

SERGIO PEREZ
Director of Enforcement
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles CA 90012
(213) 978-1960

Complainant

BEFORE THE LOS ANGELES CITY ETHICS COMMISSION

In the Matter of:

Case No. 2015-05

LOS ANGELES ALLIANCE FOR A NEW
ECONOMY;

STIPULATION AND ORDER

Respondents.

The complainant, Sergio Perez, Director of Enforcement of the Los Angeles City Ethics Commission (the Ethics Commission), and Los Angeles Alliance for a New Economy (the Respondent) agree to the following:

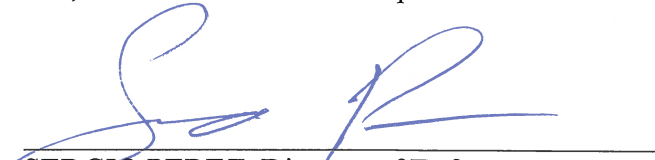
1. This stipulation will be submitted to the members of the Ethics Commission for consideration at their next meeting.
2. If approved by the Ethics Commission members, this stipulation and the accompanying order will be the final disposition of this matter with respect to the Respondent.
3. The Respondent understands and knowingly and voluntarily waives all procedural rights under Los Angeles City Charter §§ 706 and 709 and Los Angeles Administrative Code §§ 24.26 and 24.27. These rights include but are not limited to receiving an accusation, having the Ethics Commission members or an impartial administrative law judge hear the matter, personally appearing at an administrative hearing, confronting and cross-examining witnesses testifying at a hearing, and subpoenaing witnesses to testify at a hearing.
4. The Respondent understands and knowingly and voluntarily waives all rights to seek judicial review of any action by the Ethics Commission on this matter.
5. The exhibit that is attached and incorporated by reference is a true and accurate summary of the facts in this matter. The Respondent violated City law as described in the Exhibit.

6. The Respondent will pay a total penalty in the amount of **\$30,000**. The payment will be held by the Ethics Commission staff until the Ethics Commission members issue the order in this matter. All payments will be made in the form of a cashier's check payable to the "General Fund of the City of Los Angeles."


7. If the Ethics Commission members refuse to accept this stipulation, it will become null and void. Within ten business days after the Ethics Commission meeting at which the stipulation is rejected, the Ethics Commission staff will return all payments tendered by Respondent in connection with this stipulation.

8. If the Ethics Commission members reject the stipulation and a full evidentiary hearing becomes necessary, the stipulation and all references to it are inadmissible, and the Ethics Commission members, executive director, and staff will not be disqualified because of prior consideration of this stipulation.

DATED: January 25, 2016


SERGIO PEREZ, Director of Enforcement
Los Angeles City Ethics Commission
Complainant

DATED: 1/22/16


LOS ANGELES ALLIANCE FOR A NEW
ECONOMY
Respondent


ROXANA TYNAN
(Print Name)

EXECUTIVE DIRECTOR
Title

ORDER

The Los Angeles City Ethics Commission considered the stipulation in Case No. 2015-05 at its meeting on 2/16/16. The members of the Ethics Commission approved the stipulation and order Los Angeles Alliance for a New Economy to pay a fine of **\$30,000** to the City of Los Angeles in accordance with the terms of the stipulation.

DATED: 2/16/16



Jessica A. Levinson, President
Los Angeles City Ethics Commission

EXHIBIT

I. INTRODUCTION

On December 19, 2014, Ethics Commission staff received a complaint alleging that Los Angeles Alliance for a New Economy (LAANE), a non-profit Section 501(c)(3) organization, was engaged in unreported lobbying activities. Enforcement staff conducted an investigation and determined that LAANE properly registered with the Ethics Commission as a lobbyist employer but filed inaccurate and incomplete disclosure reports from the fourth quarter of 2011 through the third quarter of 2014.

LAANE, which is represented by counsel in this matter, admits that it violated the Municipal Lobbying Ordinance (MLO) by failing to fully and accurately disclose its lobbying activities within the City of Los Angeles.

II. APPLICABLE LAW

Lobbying in the City and the disclosure of lobbying activities is governed by the MLO (Los Angeles Municipal Code (LAMC) §§ 48.01 *et seq.*).

