
LOS ANGELES CITY ETHICS COMMISSION

N E W S

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**CITY ETHICS COMMISSION FINES LEVIED
IN TWO MONEY LAUNDERING SCHEMES REACH \$736,000**

Number of Individuals and Businesses Held Accountable Now Totals 112

At its monthly public meeting today, the Los Angeles City Ethics Commission unanimously approved 15 additional settlement agreements in connection with two separate money laundering schemes from the 2001 and 2003 municipal elections involving companies and individuals associated with Casden Properties, Inc., or real estate developer Mark Abrams, bringing the total fines levied to date against 112 affiliated individuals and businesses to \$736,615. 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).

“The board’s unanimous actions today are an important reminder that the Commission will be vigilant in upholding contribution limits and the integrity of City elections,” said Commission Vice President Dale Bonner, who presided at today’s meeting.

In approving the proposed settlements today, the Commission levied fines totaling \$147,000 in 13 cases involving companies and individuals associated with Casden Properties, including an \$89,000 fine against Freedom Painting and Lundgren Painting and their owner Gerald Lundgren. In two other cases, the Commission fined two individuals associated with Mark Abrams \$1,000 for their part in acting as conduits for laundered funds.

In separate enforcement actions today, the Commission also approved four stipulations involving the 2001 mayoral campaigns of Kathleen Connell, Xavier Becerra, Steven Soboroff, and Joel Wachs, resulting in payments totaling \$33,179 for various violations of City campaign laws, including the receipt of excess contributions, failure to provide campaign literature for public view during the campaign as required by City law, and/or failure to return excess public matching funds. The Commission also agreed to refer three other

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cases to an outside hearing officer as permitted in the agency's enforcement regulations for a hearing on the evidence and a recommendation for the Commission's consideration and action at a future public meeting.

The levied fines 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>.

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