

1 JOHN ST. CROIX  
2 Executive Director  
3 SAN FRANCISCO ETHICS COMMISSION  
4 25 Van Ness Avenue, Suite 220  
5 San Francisco, CA 94102  
6 415-252-3100

7 Complainant

8 BEFORE THE SAN FRANCISCO  
9 ETHICS COMMISSION

10 In the Matter of )  
11 SAN FRANCISCANS FOR AFFORDABLE )  
12 CLEAN ENERGY . . . YES ON D )  
13 and )  
14 CAROLYN KNEE, )  
15 Respondents. )

Ethics Complaint No. 20-050906

**STIPULATION, DECISION  
AND ORDER**

16 THE PARTIES STIPULATE AS FOLLOWS:

17 1. This Stipulation, Decision and Order (“Stipulation”) is made and entered into by and  
18 between San Franciscans for Affordable Clean Energy . . . Yes on D, Identification Number  
19 1246425, (“the Committee”) and treasurer Carolyn Knee (together “Respondents”) and the San  
20 Francisco Ethics Commission (“the Commission”).

21 2. Respondents and the Commission deem it in their mutual interest and advantage to settle  
22 and resolve all factual and legal issues in this matter and to reach a final disposition without the  
23 necessity of holding an administrative hearing to determine Respondents’ liability.

24 3. Respondents agree to pay a settlement in the amount of two hundred and sixty-seven dollars  
25 (\$267.00). This amount represents an administrative penalty for violations of California  
Government Code (“Cal. Gov. Code”) Sections 84105, 84203 and 84211(f), as incorporated into  
the San Francisco Campaign Finance Reform Ordinance by San Francisco Campaign &

1 Governmental Conduct Code (“SF C&GCC”) Section 1.106, and SF C&GCC Section 1.114(d),<sup>1</sup>  
2 and as set forth in Counts 1 through 43 in Exhibit 1.

3 4. Within five (5) business days after the Commission approves this Stipulation, Respondents  
4 shall deliver two hundred and sixty-seven dollars (\$267.00) to the Commission. This settlement  
5 shall be paid by check or money order made payable to the “City and County of San Francisco.”

6 The check or money order shall be delivered to the following address:

7 San Francisco Ethics Commission  
8 Attn: Enforcement Division  
9 25 Van Ness Avenue, Suite 220  
San Francisco, CA 94102

10 5. Upon receipt of the settlement payment described in paragraph 4, the Commission will  
11 deposit the payment in the General Fund of the City and County of San Francisco.

12 6. Respondents understand, and hereby knowingly and voluntarily waive, any and all  
13 procedural rights under Section C3.699-13 of the San Francisco Charter, the Commission’s  
14 Regulations for Investigations and Enforcement Proceedings, and other applicable law with respect  
15 to this matter. This includes, but is not limited to, the right to appear personally at any  
16 administrative hearing held in this matter, to be represented by an attorney at Respondents’ expense  
17 during any proceedings, to confront and cross-examine all witnesses testifying at the hearing and to  
18 subpoena witnesses to testify at the hearing.

19 7. In consideration for the foregoing, the Commission agrees not to initiate additional  
20 administrative proceedings pursuant to Section C3.699-13 of the San Francisco Charter and the  
21 Commission’s Regulations for Investigations and Enforcement Proceedings against Respondents  
22 arising out of the facts and occurrences described in Exhibit 1.

23 8. Respondents understand and acknowledge that this Stipulation is not binding on any other  
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25 <sup>1</sup> Section 1.114(d), which was applicable in 2002 during the reporting periods relevant to this enforcement action, is now codified as Section 1.114(e).

1 law enforcement agency and does not preclude the Commission or its staff from referring the matter  
2 to, cooperating with or assisting any other government agency with regard to this matter, or any  
3 other matter related to it.

4 9. This Stipulation is subject to approval by the Commission. Respondents agree that in the  
5 event the Commission refuses to approve this Stipulation, it shall become null and void.

6 10. In the event the Commission rejects the Stipulation and a full evidentiary hearing before the  
7 Commission becomes necessary, this Stipulation shall not be considered as evidence by the  
8 Commission at the hearing, and no member of the Commission shall be disqualified because of his  
9 or her prior consideration of this Stipulation.

10 11. This Stipulation reflects the entire agreement between the parties hereto and supersedes any  
11 and all prior negotiations, understandings, and agreements with respect to the transactions  
12 contemplated herein and may not be amended orally. Any amendment or modification to this  
13 Stipulation must be in writing, duly executed by all parties and approved by the Commission.

