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BEFORE THE SAN FRANCISCO  
ETHICS COMMISSION

In the Matter of ) Complaint No. 29-151023  
)  
STUART SCHUFFMAN, STUART )  
SCHUFFMAN FOR MAYOR 2015, )  
)  
) **STIPULATION, DECISION**  
) **AND ORDER**  
Respondents. )  
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THE PARTIES STIPULATE AS FOLLOWS:

1. This Stipulation, Decision and Order (“Stipulation”) is made and entered into by and between Stuart Schuffman and Stuart Schuffman for Mayor 2015, (collectively, “Respondents”), and the San Francisco Ethics Commission (“the Commission”).

2. Respondents and the Commission agree to settle and resolve all factual and legal issues in this matter and to reach a final disposition without an administrative

1 hearing. Upon approval of this Stipulation and full performance by Respondents on the  
2 terms outlined in this Stipulation, the Commission will take no future action against  
3 Respondents and this Stipulation shall constitute the complete resolution of all claims  
4 by the Commission against Respondents related to the violations described in Exhibit A.  
5 Respondents understand and knowingly and voluntarily waive all rights to judicial  
6 review of this Stipulation and any action taken by the Commission or its staff on this  
7 matter.  
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10 3. The attached Exhibit A is a true and accurate summary of the facts in this  
11 matter. Respondents acknowledge having violated San Francisco Campaign &  
12 Governmental Conduct Code ("SF C&GCC") as described in Exhibit A.  
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14 4. Respondents acknowledge responsibility for the violation and agree to pay  
15 a settlement in the amount Two Thousand Five Hundred Fifty-Two (\$2,552.00) in two  
16 installments for the following violation: one violation of SF C&GCC, section 1.122(b)(1),  
17 as set forth in Exhibit A.  
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19 5. Respondents shall pay the \$2,552.00 in two equal installments.  
20 Respondents will pay the first installment of \$1,276.00 on or before January 31, 2017.  
21 Respondents shall pay the second installment of \$1,276.00 on or before March 31,  
22 2017. Each installment shall be paid by check or money order made payable to the "City  
23 and County of San Francisco." Respondents agree to deliver each check or money order  
24 to the following address:  
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San Francisco Ethics Commission  
Attn: Enforcement Division  
25 Van Ness Avenue, Suite 220  
San Francisco, CA 94102

6. If Respondents fail to pay the \$2,552.00 penalty as set forth in Paragraphs 4 and 5; or if Respondents' payment does not clear the bank or cannot be negotiated in full by the Ethics Commission for any reason; or if Respondents otherwise fail to comply with the terms of this Stipulation, then the Commission may reopen the matter and prosecute Respondents under Section C3.699-13 of the San Francisco Charter for relief, including the full penalty of \$5,000 per violation. If Respondents fail to remit timely payment of either installment of \$1,276.00, then the total administrative penalty of \$2,552.00 shall become immediately due and owing.

7. Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission's Regulations for Investigations and Enforcement Proceedings with respect to this matter. These include, but are not limited to, the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondents' expense, to confront and cross-examine all witnesses testifying at the hearing and to subpoena witnesses to testify at the hearing.

8. Respondents understand and acknowledge that this Stipulation is not binding on any other government agency with the authority to enforce San Francisco Campaign & Governmental Conduct Code, section 1.100 *et seq.*, and does not preclude

1 the Commission or its staff from cooperating with or assisting any other government  
2 agency with regard to the complaint, or any other matter related to it.

3 9. This Stipulation is subject to the Commission's approval. In the event the  
4 Commission declines to approve this Stipulation, the Stipulation shall become null and  
5 void, except Paragraph 10, which shall survive.  
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7 10. In the event the Commission rejects the Stipulation and further  
8 administrative proceedings before the Commission are necessary, Respondents agree  
9 that the Stipulation and all references to it are inadmissible, and that Respondents  
10 agree not to challenge, dispute, or object to the participation of any member of the  
11 Commission or its staff because of his or her prior consideration of this Stipulation.  
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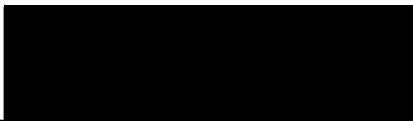
13 11. This Stipulation, along with the attached Exhibit A, reflects the entire  
14 agreement between the parties hereto and supersedes any and all prior negotiations,  
15 understandings, and agreements with respect to the transactions contemplated herein.  
16 This Stipulation may not be amended orally. Any amendment or modification to this  
17 Stipulation must be in writing duly executed by all parties and approved by the  
18 Commission at a regular or special meeting.  
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20 12. This Stipulation shall be construed under, and interpreted in accordance  
21 with, the laws of the State of California. If any provision of the Stipulation is found to be  
22 unenforceable, the remaining provisions shall remain valid and enforceable.  
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1           13. For the reasons set forth in Exhibit A, the parties agree that Two Thousand  
2 Five Hundred Fifty-Two Dollars (\$2,552) is an appropriate settlement for Respondents'  
3 violation of the provisions listed in Paragraph 4 of this Stipulation.  
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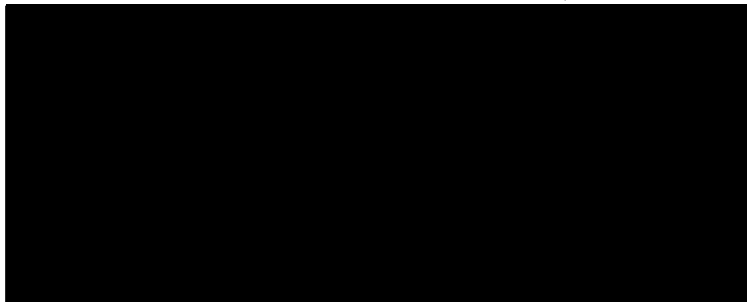
5           14. The parties hereto may sign different copies of this Stipulation, which will  
6 be deemed to have the same effect as though all parties had signed the same  
7 document.  
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11 Dated: 12/7/2016

