
LOS ANGELES CITY ETHICS COMMISSION

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For Immediate Release:
Monday, June 20, 2005

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CITY ETHICS COMMISSION DIRECTOR ISSUES PUBLIC ACCUSATIONS IN THREE ADMINISTRATIVE ENFORCEMENT CASES

Los Angeles City Ethics Commission Executive Director LeeAnn Pelham today issued public accusations in three separate administrative enforcement cases, announcing that she found probable cause to believe that the violations of the City's campaign finance laws occurred in connection with two cases involving individuals and companies associated with Casden Properties, Inc., and a separate and unrelated case involving the 2001 campaign of Third District Councilmember Dennis Zine. According to City law, following a finding of probable cause the Executive Director must make a public announcement of an accusation. The Commission determines then if a violation has occurred, and it is authorized to levy fines of up to \$5,000 for each violation or three times the amount that was failed to be reported, or that was unlawfully contributed or expended, whichever is greater. As in all cases referred to the Commission for an administrative hearing, all 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.

The three cases that will now go to the City Ethics Commission pursuant to City Charter Section 706(c) for a determination regarding whether the violations occurred are:

- ***Acosta & Co. and Steven Acosta***

One accusation charges Acosta & Co., together with its owner, Steven Acosta, with 24 counts of violating the Los Angeles City Charter's campaign finance provisions, including 19 counts of financing and/or accepting reimbursement of \$12,000 in assumed name contributions to the 2001 campaigns of City Council candidate Jack Weiss and City Attorney candidate Rocky Delgadillo, and to the 2003 campaigns of City Council candidates Wendy Greuel and Greig Smith, and five related counts of excess contributions resulting from those reimbursements. Steven Acosta is also charged with 14 counts of violating Charter Section 706 by aiding and abetting Acosta & Co. in making laundered and excess contributions in violation of Charter Sections 470(c)(3),(4),(6) and (k).

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- ***Design Masonry and Randall Carpenter, Ira Aboulafia and Scott Floyd***

In a separate accusation, Design Masonry and its owner, Randall Carpenter, along with two Design Masonry employees, Ira Aboulafia and Scott Floyd, were together charged with seven counts of financing and/or accepting the reimbursement of \$3,000 in assumed name contributions to 2001 campaigns of Mayoral candidate Kathleen Connell and City Council candidate Jack Weiss, in violation of Charter Section 470(k); with two counts of excess contributions stemming from those reimbursements; and seven counts of aiding and abetting Design Masonry in making laundered and excess contributions in violation of Charter Sections 470(c)(3)(4) and (k).

Commonly known as political money laundering, assumed name contributions are a violation of Los Angeles City Charter Section 470(k). 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.

- ***Dennis Zine, Treasurer Kinde Durkee, and 2001 Zine Council Campaign Committees***

In a third, separate and unrelated accusation issued today that arose in connection with Commission's mandatory campaign audits, Pelham also announced probable cause to believe that Third District Councilmember Dennis Zine, his 2001 campaign treasurer, Kinde Durkee, and his 2001 primary and runoff election campaigns failed to comply with City campaign finance laws in 23 instances, including the acceptance of seven sets of contributions totaling \$4,191.40, in excess of the \$500 per person contribution limit set by Charter Section 470(c)(3), and 16 requests for \$2,415 in public matching funds for contributions that had already been matched in violation of Los Angeles Municipal Code ("LAMC") Section 49.7.20, or were ineligible for matching, in violation of Los Angeles Administrative Code ("LAAC") Section 24.5(l).

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City law allows City Council candidates to qualify to receive a limited amount of public matching funds for certain small, individual contributions they raise, on a dollar for dollar basis, up to a maximum of \$250 per contributor. Candidates may not request duplicate public matching funds claims for previously matched contributions and the City's administrative code prohibits matching funds requests for any portion of a contribution that is returned to or not paid by the contributor.

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

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