A lobbyist employer is an entity that employs a lobbyist in-house to lobby on its own behalf. LAMC § 48.02. Lobbyist employers must file quarterly disclosure reports with the Ethics Commission for every calendar quarter during which they employ City lobbyists. LAMC § 48.08(A)(1). Their quarterly reports must include, among other things, total expenses incurred in connection with their attempts to influence municipal legislation and a description of each item of municipal legislation that they attempted to influence. LAMC §§ 48.08(D)(5)–(6). Municipal legislation is, essentially, any substantive legislative or administrative matter that is proposed or pending before a City agency. LAMC § 48.02.

The requirement that lobbying entities disclose their lobbying activities is borne out of the public's interest in identifying "interests which attempt to influence decisions of City government, as well as the means employed by those interests." LAMC § 48.01(B). This transparency helps to ensure both the integrity of City government and the public's confidence. Inaccurate or incomplete reporting circumvents these important goals.

III. FACTS

Beginning in 2007, LAANE registered as a lobbyist employer with the City and filed mandatory quarterly disclosure reports attesting to its lobbying activities. After receiving a complaint alleging that LAANE engaged in undisclosed lobbying activities, Enforcement staff reviewed LAANE's quarterly reports and contacted LAANE to request information necessary to assess the validity of the filings. LAANE was already aware of the issue, and had undertaken an internal review of its filings prior to being contacted by the Commission. LAANE provided staff with documents and information detailing its activities during the relevant period, and filed amendments to its quarterly disclosure reports.

Based on the information and amended reports provided by LAANE, enforcement staff identified inaccuracies in each of LAANE's original quarterly reports for the relevant period. From the fourth quarter of 2011 through the third quarter of 2014, LAANE directed in-house lobbyists to communicate with City officials to support various goals and spent resources to further these efforts. However, LAANE's quarterly reports for the period did not accurately identify either the issues on which LAANE lobbied City officials and agencies or the amount of money it spent to support its lobbying activities. Specifically, LAANE's quarterly reports did not disclose the following:

- 2011: LAANE spent \$16,179.64 to support lobbying efforts for the fourth quarter of the year. LAANE originally reported zero expenditures and did not identify the issues on which it lobbied.
- 2012: LAANE spent \$96,763.96 to support lobbying efforts throughout the year. LAANE originally reported zero expenditures and did not identify the issues on which it lobbied.
- 2013: LAANE spent \$34,332.89 to support its lobbying efforts throughout the year. LAANE originally reported zero expenditures and did not identify the issues on which it lobbied.
- 2014: LAANE spent \$28,425.38 to support its lobbying efforts for the first three quarters of the year. LAANE originally reported zero expenditures for those quarters and did not identify the issues on which it lobbied.

LAANE's amended quarterly reports corrected these inaccuracies. A summary of LAANE's original and amended quarterly reports from the fourth quarter of 2011 through the third quarter of 2014 is included as Attachment A.

IV. VIOLATIONS

LAANE admits that it violated LAMC § 48.08(D) by not accurately disclosing its lobbying activities, as follows:

COUNTS 1 – 12: INACCURATE QUARTERLY REPORTS

COUNT 1: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the fourth quarter of 2011. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$16,179.64.

COUNT 2: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the first quarter of 2012. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$36,787.57.

COUNT 3: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the second quarter of 2012. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$36,987.25.

COUNT 4: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the third quarter of 2012. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$16,412.43.

COUNT 5: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the fourth quarter of 2012. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$6,576.71.

COUNT 6: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the first quarter of 2013. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$6,291.95.

COUNT 7: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the second quarter of 2013. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$11,124.50.

COUNT 8: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the third quarter of 2013. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$11,029.58.

COUNT 9: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the fourth quarter of 2013. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$5,886.86.

COUNT 10: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the first quarter of 2014. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$9,182.58.

COUNT 11: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the second quarter of 2014. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$10,475.48.

COUNT 12: LAANE violated LAMC § 48.08(D) by filing an inaccurate quarterly report for the third quarter of 2014. LAANE originally reported zero expenses and did not identify any of the matters upon which it lobbied. During the period, LAANE actually spent \$8,767.32.

V. PENALTY

Los Angeles City Charter § 706(c)(3) establishes the penalty formula for administrative actions taken by the Ethics Commission. The maximum penalty is the greater of \$5,000 for each violation or three times the amount that was improperly reported, contributed, spent, given, or received. In this case, the maximum charged penalty is \$60,000 (\$5,000 x 12 counts).

