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Petitioner

BEFORE THE CITY OF SAN DIEGO
ETHICS COMMISSION

In re the Matter of:  Case No.: 2017-14
SAN DIEGO REGIONAL CHAMBER OF COMMERCE,
Respondent.

STIPULATION

THE PARTIES STIPULATE AS FOLLOWS:

1. Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer, implement, and enforce local governmental ethics laws contained in the San Diego Municipal Code [SDMC] relating to, among other things, the provisions of the Municipal Lobbying Ordinance, SDMC section 27.4001, et seq.

2. At all times mentioned herein, the San Diego Regional Chamber of Commerce [Chamber] was an organization lobbyist registered with the Office of the City Clerk. The Chamber is referred to herein as “Respondent.”
3. This Stipulation will be submitted for consideration by the Ethics Commission at its next scheduled meeting, and the agreements contained herein are contingent upon the approval of the Stipulation and the accompanying Decision and Order by the Ethics Commission.

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 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 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 agrees to hold the City of San Diego harmless from any and all claims or damages resulting from the Commission’s investigation, this stipulated agreement, or any matter reasonably related thereto.

7. 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.

8. 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.

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Summary of Law and Facts

9. The City’s Lobbying Ordinance requires organization lobbyists to file quarterly reports and disclose information regarding their lobbying and related activities, including the campaign contributions of $100 or more made by the organization or its sponsored committees, or any of its owners, compensated officers, or lobbyists, to any City candidates, committees primarily formed to support or oppose City candidates, candidate-controlled ballot measure committees, or candidate/officeholder professional expense committees. SDMC § 27.4017.

10. On April 28, 2016, Respondent registered as an organization lobbyist for the 2016 calendar year with the Office of the City Clerk.

11. On October 30, 2016, Respondent filed a disclosure report covering the period from July 1 through September 30, 2016. Respondent filed an amendment to this report on October 31, 2016. Neither the original nor the amended report identified the following three contributions made during the reporting period by the San Diego Regional Chamber of Commerce Political Action Committee [Chamber PAC] to two committees primarily formed to support City candidates:

(a) one $800 contribution to the Communities United for Tomorrow’s Economy supporting the 2016 re-election of Mayor Faulconer, sponsored by and with major funding from the Lincoln Club of San Diego County and the San Diego Regional Chamber of Commerce committee;

(b) two contributions totaling $100,000 to the San Diegans for Safe Neighborhoods Supporting Robert Hickey for City Attorney 2016 sponsored by and with major funding from the San Diego Regional Chamber of Commerce Political Action Committee and the Lincoln Club of San Diego County committee.

12. On January 31, 2017, Respondent filed a disclosure report covering the period from October 1 through December 31, 2016, that did not identify six contributions totaling $235,000 that the Chamber PAC made to San Diegans for Safe Neighborhoods Supporting Robert Hickey for City Attorney 2016 sponsored by and with major funding from the San Diego Regional
Chamber of Commerce Political Action Committee and the Lincoln Club of San Diego County committee.

13. On March 23, 2017, in response to a request from Commission staff, Respondent filed amendments to its 2016 third and fourth quarter reports to disclose the contributions made by the Chamber PAC referenced above in paragraphs 11 and 12.

Counts

Count 1 - Violation of SDMC section 27.4017

14. Respondent violated SDMC section 27.4017 by failing to disclose all of the information required by the City’s Lobbying Ordinance when it filed its 2016 third and fourth quarter disclosure reports. In particular, as described above in Paragraphs 11 and 12, Respondent failed to disclose the campaign contributions made by one of its sponsored committees to committees primarily formed to support City candidates.

Factors in Mitigation

15. Respondent fully cooperated with the Commission’s investigation.

16. The Chamber PAC timely filed campaign statements disclosing the contributions it made to the primarily formed committees referenced above in paragraphs 11 and 12. In addition, the primarily formed committees (which were also sponsored by Respondent) timely filed campaign disclosure reports disclosing the contributions received from the Chamber PAC, and properly identified Respondent as a committee sponsor and major donor on campaign advertisements disseminated to the public. These facts support Respondent’s representation that the failure to disclose the Chamber PAC contributions on lobbying disclosure reports was inadvertent and not an attempt to hide this information from the public.

Conclusion

17. Respondent agrees to take necessary and prudent precautions to ensure compliance with all provisions of the City’s Lobbying Ordinance in the future.

18. Respondent acknowledges that the Ethics Commission may impose increased fines in connection with any future violations of the City’s lobbying laws.
19. Respondent agrees to pay a fine in the amount of $5,000 for violating SDMC section 27.4017. This amount must be paid by check or money order made payable to the City Treasurer no later than May 5, 2017. The submitted payment will be held pending Commission approval of this Stipulation and execution of the Decision and Order portion set forth below.

DATED: __________________  ______________________________________________

Stacey Fulhorst, Petitioner
SAN DIEGO ETHICS COMMISSION

DATED: __________________  _______________________________________________

Michael Reynolds, Chief Financial Officer
SAN DIEGO REGIONAL CHAMBER OF COMMERCE

DECISION AND ORDER

The Ethics Commission considered the above Stipulation at its meeting on May 11, 2017. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pay a fine in the amount of $5,000.

DATED: __________________  Clyde Fuller, Chair
SAN DIEGO ETHICS COMMISSION