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 (RA) In re the Matter of: 10 STIPULATION, DECISION, AND RICHARD AHUMADA, **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, Richard Ahumada was a sales representative employed 23 by Symbolic Motor Car Company, a luxury automobile dealership doing business in La Jolla, California. Mr. Ahumada 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.

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- 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. 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 [Dumanis Mayoral Committee] with the understanding that Respondent would be reimbursed in full for the contribution. Respondent agreed to this arrangement. Chase gave \$500 in cash to Respondent, who then wrote a \$500 check to the Dumanis Mayoral Committee. Neither Respondent nor Chase informed the Dumanis Mayoral Committee that the source of the \$500 contribution was anyone other than Respondent. The Dumanis Mayoral Committee filed a campaign disclosure statement reflecting receipt of a \$500 contribution from Respondent on December 29, 2011.
- 11. Jose Susumo Azano Matsura [Azano], a customer of Symbolic Motor Car Company, was the source of the \$500 cash that Chase gave to Respondent. Consequently, at the time Respondent made the \$500 contribution to the Dumanis Mayoral Committee, Azano was the true source of the contribution, and Respondent was acting as an intermediary for Azano, a fact that was not disclosed to the Dumanis Mayoral Committee. Additionally, by failing to disclose that he was not the true source of the \$500 contribution, Respondent (and a series of other straw donors) enabled Azano to make contributions to the Dumanis Mayoral Committee far in excess of the City's contribution limit.

1		<u>Counts</u>
2		Count 1 - Violation of SDMC section 27.2944
3	12.	Respondent violated SDMC section 27.2944 when he made a \$500 contribution to the
4	Dumanis	Mayoral Committee on behalf of someone else without disclosing that he was not the
5	true sourc	ee 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 compliance
10	with all provisions of ECCO in the future.	
11	15.	Respondent acknowledges that the Ethics Commission may impose increased fines in
12	connectio	n 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 section
14	27.2944.	This amount must be paid no later than July 3, 2014, by check or money order made
15	payable to	the City Treasurer. The submitted payment will be held pending Commission approval
16	of this Sti	pulation and execution of the Decision and Order portion set forth below.
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18	DATED:	[REDACTED]
19		STACEY FULHORST, Executive Director ETHICS COMMISSION, Petitioner
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21		[REDACTED]
22	DATED:	RICHARD AHUMADA, Respondent
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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.
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6	[REDACTED]
7	DATED: JOHN C. O'NEILL, Chair
8	SAN DIEGO ETHICS COMMISSION
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