944. Requiring the identity of the true source making a contribution serves to ensure that no one contributes more than \$500 to a candidate. Making a contribution on behalf of another without the requisite disclosure is commonly known as money laundering, and is prohibited by ECCO because it deprives the public of important information concerning the identity of campaign donors.
- 10. ECCO also prohibits any person from counseling, aiding, abetting, advising, or participating with any other person to commit a violation of ECCO. SDMC § 27.2991.
- 11. From approximately 1987 through 2008, Respondent was a sales representative employed by Vintage Motors in Encinitas, California, and Symbolic Motor Car Company in La Jolla, California, luxury automobile dealerships owned by Marc Chase [Chase].
- 12. In December of 2011, Chase, asked Respondent to contribute \$1,000 to the Bonnie Dumanis for Mayor 2012 committee [Dumanis Mayoral Committee] in the names of Respondent and his spouse (\$500 each) with the understanding that Respondent would be reimbursed in full for the contribution from funds Chase had received from Jose Susumo Azano Matsura [Azano], a customer of Symbolic Motor Car Company. Respondent agreed to this arrangement. Respondent then wrote a \$1,000 check in his name and the name of his spouse to the Dumanis Mayoral Committee, and, in exchange, Chase gave Respondent \$1,000 in cash. Neither Respondent nor Chase informed the Dumanis Mayoral Committee that the source of the two \$500 contributions was anyone other than Respondent and his spouse. The Dumanis Mayoral Committee filed a campaign disclosure statement reflecting receipt of a \$500 contribution from Respondent and a \$500 contribution from Respondent's spouse on December 29, 2011.
- 13. As described above, Azano was the source of the \$1,000 cash that Chase gave to Respondent. Consequently, at the time Respondent made his \$500 contribution to the Dumanis Mayoral Committee, Azano was the true source of the contribution, and Respondent was acting as an intermediary for Azano without disclosing that fact to the Dumanis Mayoral Committee.

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1	19. Respondent agrees to pay a fine in the amount of \$10,000 for violating SDMC section
2	27.2944 and 27.2991. This amount must be paid no later than July 3, 2014, by check or money
3	order made payable to the City Treasurer. The submitted payment will be held pending
4	Commission approval of this Stipulation and execution of the Decision and Order portion set
5	forth below.
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7	[REDACTED]
8	DATED: STACEY FULHORST, Executive Director
9	ETHICS COMMISSION, Petitioner
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11	[REDACTED] DATED:
12	ELLIOT GROSSMAN, Respondent
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15	DECISION AND ORDER
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17	The Ethics Commission considered the above Stipulation at its meeting on <u>July 10</u> , 2014.
18	The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the
19	Stipulation, Respondent pay a fine in the amount of \$10,000.
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	[REDACTED]
21	DATED: JOHN C. O'NEILL, Chair
22	SAN DIEGO ETHICS COMMISSION
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