



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

DAINA CHIU
CHAIR

Date: September 17, 2018

QUENTIN L. KOPP
VICE-CHAIR

To: Members of the Ethics Commission

PAUL A. RENNE
COMMISSIONER

From: Jeff Pierce, Director of Enforcement & Legal Affairs

YVONNE LEE
COMMISSIONER

Subject: **AGENDA ITEM 4: Proposed Stipulation, Decision, and Order**
• ***In the Matter of Quintin Mecke (SFEC Case No. 27-151015)***

NOREEN AMBROSE
COMMISSIONER

Summary: This memorandum provides information regarding the Proposed Stipulation appearing in this agenda item and what the Commission may do next regarding this Proposed Stipulation.

LEEANN PELHAM
EXECUTIVE DIRECTOR

Action Requested: The Commission may approve the Proposed Stipulation by majority vote, or it may provide guidance to Commission Staff regarding the Proposed Stipulation.

Pursuant to the Enforcement Regulations the Commission adopted on January 19, 2018, and which became effective on March 20, 2018, the Executive Director may enter negotiations with a respondent(s) at any time to resolve the factual and legal allegations in a complaint by way of a stipulated order (*i.e.* a negotiated settlement). Enforcement Reg. § 12(A). The Regulations require that the stipulated order set forth the pertinent facts and may include an agreement as to anything that could be ordered by the Commission under its authority pursuant to Charter section C3.699-13. *Id.*

Immediately after the Executive Director enters a stipulated order with a respondent, the Executive Director must inform the Commission of the proposed stipulation. Enforcement Reg. § 12(E). Thereafter, any member of the Commission may request that the stipulated order be reviewed in public session by the full panel of the Commission during its next meeting. *Id.*

Commissioner Kopp requested that the attached Proposed Stipulation be reviewed in public session by the full panel of the Commission. Therefore, the Commission has not yet approved this Proposed Stipulation. Enforcement Reg. § 12(F). It may do so by majority vote, or it may provide guidance to Commission Staff regarding the Proposed Stipulation.

Members of the public may comment on the Proposed Stipulation.

1 LeeAnn Pelham
2 Executive Director
3 Eric Willett
4 Senior Investigative Analyst

5 San Francisco Ethics Commission
6 25 Van Ness Avenue, Suite 220
7 San Francisco, CA 94102
8 (415) 252-3100 Telephone
9 (415) 252-3112 Facsimile

10
11 BEFORE THE SAN FRANCISCO
12 ETHICS COMMISSION

13 In the Matter of) SFEC Complaint No. 27-151015
14)
15 QUINTIN MECKE,)
16)
17)
18 Respondent.) **STIPULATION, DECISION**
19) **AND ORDER**
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29 THE PARTIES STIPULATE AS FOLLOWS:

30 1. This Stipulation, Decision, and Order (“Stipulation”) is made and entered
31 into by and between Quintin Mecke and the San Francisco Ethics Commission (“the
32 Commission”).

33 2. Respondent and the Commission agree to settle and resolve all factual and
34 legal issues in this matter and to reach a final disposition without an administrative
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1 hearing. Upon approval of this Stipulation and full performance of the terms outlined in
2 this Stipulation, the Commission will take no future action against Respondent, and this
3 Stipulation shall constitute the complete resolution of all claims by the Commission
4 against Respondent related to the violations of law described in Exhibit A. Respondent
5 understands and knowingly and voluntarily waives all rights to judicial review of this
6 Stipulation and any action taken by the Commission or its staff on this matter.
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8
9 3. Respondent acknowledges responsibility for and agrees to pay an
10 administrative penalty in the amount of Four Thousand and Five Hundred Dollars
11 (\$4,500) for four violations of the San Francisco Campaign and Governmental Conduct
12 Code (the "SF C&GCC") section 1.510, as set forth in Exhibit A. Respondent agrees that
13 \$4,500 is a reasonable administrative penalty.
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15 4. Within ten (10) business days of the Commission's approval of this
16 Stipulation, Respondent shall deliver to the following address the sum of \$4,500 in the
17 form of a check or money order made payable to the "City and County of San
18 Francisco:"
19

20 San Francisco Ethics Commission
21 Attn: Enforcement & Legal Affairs Division
22 25 Van Ness Avenue, Suite 220
23 San Francisco, CA 94102

24 5. If Respondent fails to comply with the terms of this Stipulation, then the
25 Commission may reopen this matter and prosecute Respondent under Section C3.699-
26 13 of the San Francisco Charter for any available relief.
27

1 Commission or its staff in any necessary administrative proceeding for reasons
2 stemming from his or her prior consideration of this Stipulation.

