
LOS ANGELES CITY ETHICS COMMISSION

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LOS ANGELES CITY ETHICS COMMISSION ISSUES PUBLIC ACCUSATION FOR CAMPAIGN VIOLATION

Director Finds Probable Cause that the Contribution Limit was Exceeded in the 2001 Mayor's Race

Los Angeles City Ethics Commission Executive Director LeeAnn M. Pelham announced today that there is probable cause to believe that Albert H. Gersten II and his business GC Enterprises violated City of Los Angeles campaign finance law by making contributions in excess of the legal limit to Mayor James Hahn's 2001 election campaign. The [accusation charges](#) that Mr. Gersten violated the contribution limit when he contributed the maximum aggregate \$7,000 contribution limit from personal funds to the Hahn campaign and later made another contribution of \$7,000 drawn from the account of GC Enterprises, a partnership. Mr. Gersten owns more than 33 percent of GC Enterprises and therefore, under applicable law these contributions are treated as having come from the same source. The matter will now go to the Ethics Commission for an administrative hearing to determine if a violation occurred. Mr. Gersten 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).

City law limits contributions to a candidate for Mayor to \$1,000 per person, per election. As was the case in the 2001 Mayoral election, however, when a candidate uses significant amounts of personal funds in his or her campaign, City law allows for the temporary lifting of this limit for the other candidates in the race. Additionally, there is an aggregate limit on the amount of contributions a person may make to all candidates combined per election, which was \$7,000 for the 2001 general election.

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 a 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) 978-1976.

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