
LOS ANGELES CITY ETHICS COMMISSION

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**TWO ENFORCEMENT CASES ALLEGING INDEPENDENT EXPENDITURE VIOLATIONS
MOVE CLOSER TO FULL ADMINISTRATIVE HEARINGS**

Excess Contribution and Public Disclosure Provisions of City Law at Issue in Accusations Released Today

In two unrelated enforcement cases announced publicly today, the Executive Director of the Los Angeles City Ethics Commission issued separate Accusations alleging that there is probable cause to believe that the City's contribution limits and provisions requiring disclaimers and disclosures on independent expenditures were violated during the 2005 Primary election by the Ballona Wetlands Committee to Stop Playa Vista and its Treasurer, and by the Amalgamated Transit Union 1277 PAC. The Accusations were announced today following a finding of probable cause in each case by the Commission's Director, LeeAnn Pelham, according to public disclosure procedures required by City law. Both matters will now go to the agency's five-member Ethics Commission for administrative hearings to determine if the violations occurred.

Pelham's Accusation in the Ballona Wetlands Committee to Stop Playa Vista matter charges that committee and its Treasurer, Paul Herzog, with accepting eight contributions in the 2005 Primary municipal election in excess of the \$500 limit established by the Los Angeles City Charter in violation of Charter Section 470(c)(5) and LAMC Section 49.7.24. Los Angeles City Charter Section 470(c)(5) limits contributions from any person to a non-candidate controlled committee supporting or opposing any candidate for Mayor, City Attorney, Controller, or City Council to \$500 per calendar year, and prohibits a non-candidate controlled committee supporting a City candidate from accepting any contribution greater than \$500 from a single person in any calendar year. Los Angeles Municipal Code Section 49.7.24 prohibits any committee that makes independent expenditures supporting or opposing a City candidate from accepting any contribution in excess of the amounts set forth in Charter Section 470(c)(5). Charges detailed in the Accusation also allege the following violations:

- Failure to report an independent expenditure payment of \$3,000 within 24 hours of it being made, in violation of Los Angeles Municipal Code Section 49.7.26(A).

- Failure, in 15 instances, to include a disclaimer in its independent expenditure communications that the communications were not authorized by a candidate or candidate-controlled committee. During the 2005 elections, any person who made independent expenditures to support or oppose a city candidate was required by City Charter §470(l) to clearly indicate on any material published, displayed or broadcast that it was not authorized by a candidate or candidate's committee.

In the unrelated Amalgamated Transit Union 1277 PAC case, the Accusation alleges that the PAC violated the City's independent expenditure disclaimer and disclosure laws in seven instances in connection with the PAC's 2005 municipal election activities. The Accusation charges that the PAC failed, in six instances, to include in its independent expenditure communications the disclaimer required by Charter Section §470(l) that the communications were not authorized by a City candidate or a candidate controlled-committee. The Association is also charged with failing to disclose its full committee name in voter communications, as required by Los Angeles Municipal Code §49.7.26.3 (B).

In both matters, the Ethics Commission will now be asked procedurally to 1) conduct its own administrative hearing, 2) hear the matters itself with an administrative hearing officer presiding, or 3) refer the matters to an administrative hearing officer for a preliminary recommendation that will then be considered by the full Commission. City Charter Section 706(c) authorizes the Commission to levy fines of up to \$5,000 for each violation or three times the amount improperly reported, unlawfully contributed, expended, given, or received, whichever is greater.

As in all cases referred to the Commission for an administrative hearing, the respondents 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 Charter Section 706 (c).

The Commission and its staff may not comment on this matter until after a final determination has been made. A copy of the Accusation can be obtained by calling 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 \$2.2 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. More information on the Commission and its mandate is available at <http://ethics.lacity.org>