
LOS ANGELES CITY ETHICS COMMISSION

N E W S

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**CITY ETHICS COMMISSION DIRECTOR ISSUES PUBLIC ACCUSATION
FOR POLITICAL MONEY LAUNDERING IN 2001 CITY ELECTIONS**

Los Angeles City Ethics Commission Executive Director LeeAnn Pelham announced today that there is probable cause to believe that Desert Roofing, Inc., a company associated with Casden Properties, Inc., and its owners Gerard (“Jerry”) and Judy Hein, violated City of Los Angeles campaign finance law in connection with the 2001 City elections by making, reimbursing and/or aiding and abetting six “assumed name” contributions totaling \$5,500 to the 2001 campaigns of Mayoral candidate Kathleen Connell and Fifth Council District candidate Jack Weiss. According to the Accusation, Desert Roofing financed the reimbursement of the contributions, and the Heins solicited contributions from others with the promise of reimbursement and/or arranged or delivered the reimbursed funds, including reimbursements for their own contributions. The matter will now go to the City Ethics Commission pursuant to City Charter Section 706(c) to determine whether a violation occurred. As in all cases referred to the Commission for an administrative hearing, the 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.

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.

According to City law, following a finding of probable cause the Executive Director must make a public announcement of the Accusation. The Commission determines 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 unlawfully contributed, whichever is greater.

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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