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City of San Diego Ethics Commission
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5 Petitioner

7 **BEFORE THE CITY OF SAN DIEGO**

8 **ETHICS COMMISSION**

9
10 In re the Matter of:) Case No.: 2017-14
11)
SAN DIEGO REGIONAL CHAMBER OF) **STIPULATION, DECISION, AND**
12) **ORDER**
COMMERCE,)
13 Respondent.)
14)
15)
16)

17 **STIPULATION**

18 **THE PARTIES STIPULATE AS FOLLOWS:**

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

24 2. At all times mentioned herein, the San Diego Regional Chamber of Commerce
25 [Chamber] was an organization lobbyist registered with the Office of the City Clerk. The
26 Chamber is referred to herein as “Respondent.”

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1 3. This Stipulation will be submitted for consideration by the Ethics Commission at its
2 next scheduled meeting, and the agreements contained herein are contingent upon the approval
3 of the Stipulation and the accompanying Decision and Order by the Ethics Commission.

4 4. This Stipulation resolves all factual and legal issues raised in this matter by the Ethics
5 Commission without the necessity of holding an administrative hearing to determine
6 Respondent's liability.

7 5. Respondent understands and knowingly and voluntarily waives any and all procedural
8 rights under the SDMC including, but not limited to, a determination of probable cause, the
9 issuance and receipt of an administrative complaint, the right to appear personally in any
10 administrative hearing held in this matter, the right to confront and cross-examine witnesses
11 testifying at the hearing, the right to subpoena witnesses to testify at the hearing, and the right to
12 have the Ethics Commission or an impartial hearing officer hear this matter. Respondent agrees
13 that the terms of this Stipulation constitute compliance with the provisions of SDMC section
14 26.0450 in that the Stipulation includes a recitation of facts, a reference to each violation, and an
15 order.

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

19 7. Respondent acknowledges that this Stipulation is not binding upon any other law
20 enforcement or government agency and does not preclude the Ethics Commission from referring
21 this matter to, cooperating with, or assisting any other law enforcement or government agency
22 with regard to this or any other related matter.

23 8. The parties agree that in the event the Ethics Commission refuses to accept this
24 Stipulation, it shall become null and void. Respondent further agrees that in the event the Ethics
25 Commission rejects the Stipulation and a full evidentiary hearing before the Ethics Commission
26 becomes necessary, no member of the Ethics Commission or its staff shall be disqualified
27 because of prior consideration of this Stipulation.

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1 **Summary of Law and Facts**

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

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

10 11. On October 30, 2016, Respondent filed a disclosure report covering the period from
11 July 1 through September 30, 2016. Respondent filed an amendment to this report on October
12 31, 2016. Neither the original nor the amended report identified the following three
13 contributions made during the reporting period by the San Diego Regional Chamber of
14 Commerce Political Action Committee [Chamber PAC] to two committees primarily formed to
15 support City candidates:

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

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

25 12. On January 31, 2017, Respondent filed a disclosure report covering the period from
26 October 1 through December 31, 2016, that did not identify six contributions totaling \$235,000
27 that the Chamber PAC made to San Diegans for Safe Neighborhoods Supporting Robert Hickey
28 for City Attorney 2016 sponsored by and with major funding from the San Diego Regional

1 Chamber of Commerce Political Action Committee and the Lincoln Club of San Diego County
2 committee.

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

6 **Counts**

7 **Count 1 - Violation of SDMC section 27.4017**

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

13 **Factors in Mitigation**

14 15. Respondent fully cooperated with the Commission's investigation.

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

23 **Conclusion**

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

26 18. Respondent acknowledges that the Ethics Commission may impose increased fines
27 in connection with any future violations of the City's lobbying laws.

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