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LOS ANGELES CITY ETHICS COMMISSION

**N E W S**

*...preserving the public trust*

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For Immediate Release:

For Information:

Tuesday, March 14, 2006

David Tristan (213) 978-1960

**CITY ETHICS COMMISSION APPROVES \$256,771 IN PENALTIES FOR VIOLATIONS OF CITY CAMPAIGN REPORTING & FINANCE LAWS AND ENDORSES CONCEPT OF EXPANDED PUBLIC FINANCING FOR ALL CITY RACES**

**Former Councilman Martin Ludlow Fined \$105,271 for Plot to Receive Excess Campaign Funds from Union; Attorney Pierce O'Donnell Fined \$147,000 for Political Money Laundering**

At its monthly public meeting today, the Los Angeles City Ethics Commission approved 13 settlement agreements in connection with the 2001, 2002, and 2003 municipal elections involving City campaign reporting laws and contribution limits.

Among the fines approved today was a \$105,271.05 maximum penalty levied against former 10<sup>th</sup> District City Councilman Martin Ludlow, for coordinating with former Services Employees International Union Local 99 President Janett Humphries to steer \$32,490 in union funds to his 2003 election campaign and for paying one of his campaign workers \$2,600 in unreported cash salary. The penalty was part of a global settlement reached with the Commission, the Los Angeles District Attorney's Office, and the United States Attorney's Office, in which Ludlow also admitted to state and federal criminal charges arising from the violations.

The Commission also levied a \$147,000 fine against attorney Pierce O'Donnell for making \$25,500 in assumed name contributions to 2001 mayoral candidate James Hahn and failing to timely report a \$25,000 independent expenditure supporting Hahn during the 2001 elections -- violations for which O'Donnell was also criminally convicted in state court. In an unrelated series of enforcement actions, the Commission also levied fines totaling \$4,500 against nine individuals who were reimbursed for making political contributions to Sixth District City Council candidate Tony Cardenas in the 2002 special election.

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“Attempts to mislead the voters of Los Angeles by circumventing contribution limits and disclosure laws cannot and will not be tolerated,” said Commission President Gil Garcetti.

Commonly referred to as political money laundering, assumed name contributions circumvent contribution limits and hide the true source of a contribution, and are a violation of Los Angeles City Charter section 470(k).

All fines levied by the City Ethics Commission are paid to the City of Los Angeles General Fund. The stipulated settlements approved by the Commission resolve all factual and legal issues without holding an administrative hearing. Copies of the stipulations can be accessed at the *Agendas and Minutes* page on the Commission’s website at <http://ethics.lacity.org>.

In an unrelated policy decision the Commission, by a unanimous vote, endorsed the concept of full public financing for all City candidates. Specific timeframes and details about structuring the system will be discussed at the next regularly scheduled Commission meeting

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