1	STACEY FULHORST, Executive Director City of San Diego Ethics Commission		
2	1010 Second Avenue, Suite 1530 San Diego, CA 92101		
3	Telephone: (619) 533-3476		
4	Facsimile: (619) 533-3448		
5	Petitioner		
6	BEFORE THE CITY OF SAN DIEGO		
7	ETHICS COMMISSION		
8			
9	In re the Matter of: Case No.: 2013-26 (OF)		
10	OLIVIA FALCONE,) STIPULATION, DECISION, AND		
11) ORDER		
12	Respondent.		
13)		
14			
15	STIPULATION		
16	THE PARTIES STIPULATE AS FOLLOWS:		
17	1. 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, Olivia Falcone was an administrative professional		
23	employed by Symbolic Motor Car Company, a luxury automobile dealership doing business in La		
24	Jolla, California. Ms. Falcone is referred to herein as "Respondent."		
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 2 administrative hearing to determine Respondent's liability. 3

1

24

5. Respondent understands and knowingly and voluntarily waives any and all procedural 4 rights under the SDMC, including, but not limited to, a determination of probable cause, the 5 6 issuance and receipt of an administrative complaint, the right to appear personally in any 7 administrative hearing held in this matter, the right to confront and cross-examine witnesses 8 testifying at the hearing, the right to subpoen a witnesses to testify at the hearing, and the right to 9 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 10 Commission's investigation or this stipulated agreement, or any matter reasonably related thereto. 11 Respondent further agrees that the terms of this Stipulation constitute compliance with the 12 provisions of SDMC section 26.0450 in that the Stipulation includes a recitation of facts, a 13 reference to each violation, and an order. 14

6. Respondent acknowledges that this Stipulation is not binding upon any other law 15 enforcement or government agency and does not preclude the Ethics Commission from referring 16 this matter to, cooperating with, or assisting any other law enforcement or government agency 17 with regard to this or any other related matter. 18

7. The parties agree that in the event the Ethics Commission refuses to accept this 19 Stipulation, it shall become null and void. Respondent further agrees that in the event the Ethics 20 Commission rejects the Stipulation and a full evidentiary hearing before the Ethics Commission 21 becomes necessary, no member of the Ethics Commission or its staff shall be disqualified because 22 of prior consideration of this Stipulation. 23

Summary of Law and Facts

8. ECCO imposes limits on contributions to City candidates in order to prevent the 25 corruption and appearance of corruption that would result if candidates for elective City office 26 were permitted to accept large campaign contributions. At all times mentioned herein, the 27 contribution limit for City candidates was \$500 per election. SDMC § 27.2935. 28

9. In order to prevent circumvention of the \$500 contribution limit, ECCO prohibits any 1 person from making a contribution on behalf of another, or while acting as an intermediary or 2 agent of another, without disclosing to the recipient the true source of the funds. SDMC § 3 27.2944. Requiring the identity of the true source making a contribution serves to ensure that no 4 one contributes more than \$500 to a candidate. Making a contribution on behalf of another 5 6 without the requisite disclosure is commonly known as money laundering, and is prohibited by 7 ECCO because it deprives the public of important information concerning the identity of 8 campaign donors.

9 10. In December of 2011, Respondent's employer, Marc Chase [Chase], asked Respondent to make a \$500 contribution to the Bonnie Dumanis for Mayor 2012 committee 10 [Dumanis Mayoral Committee] with the understanding that Respondent would be reimbursed in 11 full for the contribution. Respondent agreed to this arrangement. She immediately wrote a \$500 12 check to the Dumanis Mayoral Committee and, in exchange, Chase gave her \$500 in cash. 13 Neither Respondent nor Chase informed the Dumanis Mayoral Committee that the source of the 14 \$500 contribution was anyone other than Respondent. The Dumanis Mayoral Committee filed a 15 campaign disclosure statement reflecting receipt of a \$500 contribution from Respondent on 16 December 29, 2011. 17

11. Jose Susumo Azano Matsura [Azano], a customer of Symbolic Motor Car Company, 18 was the source of the \$500 cash that Chase gave to Respondent. Consequently, at the time 19 Respondent made the \$500 contribution to the Dumanis Mayoral Committee, Azano was the true 20 source of the contribution, and Respondent was acting as an intermediary for Azano, a fact that 21 was not disclosed to the Dumanis Mayoral Committee. Additionally, by failing to disclose that 22 she was not the true source of the \$500 contribution, Respondent (and a series of other straw 23 donors) enabled Azano to make contributions to the Dumanis Mayoral Committee far in excess of 24 the City's contribution limit. 25

26 ///

27 /

28 /

11

1	Counts	
2	Count 1 - Violation of SDMC section 27.2944	
3	12. Respondent violated SDMC section 27.2944 when she made a \$500 contribution	to
4	the Dumanis Mayoral Committee on behalf of someone else without disclosing that she was	not
5	the true source of the funds.	
6	Factors in Mitigation	
7	13. Respondent cooperated with the Ethics Commission's investigation.	
8	<u>Conclusion</u>	
9	14. Respondent agrees to take necessary and prudent precautions to ensure compliant	ce
10	with all provisions of ECCO in the future.	
11	15. Respondent acknowledges that the Ethics Commission may impose increased fine	es in
12	connection with any future violations of the City's campaign laws.	
13	16. Respondent agrees to pay a fine in the amount of \$5,000 for violating SDMC sect	tion
14	27.2944. This amount must be paid no later than July 3, 2014, by check or money order mad	le
15	payable to the City Treasurer. The submitted payment will be held pending Commission app	proval
16	of this Stipulation and execution of the Decision and Order portion set forth below.	
17		
18	[REDACTED] DATED:	
19	STACEY FULHORST, Executive Director ETHICS COMMISSION, Petitioner	
20		
21	[REDACTED]	
22	DATED: OLIVIA FALCONE, Respondent	
23		
24	///	
25		
26		
27		
28		
	-4-	
	STIPULATION, DECISION, AND ORDER	

1	DECISION AND ORDER
2	The Ethics Commission considered the above Stipulation at its meeting on <u>July 10</u> ,
3	2014. The Ethics Commission hereby approves the Stipulation and orders that, in accordance
4	with the Stipulation, Respondent pay a fine in the amount of \$5,000.
5	
6	[REDACTED]
7	JOHN C. O'NEILL, Chair
8	SAN DIEGO ETHICS COMMISSION
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21 22	
22	
24	
25	
26	
27	
28	
	- 5 - STIPULATION, DECISION, AND ORDER