  
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LEEANN PELHAM, EXECUTIVE DIRECTOR  
SAN FRANCISCO ETHICS COMMISSION  
COMPLAINANT

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18 Dated: 12/7/16



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24 STUART SCHUFFMAN, INDIVIDUALLY, AND ON BEHALF OF  
25 STUART SCHUFFMAN FOR MAYOR 2015,  
26 RESPONDENTS  
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**DECISION AND ORDER**

The foregoing Stipulation of the parties in the matter of "Stuart Schuffman, Stuart Schuffman for Mayor 2015; San Francisco Ethics Commission Complaint Number 29-151023," including the attached exhibit, is hereby accepted as the final Decision and Order of the San Francisco Ethics Commission, effective upon execution below by the Chairperson.

IT IS SO ORDERED.

Dated: 12/19/16



PAUL A. RENNE, CHAIRPERSON  
SAN FRANCISCO ETHICS COMMISSION

## **EXHIBIT A**

### **INTRODUCTION**

Stuart Schuffman was a candidate for Mayor in San Francisco during the November 2015 election. According to the official elections results from the Department of Elections, Mr. Schuffman came in fourth place and received 18,211 votes, or 9.56% of the vote.

On May 26, 2015, Respondent Schuffman filed a Form 501, Candidate Intention Statement, with the Ethics Commission. On June 8, 2015, Respondent Schuffman formed the "Stuart Schuffman for Mayor 2015" committee ("Committee") and filed a Form 410, Statement of Organization Recipient Committee, with the Ethics Commission. On that Form 410, Respondent Schuffman identified Amiee Kushner as the Treasurer for the Committee.

On June 4, 2015, Respondent Schuffman attended a live training for candidates and treasurers offered by the Ethics Commission. He completed a Form SFEC-107, Certificate of Training. The restriction on the use of campaign funds in SF C&GCC section 1.122(b) is discussed during all live trainings. In addition, at every live training for candidates, the Candidates' Guide for City Elective Office for the November 3, 2015 Election, produced by Ethics Commission staff, is made available for all attendees. The restriction on the use of campaign funds from SF C&GCC section 1.122 is discussed on pages 10 and 11 of this Guide.

On October 21, 2015, the Ethics Commission received a complaint alleging that Respondents misused Committee funds by using funds solicited or accepted by the Committee to support a local ballot measure that was also on the November 2015 ballot.

Respondent Schuffman's candidate controlled committee paid \$1,276 for the production of a video advertisement prior to the November 2015 election. The advertisement was wholly in support of local ballot measure F ("Proposition F" or "Prop F"), which also appeared on the November 2015 ballot. The purpose of Proposition F was to limit short-term residential rentals and prohibit short-term rentals of in-law units in San Francisco. On December 15, 2015, the Committee filed a Form 410 to terminate the Committee.

In this matter, Respondent Schuffman used funds from his candidate controlled committee to produce a video advertisement in support of Proposition F, in violation of San Francisco Campaign and Governmental Conduct Code ("SF C&GCC"), section 1.122(b)(1).

### **SUMMARY OF APPLICABLE LAW**

#### **SAN FRANCISCO CAMPAIGN & GOVERNMENTAL CONDUCT CODE**

SF C&GCC, section 1.122(b)(1) states, in relevant part, that "funds in a candidate committee's campaign account may be used only on behalf of the candidacy for the office specified in the candidate's declaration of intention filed under [SF C&GCC, section 1.122(a)] or for expenses associated with holding that office, provided that such expenditures are reasonably related to a legislative, governmental, or political purpose. Contributions solicited or accepted under [section 1.122] for one candidate shall not be expended for the candidacy of any other candidate for local, state or federal office, in support of or opposition to any measure or in support of or opposition to any state ballot proposition, or for donations to a charitable organization."

## VIOLATION OF LAW

For the purposes of this Stipulation, Respondents admit the following violation:

**COUNT 1:** Use of funds from Respondent Schuffman's candidate controlled committee for purposes other than his candidacy for Mayor, in violation of SF C&GCC, section 1.122(b)(1).

