

Mainardi, Jesse (ETH)

From: LARRY BUSH <sfwtrail@mac.com>
Sent: Monday, February 16, 2015 1:31 PM
To: St.Croix, John; Mainardi, Jesse (ETH); Benedict Y. Hur; Paul Renne; Peter Keane
Subject: FPPC action Feb. 19

President Hur, Commissioners, Staff

(Please share with all commissioners and make available publicly)

To date, the Ethics Commission staff has not provided public information to the Commission or others of important FPPC actions related to San Francisco's laws and enforcement.

In the interim, I will provide my own edited and annotated version based on their agenda. The current agenda is for their February 19 meeting:<http://www.fppc.ca.gov/agenda.php?view=current>

1. Archway Properties earlier was found to have laundered funds into the mayoral campaigns of Ed Lee and Phil Ting and was required to pay a fine of \$40,000. In addition, state law (and SF law) requires that campaigns that received laundered funds turn the money over to the state. The FPPC informs that the Phil Ting campaign now has paid into the state the amount of laundered funds it received. (Note: there is no mention that the Ed Lee campaign has turned over to the state the funds it received, nor is there a record that SF Ethics Commission has ever enforced this provision of SF law as the FPPC does at the state level. This remains an issue in considering appointment of a Commission Secretary).

2. Nicholas Josefowitz was fined \$692 for failing to file a Major Donor form for January 1, 2012-December 31, 2012. During the year, he contributed a total of \$29,225 including \$10,000 to the Mayor Ed Lee for San Francisco Committee, a general purpose committee that the mayor uses to bundle contributions otherwise prohibited and in amounts larger than the law otherwise permits. Josefowitz was elected to the BART Board in November 2014. Lee endorsed Josefowitz' opponent, James Fang, in that contest.

2. The FPPC proposes a new regulation regarding lobbyists contributions ending the exemption for use of a private home or office for fundraising without reporting the expense. Current rules exempt the fair costs of the use of a home or office for a fundraiser by a lobbyist, who otherwise are prohibited from contributing. The proposed rule eliminates the exemption. The value counts as a contribution, and the host can not be reimbursed for the cost to avoid reprint or facing the law's ban. The regulation applies as well if the host involves a firm that is owned in whole or in part by a lobbyist, and the lobbyist participates in the decision to contribute. (SF Ethics will take up the issue of a ban on lobbyist contributions at its February meeting, making this rule change directly relevant to that consideration).

3. SB 21 (Hill) was introduced on December 1, 2014 regarding gifts of travel by nonprofits to require that they disclose the names of donors responsible for funding the payments. The proposed law also applies to local elected officials (SF officials travel is often paid by nonprofits such as the Ron Conway Family Foundation).

4. In advice letters, the FPPC opines that discounted or free office rent for a district office that is not a government source is a "behest" payment and must be reported. In a second advice letter, the FPPC opines that an appointee to a state board must disqualify herself in a decision that affects her private employer, and that in some instances the private employer would be prohibited from a contract with the employee's agency (similar to the contract for the chair of the Treasure Island Development with SFHA where the Treasure Island

executive director was an SFHA commissioner and worked for the Treasure Island Dev. The FPPC opines in a third case that gifts of travel overseas to explore a potential sister city relationship does not constitute “official agency business” and so may not involve public funds.