

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) Ethics Complaint No. 38-031031
11)
12 COMMITTEE TO PROTECT)
13 SAN FRANCISCO'S)
14 MOST VULNERABLE, (ID 1256081);)
15 NANETTE LEE MILLER, TREASURER)
16 Respondents.)
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**STIPULATION, DECISION
AND ORDER**

26 THE PARTIES STIPULATE AS FOLLOWS:

27 1. This Stipulation, Decision and Order (“Stipulation”) is made and entered into by and
28 between the Treasurer of the Committee to Protect San Francisco’s Most Vulnerable, Identification
29 Number 1256081, Nanette Lee Miller (“Respondent”), and the San Francisco Ethics Commission
30 (“the Commission”).

31 2. Respondent and the Commission deem it in their best mutual interest and advantage
32 to settle and resolve all factual and legal issues in this matter and to reach a final disposition without
33 the necessity of holding an administrative hearing to determine Respondent’s liability.

34 Respondent agrees to pay a settlement in the amount of one thousand five hundred dollars
35 (\$1,500) for alleged violations of California Government Code Sections 84103(a), 84503, and
84504, and Sections 18402(c)(2)(A)-(B) and 18450.3 of Title 2 of the California Code of

1 Regulations, as incorporated into the San Francisco Campaign Finance Reform Ordinance
2 (“CFRO”) by San Francisco Campaign & Governmental Conduct Code Section 1.106.

3 3. Within ten (10) business days after the Respondent has been notified that the
4 Commission approved this Stipulation, Respondents shall deliver one thousand five hundred dollars
5 (\$1,500) to the Commission. This settlement amount shall be paid by check or money order made
6 payable to “the City and County of San Francisco.” The check or money order shall be delivered to
7 the following address:

8 San Francisco Ethics Commission
9 Attn: Enforcement Division
10 25 Van Ness Avenue, Suite 220
11 San Francisco, CA 94102.

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

18 Respondent understands and acknowledges that this Stipulation is not binding on any other
19 law enforcement agency, and does not preclude the Commission or its staff from cooperating with
20 or assisting any other government agency with regard to the complaint, or any other matter related
21 to it.

22 This Stipulation is subject to approval by the Commission. In the event the Commission
23 declines to approve this Stipulation, it shall become null and void.

24 In the event the Commission rejects the Stipulation and a full evidentiary hearing before the
25 Commission becomes necessary, no member of the Commission shall be disqualified because of his

1 or her prior consideration of this Stipulation.

2 This Stipulation, along with the attached Exhibit A, reflects the entire agreement between
3 the parties hereto and supersedes any and all prior negotiations, understandings, and agreements
4 with respect to the transactions contemplated herein. This Stipulation may not be amended orally.
5 Any amendment or modification to this Stipulation must be in writing duly executed by all parties.

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

9 For the reasons set forth in Exhibit A, the parties agree that one thousand five hundred
10 dollars (\$1,500) is an appropriate settlement amount for Respondent's alleged violations of
11 California Government Code Sections 84103(a), 84503, 84504(a) and 84504(c), and California
12 Code of Regulations Title 2 Sections 18402(c)(1), 18402(c)(2)(A)-(B), and 18450.3 as incorporated
13 into the CFRO by San Francisco Campaign & Governmental Conduct Code Section 1.106.
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15 The parties hereto may sign different copies of this Stipulation, which will be deemed to
16 have the same effect as though all parties had signed the same document.
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18 Dated: _____

19 John St. Croix, Executive Director
20 San Francisco Ethics Commission, Complainant

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22 Dated: _____

23 Nanette Lee Miller, Treasurer
24 Committee to Protect San Francisco's Most
25 Vulnerable, Respondent

DECISION AND ORDER

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The foregoing stipulation of the parties in “In the Matter of the Committee to Protect San Francisco’s Most Vulnerable (ID Number 1256081) and Nanette Lee Miller, Treasurer, San Francisco Ethics Commission Complaint Number 38-031031,” 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 HARRIMAN, Chairperson
San Francisco Ethics Commission**

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EXHIBIT A

Introduction

1. On June 26, 2003, a statement of organization (Form 410) indicating the Committee's status as a recipient committee formed primarily to support the ballot measure "Protection of Homeless Seniors, Youth, Families and Disabled Individuals" ("Proposition J") was filed. This statement of organization listed the committee's name as "Committee to Protect San Francisco's Most Vulnerable," and was signed by Treasurer Angelo Quaranta.

2. On June 26, 2003, the "Law Offices of Mayor Joseph Alioto & Angela Alioto," a.k.a. "Angela Alioto Professional Law Corporation," ("the Alioto law firm") contributed \$35,000.00 to the Committee for San Francisco's Most Vulnerable.