In May 2015, Respondent Schuffman filed a Form 501 indicating he would be a candidate for the Mayor in the November 2015 election, and in June 2015, he filed a Form 410 forming a committee to raise and spend funds in support of his Mayoral candidacy.

On June 4, 2015, Respondent Schuffman attended a live training for candidates and treasurers offered by the Ethics Commission. At every live training for candidates, the Candidates' Guide for City Elective Office for the November 3, 2015 Election, produced by Ethics Commission staff, was made available for all attendees. The restriction on the use of campaign funds from SF C&GCC section 1.122 is discussed on pages 10 and 11 of this Guide.

In October 2015, Respondent Schuffman's Committee paid for a video advertisement to urge a yes vote on a local ballot measure using funds raised and held by the Mayoral candidate committee. The video advertisement paid for by the Mayoral Committee promotes Proposition F and urges the public to vote for Proposition F. The video was posted on a Facebook page linked to Mr. Schuffman on or about October 19, 2015. Staff has found no evidence that the video was distributed on television.

In the video, Mr. Schuffman appears and states to "Vote Yes on F." Mr. Schuffman does not mention his candidacy for Mayor during the video. At approximately minute 1:17 of the video, Mr. Schuffman appears and the words "Stuart Schuffman, SF Mayoral Candidate" appear on the screen while he is speaking. The end of the advertisement contains a disclosure statement that it was "Paid for by the Stuart Schuffman for Mayor 2015 committee."

In the video, Mr. Schuffman states the following while addressing the camera:

Here's the truth. Runaway Airbnb units are actually making San Francisco's housing prices worse. Only one in ten hosts actually follow the law, so what that is doing is taking apartments away from San Franciscans and renting them out to tourists instead. [Mr. Schuffman's face does not appear on screen during the following sentence.] And every apartment counts. So, don't be an asshole. Vote Yes on F.

In the pre-election campaign statement covering the reporting period from September 20, 2015 through October 17, 2015, Mr. Schuffman's candidate committee reported a \$1,000 expense relating to the production of a video. Staff has confirmed this expense relates to the video advertisement in support of Proposition F. In addition, Respondents spent \$276 for t-shirts used in the video for a total of \$1,276 in expenditures made to support of Proposition F. According to the Committee's final campaign statement covering calendar year 2015, the Committee raised and spent \$32,385.99 in total. Thus, less than 1% of the Committee's total worth was spent in support of Proposition F.



By using funds from Respondent Schuffman's candidate committee to produce a video that supported a local ballot measure, Respondents committed one violation of SF C&GCC, section 1.122(b)(1).

### **PENALTY DISCUSSION**

The purpose and intent of the voters in enacting the Campaign Finance Reform Ordinance was, in part, to place realistic and enforceable limits on the amount individuals may contribute to political campaigns in municipal elections; ensure that all individuals and interest groups in our city have a fair opportunity to participate in elective and governmental processes; assist voters in making informed electoral decisions and ensure compliance with campaign contribution limits through the required filing of campaign statements detailing the sources of campaign contributions and how those contributions have been expended; make it easier for the public, the media and election officials to efficiently review and compare campaign statements by requiring committees that meet certain financial thresholds to file copies of their campaign statements on designated electronic media; and help restore public trust in governmental and electoral institutions. See SF C&GCC section 1.100(b).

This matter consists of one count carrying a maximum administrative penalty of \$5,000. (See SF City Charter, § C3.699-13(c). Pursuant to San Francisco Ethics Commission Regulations for Investigations and Enforcement Proceedings, section XII.C.2, when determining penalties, the Ethics Commission considers all of the relevant circumstances surrounding the case, including but not limited to: (a) the severity of the violation; (b) the presence or absence of any intention to conceal, deceive, or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d) whether the violation was an isolated incident or part of a pattern; (e) whether the respondent has a prior record of violations of law; and (f) the degree to which the respondent cooperated with the investigation and demonstrated a willingness to remedy any violations.

Applying the penalty factors enumerated above, Staff believes Respondents' violation is troubling because Respondents used funds explicitly raised to support his candidacy to support a local ballot measure instead. Respondents should have known not to spend funds on ballot measures because Respondent Schumann attended the required training, which explicitly reminds candidates they cannot use monies from their own committees to support other candidates or ballot measures. Nevertheless, several mitigating factors also apply. First, neither Respondent Schuffman nor his treasurer had ever participated in a campaign as candidate or treasurer prior to the November 2015 election. Staff found no evidence that Respondents attempted to conceal or mislead the public. To the contrary, Respondents' Mayoral Committee is identified as having paid for the ballot measure advertisement at the end of the video. Respondents were cooperative with the investigation and did not subsequently violate SF C&GCC, section 1.122(b)(1). Finally, Respondents have no history of enforcement with the Commission.

### **CONCLUSION**

After considering the facts of this case and any mitigating or aggravating factors, Respondents and the Ethics Commission agree that the appropriate settlement amount is Two Thousand Five Hundred Fifty-Two (\$2,552.00) Dollars for one violation of SF C&GCC, section 1.122(b)(1). This amount represents the total Respondents unlawfully spent in support of Proposition F multiplied by two.