
LOS ANGELES CITY ETHICS COMMISSION

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

Probable cause exists to believe that Christina Diaz Lopez (aka Christina Diaz) committed seven violations of City campaign finance law during the 2001 special election by making \$2,500 in “assumed name” contributions to the Tony Cardenas campaign in the Second Council District, the Executive Director of the Los Angeles City Ethics Commission announced today. In a public accusation released today, Executive Director LeeAnn Pelham charges that Christina Diaz Lopez (aka Christina Diaz) violated City Charter section 470(k) when she directed and reimbursed five political contributions made in the names of others. The Accusation additionally charges Diaz Lopez with exceeding the City's contribution limits as a result of these reimbursed contributions and contributions made in the name of her company, the San Fernando Beauty Academy. The matter will now go to the Ethics Commission to determine whether a violation occurred. Christina Diaz Lopez (aka Christina Diaz) is presumed innocent of any violation of City law, unless and until such time that the violation is proved in an administrative hearing held pursuant to City Charter Section 706(c).

The City Charter limits contributions to a candidate for City Council 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 in any election cycle. That limit was \$1,000 for the 2001 special primary and general elections. 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 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. A public evidentiary hearing by the Commission must then be held to determine if a violation has occurred. The Commission may 1) conduct its own hearing, 2) hear the matter itself with a hearing officer presiding or 3) refer the matter to an outside hearing officer. If the Commission determines that a violation has occurred, the maximum penalty that can be levied is \$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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