3. On October 17, 2002, Angela Alioto filed a campaign intention statement (Form 501) with the Commission indicating her intent to run for Mayor.

4. On July 3, 2003, the Alioto law firm contributed \$45,000.00 to the Committee, bringing the Alioto law firm's cumulative contribution to the Committee to \$80,000.00.

5. On July 24, 2003, the Department of Elections certified that the initiative petition calling for Proposition J had qualified for the ballot.

6. On July 28, 2003, an amended statement of organization (Form 410) declaring Nanette Lee Miller CPA as the new Treasurer of the Committee was filed. In this statement, signed by Treasurer Miller, Respondent listed the Committee's name as "Committee to Protect San Francisco's Most Vulnerable."

7. On July 31, 2003, Respondent timely filed a campaign finance disclosure statement (Form 460) for the period of January 1, 2003 to June 30, 2003, signed by Treasurer Miller. In this statement, Respondent listed the Committee's name as "Committee to Protect San Francisco's Most

1 Vulnerable.”

2 8. Between September 24, 2003 and June 30, 2006, Respondent timely filed paper and
3 electronic campaign finance disclosure statements (Form 460), signed by Treasurer Miller, for the
4 following eight filing periods covering or subsequent to the Alioto law firm’s July 3, 2003
5 contribution:

- 6 • July 1, 2003 to September 20, 2003;
- 7 • September 21, 2003 to October 18, 2003;
- 8 • October 19, 2003 to December 31, 2003;
- 9 • January 1, 2004 to June 30, 2004;
- 10 • July 1, 2004 to December 31, 2004;
- 11 • January 1, 2005 to June 30, 2005;
- 12 • July 1, 2005 to December 31, 2005; and
- 13 • January 1, 2006 to June 30, 2006.

14 9. In all eight campaign finance disclosure statements (Form 460), Respondent
15 continued to identify the Committee’s name as “Committee to Protect San Francisco’s Most
16 Vulnerable.”

17 10. On or about September 16, 2003, the Committee paid \$105,893.00 to produce a
18 television advertisement to promote Proposition J. The featured spokesperson in the television
19 advertisement was Angela Alioto, who was identified as “Former President, Board of Supervisors”
20 and “National Civil Rights Attorney.” The following text appeared on the screen at the end of the
21 advertisement, “Paid for By the Committee to Protect San Francisco’s Most Vulnerable.”

22 11. At the time, the Committee’s television advertisement was available on Angela
23 Alioto’s mayoral campaign website, www.angelaalioto.com/mayor¹, accessible by a link labeled
24 “Prop J TV AD” under the heading “Angela’s TV Ads.”

25 12. The website www.angelaalioto.com was the website for the Alioto law firm in 2003.

¹ This portion of the website no longer exists.

1 13. On or about September 23, 2003, the Committee paid \$1,085.00 for two thousand
2 “Yes on J” signs distributed throughout the City. “Committee to Protect San Francisco’s Most
3 Vulnerable ID # 571174350 Nanette Lee Miller, Treasurer” appeared in small type on the bottom of
4 the signs.

5 14. On October 17, 2003, the Alioto law firm contributed an additional \$32,000.00 to
6 the Committee, bringing the Alioto law firm’s cumulative contribution to the Committee to
7 \$112,000.00.

8 15. On October 24, 27, 30 and 31, 2003, Respondent timely filed late contribution
9 reports (Form 497) to report four contributions of \$1,000.00 received by the Committee during the
10 period immediately prior to the election. The name “Committee to Protect San Francisco’s Most
11 Vulnerable” appeared on the reports, all signed by Treasurer Miller.

12 16. In the November 4, 2003 election, Proposition J passed, with nearly 59 percent of
13 the vote.

14 17. On November 11, 2003 and February 7, 2005, Respondent filed amended campaign
15 finance disclosure statements (Form 460) for the period of September 21, 2003 to October 18, 2003
16 under the name “Committee to Protect San Francisco’s Most Vulnerable.” These amended
17 statements were signed by Treasurer Miller.

18 18. On June 30, 2006, Respondent filed an amended statement of organization (Form
19 410) to terminate the Committee, reporting that the Committee ceased financial activity on June 27,
20 2006. The name “Committee to Protect San Francisco’s Most Vulnerable” appeared on the
21 statement, which was signed by Treasurer Miller.
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General Provisions of Law

1 19. San Francisco Campaign & Governmental Conduct Code (“SF C&GCC”) Section
2 1.106 incorporates into CFRO all provisions of the California Government Code (commencing at
3 Section 81000) and Title 2 of the California Code of Regulations relating to local elections.