3 10. This Stipulation, along with the attached Exhibits, reflects the entire
4 agreement between the parties hereto and supersedes any and all prior negotiations,
5 understandings, and agreements with respect to the transactions contemplated herein.

6 This Stipulation may not be amended orally. Any amendment or modification to this
7 Stipulation must be in writing duly executed by all parties and approved by the
8 Commission at a regular or special meeting.

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

12 12. The parties hereto may sign different copies of this Stipulation, which will
13 be deemed to have the same effect as though all parties had signed the same
14 document.

15 Dated: 7/31/2018 
16 LeeAnn Pelham, Executive Director
17 San Francisco Ethics Commission

18 Dated: 7/19/2018 
19 Quintin Mecke

DECISION AND ORDER

1
2 The foregoing Stipulation of the parties in the matter of “Quintin Mecke; SFEC
3 Complaint No. 27-151015,” including the attached Exhibits, is hereby accepted as the
4 final Decision and Order of the San Francisco Ethics Commission, effective upon
5 execution below by the Chairperson.
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7 IT IS SO ORDERED.
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10 Dated: _____
11 _____
12 Daina Chiu, Chairperson
13 San Francisco Ethics Commission
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Exhibit A

I. Applicable Law

The San Francisco Campaign and Governmental Conduct Code (“SF C&GCC”) section 1.500 provides that it is the intent of the regulation of campaign consultants to impose reasonable registration and disclosure requirements on campaign consultants to assist the public in making informed decisions and protect public confidence in the electoral and governmental processes. SF C&GCC section 1.505 defines a campaign consultant as, “any person or entity that receives or is promised economic consideration equaling \$1,000 or more in a calendar year for campaign consulting services.” The SF C&GCC further defines campaign consulting services as, “participating in campaign management or developing or participating in the development of campaign strategy.” *Id.* Additionally, the SF C&GCC defines campaign management as, “conducting, coordinating or supervising a campaign to elect, defeat, retain or recall a candidate, or adopt or defeat a measure, including but not limited to hiring or authorizing the hiring of campaign staff and consultants, spending or authorizing the expenditure of campaign funds, directing, supervising or conducting the solicitation of contributions to the campaign, and selecting or recommending vendors or subvendors of goods or services for the campaign.” *Id.* The SF C&GCC goes on to define campaign strategy as, “plans for the election, defeat, retention or recall of a candidate, or for the adoption or defeat of a measure, including but not limited to producing or authorizing the production of campaign literature and print and broadcast advertising, seeking endorsements of organizations or individuals, seeking financing, or advising on public policy positions.” *Id.*

The SF C&GCC prohibits any campaign consultant from providing campaign consulting services, or accepting any economic consideration for the provision of campaign consulting services, without first registering with the Ethics Commission and complying with the reporting requirements specified in Section 1.515. SF C&GCC § 1.510.

The SF C&GCC requires campaign consultants to file initial registration reports, annual registration reports, client authorization statements, and quarterly reports. *Id.* § 1.515. These reports must include the name, address, and telephone number of each client to whom the campaign consultant provided campaign consulting services; the total economic consideration promised by or received from each client in exchange for the provision of campaign consulting services during the preceding three months, provided that the total is \$500 or more; each political contribution of \$100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary; the cumulative total of all political contributions made or delivered by the campaign consultant, or which is made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to each individual candidate or measure, provided that the cumulative total is \$500 or more; any gifts promised or made by the campaign consultant to a local officeholder during the preceding three months which in the aggregate total \$50 or more; and at the time of initial registration, the campaign consultant shall submit to the Ethics Commission a written authorization from each client that contracts with the campaign consultant for campaign consulting services. *Id.*

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II. Summary of Material Facts

Respondent Quintin Mecke has a history of engaging in political activity in San Francisco dating back to at least 2012, when, for example, he formed a candidate-controlled committee for his candidacy to the San Francisco Board of Supervisors and filed campaign statements with the San Francisco Ethics Commission (the Commission). In 2013 and 2014, Respondent worked as a contact lobbyist in San Francisco and filed lobbyist reports with the Commission.

Campaign Consulting for San Franciscans Against Real Estate Speculation

In 2014, Respondent contracted to provide campaign management services for San Franciscans Against Real Estate Speculation, A Committee in Support of Proposition G (Prop G Committee) for a period commencing on July 25, 2014 and terminating on November 7, 2014. Per a personal service contract, the Prop G Committee agreed to pay Respondent \$2,000 per two-week period to, “coordinate and manage the Yes on G Campaign per plans to be mutually developed and agreed.” See Exhibit B, p. 1.