14 12. This Stipulation shall be construed under, and interpreted in accordance with, the laws of the  
15 State of California. If any provision of the Stipulation is found to be unenforceable, the remaining  
16 provisions shall remain valid and enforceable.

17 13. This Stipulation may be signed in counterpart or duplicate copies, and any signed  
18 counterpart or duplicate shall have the same effect as a signed original for all purposes.

19 Dated: \_\_\_\_\_

20 \_\_\_\_\_  
21 JOHN ST. CROIX, Executive Director  
22 San Francisco Ethics Commission  
23 Complainant

24 Dated: \_\_\_\_\_

25 \_\_\_\_\_  
CAROLYN KNEE, Treasurer  
San Franciscans for Affordable Clean Energy . . .  
Yes on D (I.D. Number 1246425)  
Respondents

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**DECISION AND ORDER**

The foregoing stipulation of the parties “In the Matter of San Franciscans for Affordable Clean Energy . . . Yes on D, and Carolyn Knee, San Francisco Ethics Commission Complaint Number 20-050906,” including all attached exhibits, 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: \_\_\_\_\_  
\_\_\_\_\_  
SUSAN J. HARRIMAN, Chairperson  
San Francisco Ethics Commission

**EXHIBIT 1**

**INTRODUCTION**

1  
2  
3 1. San Franciscans for Affordable Clean Energy—Yes on D (“the Committee”) was formed in  
4 to “Support Proposition D – Energy Self-Efficiency Charter Amendment” in San Francisco’s  
5 November 5, 2002 election.

6 2. On August 6, 2002, Respondents filed a statement of organization (Form 410) with the  
7 Commission, and, on August 21, 2002, Respondents filed an amended statement of organization  
8 (Form 410) to report that the Committee qualified as a recipient committee.

9 3. At all relevant times, Carolyn Knee was the Committee’s treasurer, and Renita Lloyd-Smith  
10 provided campaign finance management services to the Committee.

11 4. On October 7, 2002; October 28, 2002 and January 31, 2003, the Committee timely filed  
12 campaign finance disclosure statements (Form 460) for the filing periods of July 1, 2002 to  
13 September 30, 2002; October 1, 2002 to October 19, 2002 and October 20, 2002 to December 31,  
14 2002, respectively. Treasurer Carolyn Knee signed all three of these campaign statements.

15 5. Respondents received contributions totaling \$105,724.00 and incurred expenditures of  
16 \$103,988.00 during the reporting periods described in paragraph 4 above.

17 6. On December 11, 2003 Respondents filed an amended statement of organization (Form 410)  
18 to report that, on December 5, 2003, the Committee ceased all financial activity and reached a \$0.00  
19 cash balance, thereby terminating its status as a recipient committee.

20 7. On September 6, 2005, the Commission initiated an enforcement action in this matter, based  
21 on the following allegations: a) The Committee failed to file late contribution reports for four late  
22 contributions of \$1,000.00 or more; b) The Committee failed to send major donor notification  
23 letters to three contributors of \$5,000.00 or more; c) The Committee failed to itemize 36  
24 contributions of \$100.00 or more that totaled \$19,761.00; and d) The Committee failed to disclose  
25 complete contributor information for two reported contributions of \$100.00 or more.

1 **RELEVANT LAW AND ANALYSIS**

2 8. San Francisco Campaign & Governmental Conduct Code (“SF C&GCC”) Section 1.106  
3 incorporates into the San Francisco Campaign Finance Reform Ordinance (“CFRO”) all provisions  
4 of the California Government Code (“Cal. Gov. Code”) (commencing at Section 81000) relating to  
5 local elections.

6 9. A recipient committee is a committee that receives contributions totaling \$1,000.00 or more  
7 in a calendar year. (Cal. Gov. Code § 82013(a); SF C&GCC § 1.106.)

8 10. All campaign statements filed with the Commission must be signed under penalty of perjury  
9 and verified by the filer, stating that the filer used all reasonable diligence in the statement’s  
10 preparation and that, to the best of the filer’s knowledge, the campaign statement is true and  
11 complete. (SF C&GCC § 1.106; Cal. Gov. Code § 81004(a).)

12 11. It is the duty of the treasurer to maintain the detailed accounts and records necessary to  
13 prepare a committee’s campaign statements and to establish that the campaign statements are  
14 properly filed. (Cal. Gov. Code § 84104; SF C&GCC § 1.106.)

15 12. A statement filed by a recipient committee must be signed and verified by its treasurer.  
16 (Cal. Gov. Code § 81004(b); SF C&GCC § 1.106.)