4 20. “Committee” means any person or combination of persons that receives
5 contributions totaling \$1,000.00 or more in a calendar year. (Cal. Gov. Code § 82013(a); SF
6 C&GCC § 1.106.)

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

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

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

16 24. Candidates and Treasurers are responsible for complying with Chapter 1 of CFRO
17 and may be held personally liable for violations by their committees. (SF C&GCC § 1.170(g).)

18 25. Upon a finding that a violation of any provision of CFRO has occurred, the
19 Commission may impose a monetary penalty of up to \$5,000.00 for each violation or three times
20 the amount which the person failed to report or unlawfully received, whichever is greater. (San
21 Francisco City Charter § C3.699-13(c)(3); SF C&GCC § 1.170(c).)

22 **Failure to File Amended Statement of Organization to Report Change in Committee Name**

23 *Relevant Law*

1 \$80,000.00 on July 3, 2003.

2 33. Angela Alioto associated the interests of the Alioto law firm and her mayoral
3 campaign to the Committee when she featured a link to the Committee’s television advertisement
4 under the heading, “Angela’s TV Ads” on her mayoral campaign website,
5 www.angelaalioto.com/mayor, a page on the Alioto law firm’s website, www.angelaalioto.com.

6 34. Upon receiving the contribution on July 3, 2003 that brought the Alioto law firm’s
7 cumulative contribution to \$50,000.00 or more, the Committee was required to identify clearly the
8 Alioto law firm’s economic and other special interests in the name of the Committee in addition to
9 Angela Alioto’s name as a candidate for Mayor.

10 35. Accordingly, the Committee was required to file an amended statement of
11 organization (Form 410) to report the name change by July 14, 2003—ten days after the
12 contributions from the Alioto law firm reached the \$50,000.00 threshold.

13 36. The Committee did not file an amended statement of organization (Form 410) to
14 identify clearly the interests of the Alioto law firm and Angela Alioto in the name of the Committee
15 by July 13, 2003, nor did the Committee file an amended statement of organization (Form 410) to
16 identify clearly the interests of the Alioto law firm in the name of the Committee by any other date.

17 **Failure to Identify Major Donor’s Interests in Statements Required to be Filed**

18 *Relevant Law*

19 37. As described above, any committee that supports a ballot measure must name and
20 identify itself using a name or phrase that clearly identifies the economic or other special interest of
21 its major donors of \$50,000,00 or more in all statements required by law, including the statement of
22 organization (Form 410). (Cal. Gov. Code § 84504(a); SF C&GCC § 1.106.)
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1 43. On September 25, 2003, Respondent filed the first of eight campaign finance
2 disclosure statements (Form 460) for the period of July 1, 2003 to September 20, 2003.

3 44. On November 11, 2003 and February 7, 2005 Respondent filed two amended
4 campaign finance disclosure statements (Form 460) for the period of September 21, 2003 to
5 October 18, 2003.

6 45. On October 24, 27, 30 and 31, 2003 Respondent filed four late contribution reports
7 (Form 497).

8 46. In all, Respondent filed original campaign finance disclosure statements (Form 460)
9 for eight filing periods, two amended campaign finance disclosure statements (Form 460), and four
10 late contribution reports (Form 497).

11 47. All of the Committee's original and amended campaign finance disclosure
12 statements (Form 460) and late contribution reports (Form 497) were signed by Treasurer Miller.

13 48. None of the Committee's original and amended campaign finance disclosure
14 statements (Form 460) and late contribution reports (Form 497) clearly identified the interests of the
15 Alioto law firm or candidate Angela Alioto in the name of the Committee.
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17 **Identification of Major Donor's Interest in Advertisements**

18 *Relevant Law*

19 49. A committee that supports a ballot measure must print or broadcast its name using a
20 name or phrase that clearly identifies the economic or other special interest of its major donors of
21 \$50,000 or more in any advertisement or other paid public statement. (Cal. Gov. Code § 84504(c),
22 SF C&GCC § 1.106.)
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1 ten days of receiving a cumulative contribution of more than \$50,000.00 from the Alioto law firm
2 to report a change in the Committee's name to clearly identify the interests of the Alioto law firm as
3 required by California Government Code Section 84504(a) and Title 2 of the California Code of
4 Regulations Sections 18402(c)(1), 18402(c)(2)(A)-(B) and 18450.3.

5 **Counts 2 - 17**

6 57. Between July 3, 2003 and June 30, 2006, the Commission alleges that Respondent
7 violated CFRO and California Government Code Section 84504(a) by filing the following
8 statements without clearly identifying, in the Committee's name, the economic or other special
9 interests of the Alioto law firm in addition to Angela Alioto's name as a candidate for Mayor.

