
LOS ANGELES CITY ETHICS COMMISSION

N E W S

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ENFORCEMENT ACTIONS ARE FOCUS OF COMMISSION'S JANUARY MEETING

Agency Extends Application of Infractions and Disgorgement Policies

Engineers and Architects Association Civic Betterment Association Fined \$10,000 for Independent Expenditure Reporting Violations

The Los Angeles City Ethics Commission today unanimously voted to extend two current policies that provide alternatives to traditional enforcement under certain limited circumstances after determining that the policies have encouraged greater compliance with the City's contribution limits. In effect since September 2004, the Commission's Disgorgement Policy allows committees additional time to identify and correct mistakenly accepted excess contributions. Since March 2005, the Commission's Infractions Policy allows eligible respondents to enter into a public settlement admitting their violation with no fine levied. The Commission's action today stemmed from its routine review of its enforcement program late last Fall.

"Extension of these policies to all recipient committees reflects the Ethics Commission's continued commitment to efficient enforcement that is measured, fair and effective," said the Commission's President, Helen E. Zukin.

Under the Commission's Disgorgement Policy, committees are provided a "curing" period in which they can return or refund to a donor any contribution received in excess of the per person contribution limits established by Charter Section 470(c)(3) and (c)(4). Once properly disgorged, contributions appear on candidates' final audit reports, but are not the subject of enforcement actions for either the contributor or candidate. The Infractions Policy was developed to address the concern that the standard enforcement process, including issuance of a fine, was an inequitable response to first-time excess contributors and to those committees whose violations represented a very small percentage of the total amount of money they had raised. These policies will now be extended to school board candidates' committees, which are subject to contribution limits under Charter Section 803(b), and to Officeholder Accounts, allowing elective City officials to disgorge contributions in excess of Los Angeles Municipal Code Sections 49.7.12(A)(4)(a) and (b) \$500 and \$1000 limits respectively. They also will apply to committees engaged in non-candidate

spending allowing them to disgorge contributions in excess of the \$500 per person per calendar year limit established by Charter Section 470(c)(5) and LAMC Section 49.7.24.

In a separate action today, the Commission levied a \$10,000 fine against the Engineers and Architects Association Civic Betterment Association for various independent expenditure disclosure violations after considering a recommendation from a hearing officer in that case against (*CEC Case No. 2008-21*). It also levied a \$500 fine against a contributor to the “Ballona Wetlands Committee to Stop Playa Vista,” a committee that raised funds to make independent expenditures to support candidates in the City’s 2005 General Election. City Charter Section 470(c)(5) prohibits any person from contributing more than \$500 per calendar year to any committee, other than a candidate controlled committee, that supports or opposes any candidate for Mayor, City Attorney, Controller, or City Council.

For more information about the items considered today by the City Ethics Commission, visit the Commission’s website at <http://ethics.lacity.org/> or contact the Commission at (213) 978-1960.

The City Ethics Commission is a semi-independent agency created by Los Angeles voters in 1990 to impartially administer and enforce the governmental ethics, campaign finance, and lobbying laws of the City of Los Angeles. With a staff of 24 and an operating budget of \$2.1 million, the Commission conducts training, provides advice, audits political campaigns, and makes legislative recommendations. It also is authorized by the voters to conduct investigations and levy administrative penalties against violators of the laws under its jurisdiction.