17 **Late Contribution Reports**

18 Relevant Law

19 13. “Late contribution” means any contribution which totals in the aggregate \$1,000.00 or more  
20 that is made or received by a committee formed or existing primarily to support or oppose a ballot  
21 measure before the date of the election at which the measure is to be voted on but after the closing  
22 date of the last campaign statement required to be filed before the election. (Cal. Gov. Code §  
23 82036; SF C&GCC §1.106.)

24 14. Late contribution reports (Form 497) and other statements related to local elections must be  
25 filed with the Commission. (Cal. Gov. Code § 84203(a); SF C&GCC §1.106.)

1 Facts and Analysis

2 15. For the November 5, 2002 election, the late contribution reporting period ran from October  
3 20, 2002 through November 4, 2002.

4 16. Because the Committee was formed to support Proposition D, a local ballot measure,  
5 Respondents were required to file Late Contribution Reports (Form 497) with the Commission for  
6 any contribution of \$1,000.00 which it received between October 20, 2002 and November 4, 2002.

7 17. Between October 25, 2002 and November 1, 2002, Respondents received four late  
8 contributions of \$1,000.00 or more for which Respondents did not file late contribution reports  
9 (Form 497) within 24 hours of receipt: 1) \$5,000.00 from SEIU Local 790, Non-candidate  
10 Committee, received October 25, 2002; 2) \$2,000.00 from Vanguard Public Foundation, received  
11 October 30, 2002; 3) \$1,500.00 from Professional and Technical Engineers, received November 1,  
12 2002; and 4) \$3,000.00 from Democratic State Central Committee, received November 1, 2002.

13 18. On January 31, 2003, Respondents reported the contributions from Professional and  
14 Technical Engineers and the Democratic State Central Committee in a campaign finance disclosure  
15 statement (Form 460) for the period of October 20, 2002 to December 31, 2002.

16 **Major Donor Notices**

17 Relevant Law

18 19. Cal. Gov. Code Section 84105 requires committee treasurers to notify contributors from  
19 whom they have received contributions totaling \$5,000.00 or more in a calendar year that the  
20 contributors must file major donor committee campaign statements if their contributions to all  
21 committees total \$10,000.00 or more during that calendar year.

22 20. A committee's notice to a contributor of \$5,000.00 or more must occur within two weeks of  
23 receipt of the contribution, but the committee need not send such a notice to recipient committees  
24 that have been assigned committee identification numbers by the Secretary of State. (*Id.*; Cal. Gov.  
25 Code § 84101; SF C&GCC §1.106.)

1 Analysis

2 21. Audit staff determined that Respondents failed to send major donor notice letters to the  
3 following two contributors who contributed \$5,000.00 or more to the Committee in 2002: 1) San  
4 Francisco Bay Guardian for contributions totaling \$21,670.00; and 2) Health Care Workers Union  
5 Local 250, for contributions totaling \$5,000.00.<sup>2</sup>

6 22. Because the San Francisco Bay Guardian and Health Care Workers Union Local 250 each  
7 contributed \$5,000.00 or more to the Committee during calendar 2002, and because neither  
8 contributor was exempted as a registered recipient committee, Respondents were required to send  
9 major donor notification to these contributors.

10 **Failure to Report All Contributions of \$100.00 or More**

11 Relevant Law

12 23. In 2002, the period at issue in this complaint, SF C&GCC Section 1.114(d) provided that, if  
13 a committee received cumulative contributions of \$100.00 or more from a contributor, the  
14 committee must provide the following information in the committee's campaign finance disclosure  
15 statements (Form 460) for the relevant filing periods: (1) the contributor's full name, (2) other  
16 identifying information, (3) the date of each contribution received.<sup>3</sup>

17 24. In 2002, SF C&GCC Section 1.114(e) further provided that each treasurer who received a  
18 contribution which did not comply with the requirements under Section 1.114 must pay, from  
19 available campaign funds, if any, the amount received or deposited in excess of the amount  
20 permitted without the disclosure requirements (any amount over \$99.99).

21  
22 \_\_\_\_\_  
23 <sup>2</sup> Audit staff also identified a \$5,000.00 October 30, 2002 contribution to the Committee from the San Francisco Police  
24 Officer's Association (I.D. 771229), but, because this contributor was registered as a recipient committee with the  
25 Secretary of State, Respondent was not required by Cal. Gov. Code Section 84105 to send major donor notice to that  
contributor.

<sup>3</sup> Section 1.114(d), which was applicable in 2002 during the reporting periods relevant to this enforcement action, is  
now codified with amendments at Section 1.114(e).