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- 11 • Two amended statements of organization (Form 410), filed on July 26, 2003 and June 30, 2006;
 - 12 • Eight campaign finance disclosure statements filed for the following periods:
 - 13 ○ July 1, 2003 to September 20, 2003;
 - 14 ○ September 21, 2003 to October 18, 2003;
 - 15 ○ October 19, 2003 to December 31, 2003;
 - 16 ○ January 1, 2004 to June 30, 2004;
 - 17 ○ July 1, 2004 to December 31, 2004;
 - 18 ○ January 1, 2005 to June 30, 2005;
 - 19 ○ July 1, 2005 to December 31, 2005; and
 - 20 ○ January 1, 2006 to June 30, 2006;
 - 21 • Two amended campaign finance disclosure statements (Form 460) for the period of September
22 21, 2003 to October 18, 2003, filed on November 11, 2003 and February 7, 2005; and
 - 23 • Four late contribution reports (Form 497) filed on October 24, 27, 30 and 31, 2003.

24 **Counts 18 - 19**

25 58. The Commission alleges that Respondent violated CFRO and California
Government Code Sections 84504(c) and 84503 by failing, in the Committee's television
advertisement and house signs, to identify clearly the interests of the Alioto law firm as a major
donor of \$50,000.00 or more in the Committee's name and failing to include a disclosure statement

1 identifying the Alioto law firm as a major donor of \$50,000.00 or more.

2 **Factors in Mitigation**

3 59. Respondent's alleged violations do not appear willful. Treasurer Miller and her staff
4 were cooperative with investigators, providing all requested information promptly and completely.

5 60. Miller became Treasurer on July 29, 2003, two weeks after the July 13, 2003 due
6 date for filing an amended statement of organization (Form 410) to change the name of the
7 Committee to identify clearly the interests of the Alioto law firm.

8 61. Respondent timely and properly disclosed all contributions received from the Alioto
9 firm in the Committee's campaign finance disclosure statements (Form 460), and Angela Alioto's
10 name appeared in both law firm names used by Respondent to identify the Alioto law firm (Angela
11 Alioto Professional Law Corporation and Law Offices of Mayor Joseph Alioto and Angela Alioto).

12 62. Respondent complied with all other filing requirements under CFRO.

13 63. Although the Alioto law firm was not identified in the advertisements as the
14 Committee's largest contributor, Angela Alioto was featured in the Committee's television
15 advertisements, so viewers were aware of Angela Alioto's interest in, and association with, the
16 Committee and ballot measure.

17 64. Many members of the public were already aware of Angela Alioto's support for
18 Proposition J because Angela Alioto was identified as the ballot measure's proponent in the June
19 26, 2003 "Notice of Intent to Circulate Petition" in the *San Francisco Chronicle*, and in the
20 Department of Elections' *Voter Guide* for the November 4, 2003 election.
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22 **Factors in Aggravation**

23 65. Notwithstanding Respondent's timely disclosure of the Alioto law firm's
24 contributions in campaign finance disclosure statements (Form 460), because the interests of the
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1 Alioto law firm were not clearly identified in the name of the Committee in statements and
2 advertisements, voters did not have the up-front and immediate notice required by California
3 Government Code Sections 84503 and 84504(c). Unless they actively sought out information about
4 the firm's financial investment in the Committee, voters were deprived of information relevant to
5 their actions at the polls.

6 66. Because the interests of the Alioto law firm were closely related to, if not the same
7 as, the interests of Angela Alioto, a candidate for Mayor in the November 4, 2003 election,
8 Respondent allegedly had particular reason for vigilance in meeting all requirements under state and
9 local law related to the relationship between the Committee, the candidate, and her law firm.

10 67. In 1999, Treasurer Miller signed and filed campaign finance disclosure statements
11 (Form 460) for an unrelated committee whose name identified clearly the interests of a contributor
12 of \$50,000.00.² In 2004, while Treasurer for another unrelated committee, Miller signed and filed
13 an amended statement of organization (Form 410) within ten days after that committee received a
14 \$50,000.00 contribution to identify the interests of the \$50,000.00 contributor.³

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16 68. Although Treasurer Miller was allegedly aware of the requirements under California
17 Government Code Section 84504, Respondent did not file an amended statement of organization
18 (Form 410) to clearly identify the interests of the Alioto law firm or the name of Angela Alioto after
19 Miller became Treasurer of the Committee on July 29, 2003.

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² Coalition for ATM Choice, No on F, A Committee Sponsored by the California Bankers
24 Association, Identification Number 990898.

25 ³ Yes On I, More Jobs For San Franciscans Sponsored By A Coalition Of Committee On Jobs,
Golden Gate Restaurant Association, Labor Unions, Job Training Organizations, And San
Franciscans Who Want To Protect our Economy, Identification Number 1269375.