



THE CITY OF SAN DIEGO

August 12, 2016

VIA REGULAR & ELECTRONIC MAIL

Ms. C. April Boling  
San Diegans to Protect Jobs & the Economy Supporting Kevin Faulconer for Mayor 2014  
7185 Navajo Road, Suite P  
San Diego, CA 92119

Re: San Diegans to Protect Jobs & the Economy Supporting Kevin Faulconer for  
Mayor 2014 (ID# 1360473)

Dear Ms. Boling:

The Ethics Commission audit of the above-referenced committee is now concluded, and the Final Audit Report is enclosed. This report was delivered to the Ethics Commission at its regularly-scheduled meeting held on August 11, 2016. Although the report reflects one material finding, the Commission does not believe that the finding warrants an additional administrative remedy. In summary, the Commission determined that education was more appropriate than enforcement in this situation. As a result, the Commission voted to accept the report and take no further action.

Sincerely,

[REDACTED]

Rosalba Gomez  
Audit Program Manager

Enclosure

**Ethics Commission**

1010 Second Avenue, Suite 1530 • San Diego, CA 92101  
Tel (619) 533-3476 Fax (619) 533-3448





THE CITY OF SAN DIEGO

## FINAL AUDIT REPORT

July 27, 2016

Ms. C. April Boling  
San Diegans to Protect Jobs & the Economy Supporting Kevin Faulconer for Mayor 2014  
7185 Navajo Road, Suite P  
San Diego, CA 92119

Treasurer: C. April Boling, CPA  
7185 Navajo Road, Suite P  
San Diego, CA 92119

### SAN DIEGO ETHICS COMMISSION AUDIT REPORT:

*San Diegans to Protect Jobs & the Economy Supporting Kevin Faulconer for Mayor 2014*

#### I. Introduction

This Audit Report contains information pertaining to the audit of the committee, San Diegans to Protect Jobs & the Economy Supporting Kevin Faulconer for Mayor 2014, Identification Number 1360473 (“the Committee”) for the period from September 12, 2013, through May 17, 2014. The Committee was selected for audit by a designee of the City Clerk in a random drawing conducted at a public meeting of the Ethics Commission held on September 10, 2015. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the City of San Diego’s Election Campaign Control Ordinance (San Diego Municipal Code Chapter 2, Article 7, Division 29).

During the period covered by the audit, the Committee reported total contributions of \$949,347.41 (inclusive of \$101,976.41 in non-monetary contributions) and total expenditures of \$868,318.00. Total cash contributions relative to total expenditures resulted in a \$20,947.00 differential that was reconciled by the Committee’s miscellaneous increase to cash. **The audit revealed one material finding: the committee failed to include a “paid for by” disclosure in a mass telephone communication in violation of San Diego Municipal Code section 27.2971.**

#### II. Committee Information

On October 10, 2013, the Committee filed a Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee. The Committee was formed to support the election of Kevin

#### Ethics Commission

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Faulconer for Mayor in the special election on November 19, 2013, and the special runoff election on February 11, 2014. On May 19, 2014, the Committee filed a Statement of Termination indicating that its filing obligations were completed on May 17, 2014. The Committee's treasurer was C. April Boling, CPA and the Committee's Principal Officer was Jennifer Tierney.

### **III. Audit Authority**

The Commission is mandated by San Diego Municipal Code section 26.0414 to audit campaign statements and other relevant documents to determine whether campaign committees comply with applicable requirements and prohibitions imposed by local law.

### **IV. Audit Scope and Procedures**

This audit was performed in accordance with generally accepted auditing standards. The audit involved a thorough review of the Committee's records for the time period covered by the audit. This review was conducted to determine:

1. Compliance with all disclosure requirements, pertaining to contributions, expenditures, accrued expenditures, and loans, including itemization when required;
2. Compliance with applicable filing deadlines;
3. Compliance with restrictions on contributions, loans and expenditures;
4. Accuracy of total reported receipts, disbursements and cash balances as compared to bank records; and
5. Compliance with all record-keeping requirements.

### **V. Summary of Applicable Law**

#### **San Diego Municipal Code Section 27.2903 - Definitions**

Mass telephone communications means live or recorded telephone calls that are substantially similar in nature to 500 or more individuals or households for the purpose of (a) supporting or opposing a clearly identified candidate or a clearly identified measure; or (b) conducting a poll that mentions or refers to a clearly identified candidate or a clearly identified measure.

#### **Section 27.2971 – Telephone Communications**

- (a) It is unlawful for any candidate or committee to engage or hire others to engage in mass telephone communications unless the communications include a statement that the communications are “paid for by,” or are otherwise being made “on behalf of” immediately followed by the name of each candidate or committee that is paying for any of the resources used for the communications or that is otherwise authorizing the communication. For purposes of this subsection, “resources” include the purchase of a contact list, the development of a script, overhead expenses, and telephone charges. The type of disclosure required by this section shall be determined as follows:

- (1) A call is “paid for by” a candidate or committee when the candidate or committee pays directly for the call or pays another person to make the call on its behalf.

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## VI. Material Findings

### Section 27.2971: Failure to Include “Paid for By” Disclosure in Mass Telephone Communication

SDMC Section 27.2971 requires committees that pay for mass telephone communications to include the words “paid for by” immediately followed by the name of the committee that paid for it. The audit revealed that the Committee paid a vendor to conduct a telephone survey of 600 households in December of 2013 that referred to the mayoral candidacy of Kevin Faulconer that did not include the requisite “paid for by” disclosure. During the course of the audit, a Committee representative explained that she was not aware that the “paid for by” disclosure requirement applied to polling calls at the time the survey was conducted in December of 2013.

At the post-audit conference held on July 18, 2016, the Committee reiterated that the omission of the “paid for by” disclosure was unintentional and that its overall actions evidence its intent to substantially comply with applicable regulations.

## VII. Conclusion

Through the examination of the Committee’s records and campaign disclosure statements, the Auditor verified that the Committee timely disclosed all contributions received and all expenditures made, and that the Committee maintained all necessary documentation regarding contributions and expenditures in accordance with disclosure and record-keeping provisions of ECCO. **However, the audit revealed the following material findings: the committee failed to include a “paid for by” disclosure in a mass telephone communication in violation of San Diego Municipal Code section 27.2971.**

[REDACTED]

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Rosalba Gomez  
Audit Program Manager

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Date

[REDACTED]

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Stacey Fulhorst  
Executive Director

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Date