1 Analysis

2 25. In the Committee's campaign finance disclosure statements (Form 460) filed with the  
3 Commission, Respondents reported receipt of 60 contributions of \$100.00 or more during the audit  
4 period of January 1, 2002 to December 31, 2002.

5 26. Upon review of the Committee's bank statements and copies of deposited checks, the  
6 Commission's audit staff discovered that Respondents deposited 36 contributions of \$100.00 or  
7 more, totaling \$19,761.00, into the Committee's bank account which the Committee failed to report  
8 in any of the Committee's campaign finance disclosure statements (Form 460).

9 **Missing Contributor Information**

10 Relevant Law

11 27. In 2002, S.F. C&GCC Section 1.114(d) required that that a committee report the following  
12 information in its campaign finance disclosure statements when a person's cumulative contribution  
13 was \$100.00 or more: The contributor's full name; street address; occupation; the name of his or  
14 her employer, or, if self-employed, the name of the contributor's business; the date and amount of  
15 each contribution received from the contributor during the reporting period.

16 28. In 2002, S.F. C&GCC Section 1.114(e) further provided that each treasurer who received a  
17 contribution which did not comply with the requirements under Section 1.114 must pay, from  
18 available campaign funds, if any, the amount received or deposited in excess of the amount  
19 permitted without the disclosure requirements (any amount over \$99.99).

20 Analysis

21 29. The Committee's campaign finance disclosure statements (Form 460) reported two  
22 contributions—one contribution for \$300.00 and one contribution for \$100.00—for which  
23 Respondents did not disclose employer and occupation information as required by Section 1.114(d).  
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1 **Mitigating Information**

2 30. Respondent's violations do not appear willful or intentional.

3 31. Respondent retained the services of a professional campaign finance accountant and relied  
4 on the accountant's preparation of campaign finance disclosure documents.

5 32. Respondent Knee was a volunteer treasurer.

6 33. Respondent stated that the contributions from Professional and Technical Engineers and the  
7 Democratic State Central Committee were received by the Committee after the November 4, 2002  
8 late reporting period, and she mistakenly listed the date written on the check as the date of receipt.

9 34. Respondent filed amended campaign finance disclosure statements on May 11, 2007,  
10 disclosing the 36 previously unitemized contributions of \$100 or more.

11 35. Respondent stated that she provided major donor notice to Bruce Brugmann, editor of the  
12 San Francisco Bay Guardian, to his home address, mistakenly believing that the notice covered both  
13 Mr. Brugmann's contribution as well as the contribution made by the San Francisco Bay Guardian.

14 **Aggravating Information**

15 36. Respondents did not file a late contribution report (Form 497) for the SEIU Local 790  
16 contribution until August 2005.

17 37. Respondents failed to timely disclose and itemize 36 contributions of \$100.00 or more.  
18 These contributions totaled \$19,761.00, or 18.7 % of all contributions received by the Committee.

19 **COUNT 1**

20 **Failure to File Late Contribution Reports**

21 38. Respondents violated Cal. Gov. Code Section 84203, as incorporated into local law by SF  
22 C&GCC Section 1.106, by failing to file late contribution reports by the relevant deadlines for late  
23 contributions of \$1,000.00 or more from SEIU Local 790.  
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**COUNTS 2 TO 3**

**Failure to Provide Major Donor Notice to Contributors of \$5,000.00 or More**

39. Respondents violated Cal. Gov. Code Section 84105, as incorporated into local law by SF C&GCC Section 1.106, by failing to provide Major Donor Notice to two contributors.

**COUNTS 4 TO 39**

**Failure to Disclose 36 Contributions of \$100.00 or More**

40. Respondents violated SF C&GCC Section 1.114 and Cal. Gov. Code Section 84211(f), incorporated into local law by SF C&GCC Section 1.106, by failing to disclose 36 contributions of \$100.00 or more in any of the Committee's campaign finance disclosure statements—contributions totaling \$19,761.00, or 18.7 % of all contributions received by the Committee during the audit period of January 1, 2002 to December 30, 2002.

**COUNTS 40 AND 41**

**Failure to Disclose Complete Contributor Information for Two Contributions**

41. Respondents violated SF C&GCC Section 1.114 and Cal. Gov. Code Section 84211(f) by failing to disclose complete contributor information for two contributions of \$100.00 or more.

**CONCLUSION**

42. The parties agree that two hundred and sixty-seven dollars (\$267.00) is an appropriate settlement amount for Respondents' violations of Cal. Gov. Code Sections 84203, 84105 and 84211(f), as incorporated into local law by SF C&GCC Section 1.106, and SF C&GCC Section 1.114(d).