
LOS ANGELES CITY ETHICS COMMISSION

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For Immediate Release:
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**CITY ETHICS COMMISSION DIRECTOR ISSUES PUBLIC ACCUSATION
FOR POLITICAL MONEY LAUNDERING IN 2001 AND 2003 CITY ELECTIONS**

**Probable Cause is Determined that Six Associates of Los Angeles Developer Mark Abrams
Made \$6,500 in “Assumed Name” Political Contributions in 2001 and 2003 Elections**

Los Angeles City Ethics Commission Executive Director LeeAnn Pelham announced today that there is probable cause to believe that six individuals formerly associated with Los Angeles Developer Mark Abrams violated City of Los Angeles campaign finance law in connection with the 2001 and 2003 City elections by making eight political contributions to three City candidates in those elections in their own names for which they were reimbursed by Abrams. In a public Accusation released today, Pelham charged that Nicole LaViolette, Clifford LaViolette, Lisa Staub, Kenneth Ray Stepp, John Gregory Van Orman, and Helen Van Orman violated City Charter section 470(k) when they made the reimbursed contributions in their own names to 2001 Mayoral candidate James Hahn (\$5,000); and to Sixth Council District candidate Tony Cardenas (\$1,000) and Fourteenth Council District candidate Nick Pacheco (\$500) in the 2003 primary election. The matter will now go to the City Ethics Commission pursuant to City Charter Section 706(c) to determine whether a violation occurred. Respondents are presumed innocent of any violation of City law, unless and until such time that the violation is determined by the Commission at a public hearing.

Making a contribution in the name of another person or under an assumed name is commonly referred to as political “money laundering.” City law prohibits money laundering because it circumvents the City’s campaign contribution limits – which are intended to prevent any person from exercising undue influence over candidates or elections -- and deprives the public of information about the true source of a candidate’s financial support.

According to City law, following a finding of probable cause the Executive Director must make a public announcement of the Accusation. The Commission determines then if a violation has occurred, and it

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is authorized to levy fines of up to \$5,000 for each violation or three times the amount that was unlawfully contributed, whichever is greater.

On February 8, 2005, the Commission determined at a public hearing that Abrams had violated, among other campaign finance laws, Charter section 470(k) by reimbursing 27 individuals for political contributions made in their own names to City candidates during the 2001 and 2003 elections, including those alleged in the Accusation being announced today. To date, 21 of the named individuals have admitted to being reimbursed by Abrams and have entered into stipulated settlements with the Commission for their violations.

The Commission and its staff may not comment on this matter until after a final determination has been made. For a copy of the Accusation, please contact the Commission at (213) 978-1960.

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