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# LOS ANGELES CITY ETHICS COMMISSION

## N E W S

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**For Immediate Release:**  
**Thursday, February 25, 2010**

**For Information Contact:**  
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### **CITY ETHICS COMMISSION DIRECTOR ISSUES PUBLIC ACCUSATION**

#### **FOR POLITICAL MONEY LAUNDERING AND EXCESS CONTRIBUTIONS IN 2007 ELECTION**

According to a public accusation issued today by the Executive Director of the Los Angeles City Ethics Commission, probable cause exists to believe that Rox Consulting Group, Inc. and six individuals affiliated with the company violated City campaign finance law in 55 instances during the 2007 election cycle, by making, causing, or aiding and abetting “assumed name” contributions to the campaign and officeholder committees of Councilmember Tony Cardenas.

The public accusation released today charged Rox Consulting Group, Inc. with violating City Charter section 470(k) when it directed and reimbursed 13 political contributions made in the names of others and violated Charter sections 470(c)(3) and (c)(6) and LAMC section 49.7.12(A)(4)(b) by making contributions in excess of the City’s contribution limits.

The Accusation also charged David Golkar and Shadi Dejamkhooy with 24 counts of causing or aiding and abetting assumed name contributions by soliciting contributions with the promise of reimbursement, arranging for reimbursement, and causing Rox Consulting Group, Inc. funds to be used to reimburse ten individuals for political contributions made in their names to the Councilman Cardenas Committee and Tony Cardenas Officeholder committee in violation of Charter section 470(k). In addition, the Accusation charged Golkar and Dejamkhooy with six counts of causing excess contributions to the Cardenas committees, in violation of Charter sections 470(c)(3) and (c)(6) and LAMC section 49.7.12(A)(4)(b), as a result of the reimbursed contributions. Dejamkhooy is also charged with two counts of serving as a conduit for assumed name contributions, in violation of Charter section 470(k), for two contributions she made in her own name for which Rox Consulting Group, Inc. reimbursed her.

Additionally, the Accusation charged Mohamed Iman, Richard Manuck, Alireza Tamadon, and Dung Chi Tran, with seven counts of serving as conduits for assumed name contributions in violation of Charter section 470(k) for the contributions they made to the Councilman Cardenas Committee and Tony Cardenas Officeholder committee in their own names, or in the name of a spouse, for which Rox Consulting Group, Inc. reimbursed them. Iman and Tran have entered into proposed settlement agreements with the Ethics Commission which would resolve their personal liability for those violations, if approved by the Commission’s five member board. Staff will present those stipulated settlement agreements for consideration at the board’s next regularly scheduled meeting on March 9, 2010.

The City Charter limits contributions to a candidate for City Council to \$500 per person, per election and the Los Angeles Municipal Code limits contributions to a Councilmember’s officeholder committee to \$500 per fiscal year. Additionally, City law places an aggregate limit on the amount of contributions a person may make to all City

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candidates in any election cycle. That limit was \$4,000 for the 2007 primary election. 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. Under the City Charter, the Commission then has the responsibility to determine whether the alleged violations occurred, and, if so, what penalty should apply. A public evidentiary hearing by the Commission must 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.

The charges go now to the Ethics Commission board for a procedural determination about how it will choose to hear the matter. Rox Consulting Group, Inc. and the six named individuals are 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). 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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