
LOS ANGELES CITY ETHICS COMMISSION

N E W S

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For Information Contact:
(213) 978-1960

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

**Probable Cause is Determined That Los Angeles Developer Mark Abrams
Laundered \$28,500 in Political Funds Through Other Individuals and Controlled Entities,
Making \$125,500 in Excess Contributions**

Los Angeles City Ethics Commission Executive Director LeeAnn Pelham announced today that there is probable cause to believe that Mark Abrams, a Los Angeles developer, committed 48 violations of City of Los Angeles campaign finance law in connection with the 2001 and 2003 City elections by making 39 contributions in the names of 28 individuals, associates, employees and others, and making 37 contributions through 15 entities he controlled, to four City candidates in those elections, including then Mayoral candidate James Hahn, Sixth District Council candidate Tony Cardenas, Fourteenth District Council candidate Nick Pacheco and City Attorney candidate Mike Feuer. According to the Accusation, as the true source of these contributions, Abrams is charged with giving a total of \$125,500 in excess of the City's contribution limits which includes \$28,500 in political contributions made in the names of others. In addition, Abrams was charged with soliciting and receiving a \$25,000 contribution, in excess of the \$500 limit established by the City Charter, in the 2001 Mayoral runoff election to make an independent expenditure supporting James Hahn. The matter will now go to the City Ethics Commission pursuant to City Charter Section 706(c) to determine whether a violation occurred. Mr. Abrams is 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

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candidate's financial support. City law also limits contributions to a candidate for the Citywide offices of Mayor and City Attorney to \$1,000 per person, per election, and it restricts contributions to a City Council candidate to \$500 per person per election. Additionally, City law places an aggregate limit on the amount of contributions a person may make to all City candidates combined per election. For the 2001 primary election that limit was \$7,000 per person, while for the 2001 runoff it was \$4,500. In the 2003 primary election that limit was \$3,500 per person.

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 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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