Respondent, however, did not file a campaign consultant registration report upon qualifying as a campaign consultant once he reached the \$1,000 threshold on August 1, 2014.

He also did not file a Quarterly Report due September 15, 2014. That report would have required disclosures of \$8,000 in payments promised or received from his client and his political contributions of \$1,600 in four contributions to three committees.

In addition, Respondent did not file a Quarterly Report due December 15, 2014, nor a Client Termination Statement within 30 days of terminating his services for the Prop G Committee.

By January 1, 2015, Respondent was required to re-register as a campaign consultant with the Commission. Additionally, Respondent was required to file Quarterly Reports by March 15 and June 6, 2015. Respondent did not file these statements.

Campaign Consulting for ShareBetter SF

In 2015, Respondent contracted to provide campaign management services for ShareBetter SF, Yes on F (Prop F Committee) for a period commencing on August 10, 2015 and terminating on November 3, 2015. Per a personal service contract, the Prop F Committee agreed to pay Respondent \$10,000 in four quarterly installments to, “assist with the coordination and management of the Yes on F Campaign per plans to be mutually developed and agreed.” See Exhibit C, p. 1.

Respondent, however, did not file a campaign consultant client authorization statement on its due date of August 25, 2015. That statement would have required disclosures of \$7,000 in payments promised or received from his client and his political contributions of \$100 in one contribution to one committee.

He also did not file a Quarterly Report due September 15, 2015.

On November 19, 2015, Staff informed Respondent that he was the subject of an investigation for alleged violations of the SF C&GCC for his unreported campaign consultant activity. See Exhibit D.

Respondent subsequently did not file a Quarterly Report due December 15, 2015, nor a Client Termination Statement due within 30 days of terminating his services for the Prop F Committee. Respondent Quarterly Report due December 15, 2015 would have required disclosures of \$10,000 in payments promised or received from his client and his political contributions of \$200 in two contributions to two committees.

III. Conclusions of Law

Counts I and 2: SF C&GCC Section 1.510 Registration

1. Failure to register as a campaign consultant for the period July 25, 2014 through November 7, 2014 as required by SF C&GCC Sec. 1.510 for campaign management services Respondent contracted to provide to the Prop. G Committee.
2. Failure to register as a campaign consultant for the period August 10, 2015 through November 3, 2015 as required by SF C&GCC Sec. 1.510 for campaign management services Respondent contracted to provide to the Prop. F Committee.

Counts 3 and 4: SF C&GCC Section 1.510 - Disclosure

3. Failure to disclose payments totaling approximately \$8,000 received for the period June 1, 2014 through November 30, 2014 as required by SF C&GCC Sec. 1.510, for campaign consultant services Respondent provided to the Prop. G Committee.
4. Failure to disclose payments totaling approximately \$17,000 received for the period June 1, 2015 through November 30, 2015 as required by SF C&GCC Sec. 1.510, for campaign consultant services Respondent provided to the Prop. G Committee and to the Prop. F Committee.

IV. Penalty Assessment

This matter consists of four violations of the San Francisco Campaign and Governmental Conduct Code section 1.510. The San Francisco Charter authorizes the Commission to assess a maximum administrative penalty of \$5,000 per violation, or three times the amount which Respondent failed to report properly, meaning this matter could amount to a maximum administrative penalty of \$75,000. SF Charter § C3.699-13(c).

When determining penalties, the Ethics Commission considers all of the relevant circumstances surrounding the case, including but not limited to: (1) the severity of the violation; (2) the presence or absence of any intention to conceal, deceive, or mislead; (3) whether the violation was willful; (4) whether the violation was an isolated incident or part of a pattern; (5) whether the respondent has a prior record of violations of law; (6) the degree to which the respondent cooperated with the investigation and demonstrated a willingness to remedy any violations; and (7) the respondent's ability to pay will be considered a mitigating factor if the respondent provides documentation to the Director of Enforcement of such inability, which must include three years' worth of income tax returns and six

months' worth of bank records or accounting statements, at a minimum. San Francisco Ethics Commission Enforcement Regulations § 9(D).