The Ethics Commission is required to consider all relevant circumstances before assessing penalties. Los Angeles Administrative Code § 24.27(f)(3(A). In proposing the penalty in this case, Ethics Commission staff noted the following mitigating circumstances: (1) LAANE fully cooperated with Ethics Commission staff; (2) LAANE contends that the inaccurate reports resulted from a misunderstanding of its reporting requirements, and enforcement staff found no evidence to the contrary; (3) LAANE saved significant Ethics Commission resources by entering into this stipulated settlement at an early stage in the investigation, prior to the preparation of a probable cause report; (4) LAANE has no prior enforcement history with the Ethics Commission.

Based on the specific facts and mitigating factors in this case, staff proposes a \$30,000 penalty. This penalty equals 50 percent of the maximum charge of \$60,000 and is intended to reflect the serious nature of the violations while fostering cooperation with Ethics Commission investigations and the early resolution of violations.

ATTACHMENT A

EXHIBIT IN SUPPORT OF STIPULATION AND ORDER

Case No. 2015-05 (Los Angeles Alliance for a New Economy)

SUMMARY OF QUARTERLY LOBBYING REPORTS
Filed by Los Angeles Alliance for a New Economy
2011 – 2014

Count	Reporting Period	Original Filing		Amended Filing	
		Expenditures	Matters Lobbied	Expenditures	Matters Lobbied
1	2011 <i>4th Quarter</i>	\$0	None	\$16,179.64	Argyle Hotel Construction Job- Training Energy Efficiency Grocery Store Approval Project Labor Agreement
2	2012 <i>1st Quarter</i>	\$0	None	\$36,787.57	Argyle Hotel Construction Job- Training Energy Efficiency Farmer's Field Food for Less Tax Grocery Store Approval Hotel Minimum Wage Project Labor Agreement Village at Topanga Waste Franchise
3	2012 <i>2nd Quarter</i>	\$0	None	\$36,987.25	Chinatown Walmart Construction Job- Training Cornfields Arroyo Seco Courtyard by Marriott Energy Efficiency Farmer's Field Grocery Store Approval Hotel Minimum Wage Project Labor Agreement Waste Franchise
4	2012 <i>3rd Quarter</i>	\$0	None	\$16,412.43	Chinatown Walmart Cornfields Arroyo Seco Energy Efficiency Farmer's Field Grocery Store Approval Hotel Minimum Wage Local Food Procurement University Village Waste Franchise

Count	Reporting Period	Original Filing		Amended Filing	
		Expenditures	Matters Lobbied	Expenditures	Matters Lobbied
5	2012 <i>4th Quarter</i>	\$0	None	\$6,576.71	Chinatown Walmart Energy Efficiency Hotel Minimum Wage University Village Village at Topanga Waste Franchise
6	2013 <i>1st Quarter</i>	\$0	None	\$6,291.95	Century City Center Clark Hotel Community Market Conversions Energy Efficiency Hotel Minimum Wage Plastic Bag Ban Village at Topanga Waste Franchise
7	2013 <i>2nd Quarter</i>	\$0	None	\$11,124.50	Clean Up Green Up Energy Efficiency Hotel Minimum Wage Millennium Hotel Plastic Bag Ban Waste Franchise
8	2013 <i>3rd Quarter</i>	\$0	None	\$11,029.58	Economic Development Department Energy Efficiency Hotel Minimum Wage Millennium Hotel Waste Franchise
9	2013 <i>4th Quarter</i>	\$0	None	\$5,886.86	Energy Efficiency Hotel Minimum Wage Waste Franchise
10	2014 <i>1st Quarter</i>	\$0	None	\$9,182.58	Ban the Box Energy Efficiency Hotel Minimum Wage Waste Franchise
11	2014 <i>2nd Quarter</i>	\$0	None	\$10,475.48	Energy Efficiency Hotel Minimum Wage Street Vendor Ordinance Waste Franchise

Count	Reporting Period	Original Filing		Amended Filing	
		Expenditures	Matters Lobbied	Expenditures	Matters Lobbied
12	2014 <i>3rd Quarter</i>	\$0	None	\$8,767.32	CRA Boomerang Funds Energy Efficiency Harbor Superstore Hotel Minimum Wage Metropolis Hotel Waste Franchise