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7 Petitioner

8 **BEFORE THE CITY OF SAN DIEGO**
9 **ETHICS COMMISSION**

10 In re the Matter of:) Case No.: 2013-26 (SH)
11 SEAN HUGHES,) **STIPULATION, DECISION, AND**
12 Respondent.) **ORDER**
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, Sean Hughes was a sales representative employed by
23 Symbolic Motor Car Company, a luxury automobile dealership doing business in La Jolla,
24 California. Mr. Hughes 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.

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1 9. In order to prevent circumvention of the \$500 contribution limit, ECCO prohibits any
2 person from making a contribution on behalf of another, or while acting as an intermediary or
3 agent of another, without disclosing to the recipient the true source of the funds. SDMC §
4 27.2944. Requiring the identity of the true source making a contribution serves to ensure that no
5 one contributes more than \$500 to a candidate. Making a contribution on behalf of another
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. ECCO also prohibits any person from counseling, aiding, abetting, advising, or
10 participating with any other person to commit a violation of ECCO. SDMC § 27.2991.

11 11. In December of 2011, Respondent's employer, Marc Chase [Chase], asked
12 Respondent to contribute \$1,000 to the Bonnie Dumanis for Mayor 2012 committee [Dumanis
13 Mayoral Committee] in the names of Respondent and his spouse (\$500 each). Chase explained
14 that this was a favor for Jose Susumo Azano Matsura [Azano], a customer of Symbolic Motor Car
15 Company, and that Respondent would be reimbursed from funds Chase had received from Azano.
16 Respondent agreed to this arrangement. He promptly wrote a \$1,000 check to the Dumanis
17 Mayoral Committee and, in exchange, Chase gave him \$1,000 in cash. Neither Respondent nor
18 Chase informed the Dumanis Mayoral Committee that the source of the two \$500 contributions
19 was anyone other than Respondent and his spouse. The Dumanis Mayoral Committee filed a
20 campaign disclosure statement reflecting receipt of a \$500 contribution from Respondent and a
21 \$500 contribution from Respondent's spouse on December 29, 2011.

22 12. As described above, Azano was the source of the \$1,000 cash that Chase gave to
23 Respondent. Consequently, at the time Respondent made his \$500 contribution to the Dumanis
24 Mayoral Committee, Azano was the true source of the contribution, and Respondent was acting as
25 an intermediary for Azano, a fact that was not disclosed to the Dumanis Mayoral Committee.
26 Additionally, at the time he arranged for his spouse to make a \$500 contribution to the Dumanis
27 Mayoral Committee, Respondent was aiding and abetting Azano in the making of a separate \$500
28 contribution using Respondent's spouse as an intermediary, a fact that was not disclosed to the

1 Dumanis Mayoral Committee. By failing to disclose that he and his spouse were not the true
2 source of the two \$500 contributions, Respondent (and a series of other straw donors) enabled
3 Azano to make contributions to the Dumanis Mayoral Committee far in excess of the City's
4 contribution limit.

5 **Counts**

6 **Count 1 - Violation of SDMC section 27.2944**

7 13. Respondent violated SDMC section 27.2944 when he made a \$500 contribution to the
8 Dumanis Mayoral Committee on behalf of someone else without disclosing that he was not the
9 true source of the funds.

10 **Count 2 - Violation of SDMC section 27.2991**

11 14. Respondent violated SDMC section 27.2991 by aiding and abetting Azano in the
12 making of a \$500 contribution to the Dumanis Mayoral Committee in the name of Respondent's
13 spouse, without disclosing that Respondent's spouse was not the true source of the funds.

14 **Factors in Mitigation**

15 15. Respondent cooperated with the Ethics Commission's investigation.

16 **Conclusion**

17 16. Respondent agrees to take necessary and prudent precautions to ensure compliance
18 with all provisions of ECCO in the future.

19 17. Respondent acknowledges that the Ethics Commission may impose increased fines in
20 connection with any future violations of the City's campaign laws.

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