1 2 3 4 5 6	STACEY FULHORST, Executive Director City of San Diego Ethics Commission 1010 Second Avenue, Suite 1530 San Diego, CA 92101 Telephone: (619) 533-3476 Facsimile: (619) 533-3448 Petitioner
7	<b>BEFORE THE CITY OF SAN DIEGO</b>
8	ETHICS COMMISSION
9	) Case No.: 2016-14
10	In re the Matter of: STIPULATION, DECISION, AND
11	PROCOPIO, CORY, HARGREAVES & ) ORDER SAVITCH LLP, ) ORDER
12 13	Respondent.
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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 Municipal Lobbying
21	Ordinance, SDMC section 27.4001, et seq.
22	2. At all times mentioned herein, Procopio, Cory, Hargreaves & Savitch, LLP [PCHS]
23	was a lobbying firm registered with the Office of the City Clerk. PCHS is referred to herein as
24	"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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4. This Stipulation resolves all factual and legal issues raised in this matter by the
 Ethics Commission without the necessity of holding an administrative hearing to determine
 Respondent's liability.

5. Respondent understands and knowingly and voluntarily waives any and all 4 procedural rights under the SDMC, including, but not limited to, a determination of probable 5 6 cause, the issuance and receipt of an administrative complaint, the right to appear personally in 7 any 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, 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
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**

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8. The City's Lobbying Ordinance requires lobbying firms to file quarterly reports and
disclose information regarding their lobbying and related activities, including the campaign
contributions of \$100 or more made to City candidates by the firm's owners, officers, and
lobbyists. SDMC § 27.4017.

9. On January 6, 2015, Respondent registered as a lobbying firm for the 2015 calendar
 year with the Office of the City Clerk.

10. On July 28, 2015, Respondent filed a disclosure report covering the period from
April 1 through June 30, 2015, and disclosed fifteen contributions to City candidates totaling
\$4,850. Respondent's second quarter disclosure report did not include one additional contribution
to a City candidate in the amount of \$550 that was made during the reporting period. On May 19,
2016, in response to a request from Commission staff, Respondent filed an amended quarterly
report to disclose this contribution.

9 11. On January 26, 2016, Respondent filed a disclosure report covering the period from
October 1 through December 31, 2015, and disclosed nine contributions to City candidates
totaling \$1,600. Respondent's fourth quarter disclosure report did not include two additional
contributions to City candidates totaling \$625 that were made during the reporting period. On
May 19, 2016, in response to a request from Commission staff, Respondent filed an amended
quarterly report to disclose these contributions.

## **Counts**

## Counts 1 and 2 - Violation of SDMC section 27.4017

12. Respondent failed to disclose all of the information required by SDMC section 27.4017 when it filed its 2015 second quarter disclosure report on July 28, 2015, and its 2015 fourth quarter report on January 26, 2016. In particular, as described above in Paragraphs 10 and 11, Respondent failed to disclose all of the campaign contributions made by its owners, officers, and lobbyists to City candidates.

## **Factors in Aggravation**

13. Respondent was the subject of a previous Commission enforcement action involving
the failure to disclose all of the campaign contributions made by its owners, officers, and
lobbyists, and paid a \$500 fine in this case. Subsequent to the enforcement action, Respondent
received two additional warning letters concerning its failure to disclose all of the campaign
contributions made by its owners, officers, and lobbyists.

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1	Factors in Mitigation
2	14. Respondent fully cooperated with the Commission's investigation.
3	Conclusion
4	15. Respondent agrees to take necessary and prudent precautions to ensure compliance
5	with all provisions of the City's Lobbying Ordinance in the future.
6	16. Respondents acknowledge that the Ethics Commission may impose increased fines
7	in connection with any future violations of the City's campaign laws.
8	17. Respondent agrees to pay a fine in the amount of \$500 for violating SDMC section
9	27.4017. This amount must be paid by check or money order made payable to the City Treasurer
10	no later than July 8, 2016. The submitted payment will be held pending Commission approval of
11	this Stipulation and execution of the Decision and Order portion set forth below.
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13	[REDACTED]
14	DATED: STACEY FULHORST, Petitioner
15	SAN DIEGO ETHICS COMMISSION
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17	[REDACTED] DATED:
18	PROCOPIO, CORY, HARGREAVES & SAVITCH LLP,
19	Respondent By: Robert Russell, Jr.
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22	DECISION AND ORDER
23	The Ethics Commission considered the above Stipulation at its meeting on <u>July 14</u> , 2016.
24	The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the
25	Stipulation, Respondent pay a fine in the amount of \$500.
26	[REDACTED]
27	DATED:
28	CLYDE FULLER, Chair SAN DIEGO ETHICS COMMISSION
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