STIPULATION

THE PARTIES STIPULATE:

1. Petitioner Sharon Spivak is the Executive Director of the City of San Diego Ethics Commission (Ethics Commission). The Ethics Commission is charged with administering, implementing, and enforcing local governmental ethics laws 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 referenced in this Stipulation, Chelsea Investment Corporation was an organization lobbyist registered with the Office of the City Clerk. Chelsea Investment Corporation is referred to herein as “Respondent.”

3. This Stipulation will be submitted to the Ethics Commission for consideration at its next meeting. The agreements in this Stipulation are contingent upon the Ethics Commission’s approval of the Stipulation and the accompanying Decision and Order.
4. This Stipulation resolves all factual and legal issues raised in this matter by the Ethics Commission without the need for 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.

6. 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.

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

8. 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 regarding this or any other related matter.

9. The parties agree that if the Ethics Commission refuses to accept this Stipulation, it shall become null and void. Respondent further agrees that if 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 their prior consideration of this Stipulation.

Summary of Law and Facts

10. The City’s Lobbying Ordinance requires organization lobbyists to file quarterly reports disclosing information regarding their lobbying and related activities,
including reporting “any contributions totaling $100 or more made by the organization lobbyist or any of its owners, compensated officers, or lobbyists … to … (B) a candidate-controlled ballot measure committee …” (SDMC § 27.4017(b)(4), emphasis in original).

11. On January 18, 2022, Respondent registered as an organization lobbyist with the City Clerk for the 2022 calendar year.

12. On January 21, 2023, Respondent filed a disclosure report covering October 1 through December 31, 2022. This report did not identify a $25,000 contribution made on October 28, 2022, by Respondent to the Affordable Homes for San Diego lead [sic] by Chris Cate – Yes on Measure C committee (Measure C committee). The Measure C committee was a candidate-controlled ballot measure committee registered with the City Clerk.

13. On June 26, 2023, in response to a request from Commission staff, Respondent filed an amendment to its 2022 fourth-quarter report to disclose the contribution mentioned in paragraph 12.

Counts

Count 1 – Violation of SDMC Section 27.4017

14. Respondent violated SDMC section 27.4017 by failing to disclose all information required by the City’s Lobbying Ordinance when it filed its 2022 fourth-quarter disclosure report. In particular, as described above, Respondent failed to disclose its $25,000 contribution to a candidate-controlled ballot measure committee.

Factors in Aggravation

15. Respondent received two previous warnings – on December 6, 2021, and November 8, 2022 – for failing to report all contributions on its quarterly disclosure reports.

Conclusion

16. Respondent agrees to take necessary and prudent precautions to ensure compliance with all provisions of ECCO in the future.
17. Respondent acknowledges that the Ethics Commission may impose increased fines in connection with any future violations of the City’s campaign laws.

18. Respondent agrees to pay a fine in the amount of $1,000 for one violation of SDMC section 27.4017. Respondent will provide the Ethics Commission with a check payable to the City Treasurer totaling $1,000 on or before September 1, 2023. The check will be held pending Ethics Commission approval of this Stipulation and the execution of the Decision and Order portion set forth below.

DATED: ________________  ______________________________
Sharon Spivak, Petitioner
SAN DIEGO ETHICS COMMISSION

DATED: ________________  ______________________________
James J. Schmid, Chairman
CHELSEA INVESTMENT CORPORATION

DECISION AND ORDER

The Ethics Commission considered the above Stipulation at its August 17, 2023 meeting. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pay a fine in the amount of $1,000.

DATED: ________________  ______________________________
Caridad Sanchez, Chair
SAN DIEGO ETHICS COMMISSION