Applying the penalty factors enumerated above, Staff believes the Respondent's violations are significant. It was the purpose and intent of the people of the City and County of San Francisco to impose reasonable registration and disclosure requirements on campaign consultants to assist the public in making informed decisions and protect public confidence in the electoral and governmental processes. Failure to register for and disclose his campaign consulting services deprived the public full knowledge about Respondent's activities at the time they were undertaken. Because Respondent failed to register with the Commission, he also subsequently failed to file 10 additional statements representing a total of \$25,000 in campaign consultant services. In addition, because Respondent was formerly a candidate for the Board of Supervisors and a lobbyist in San Francisco, Respondent was familiar with the San Francisco Campaign & Governmental Conduct Code and knew or should have known campaign consultants are subject to filing requirements.

Nevertheless, Respondent cooperated with the investigation, he does not have a history of prior enforcement with the Commission, and he demonstrated a financial inability to pay pursuant to Enforcement Regulation section 9(D)(7).

Therefore, Staff proposes penalties for the violations of City law as follows: Counts 1 and 2 - \$1,000 each and Counts 3 and 4 - \$1,250 each, which represents approximately 18 percent of Respondent unreported campaign consultant activity in the City and County during the time periods at issue in this matter. The total proposed penalty for Counts 1 through 4 is \$4,500. The parties agree that the \$4,500 administrative penalty is warranted because the amount of penalty reflects the lack of disclosure by Respondent and because it is high enough to promote a deterrent effect, while not being so high as to unfairly burden a respondent who has demonstrated an inability to pay.

PERSONAL SERVICE CONTRACT

The parties to this contract are the San Franciscans Against Real Estate Speculation (hereafter referred to as SFARES), and Quintin Mecke (hereafter referred to as Contractor).

1. SERVICES TO BE PROVIDED

CONTRACTOR, in exchange for the compensation paid by the SFARES under this contract, agrees to provide the following services: Coordinate and manage the Yes on G Campaign per plans to be mutually developed and agreed.

2. TERM OF CONTRACT The term of this contract is for a period commencing on July 25, 2014 and terminating on November 7, 2014

3. COMPENSATION

SFARES will pay for the services provided by CONTRACTOR under this contract an amount of \$2000 per two week period of services provided (the amount will be prorated for any period of service less than two weeks). CONTRACTOR shall provide an invoice for services. Checks will be mailed to the address provided on the last page of this document unless otherwise agreed by the parties.

4. TERMINATION OF CONTRACT

a. Termination without cause: This contract may be terminated by mutual consent of both parties, or by either party upon 15 days written notice.

b. Termination for cause: The SFARES by written notice of default to the CONTRACTOR may terminate the whole or any part of this contract: 1) If the CONTRACTOR fails to provide services as described by this contract; or 2) If the CONTRACTOR fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms

The rights and remedies of SFARES provided in the above clause related to defaults by the CONTRACTOR are not exclusive and are in addition to any other rights and remedies provided by law or under this contract.

5. RENEWAL

This contract will not automatically renew.

6. MERGER AND MODIFICATION.

This contract may not be modified, supplemented or amended in any matter except by written agreement signed by both parties.

7. SEVERABILITY.

If any term of this contract is declared by a court having jurisdiction to be illegal or unenforceable the validity of the remaining terms shall not be affected and if possible the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

8. ASSIGNMENT AND SUBCONTRACTS

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without the SFARES's express consent.

9. APPLICABLE LAW AND VENUE

This contract is governed by and construed in accordance with the laws of the State of California.

10. NOTICE OF POTENTIAL CLAIMS

CONTRACTOR shall promptly notify SFARES of all potential claims that arise or result from the activities related to the provision of services under this contract.

11. INDEMNITY

It is understood and agreed that CONTRACTOR is responsible to exercise his/her own due care for the overall implementation of the Yes on G campaign. As a result CONTRACTOR shall hold harmless the SFARES, its officers, agents, and employees from any and all claims of any nature which may in any manner result from or arise out of this contract except for resulting from arising out of SFARES sole negligence. If CONTRACTOR operates any motor vehicle in the course of providing the services under this contract, CONTRACTOR shall be responsible for securing and keeping in force automobile liability insurance with the limits that meet or exceed the requirements of state law.

12. WORK PRODUCT. EQUIPMENT AND MATERIALS

All work product equipment, intellectual property, or materials created or purchased in providing the services under this contract shall belong to SFARES and must be delivered to SFARES upon termination of this contract.

13. INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this contract and is not an SFARES employee for any purpose. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out the CONTRACTOR's activities and responsibilities under this contract except to the extent specified in this contract or as required by law.

14. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

CONTRACTOR agrees to comply with all applicable laws, rules, regulations, and policies including but not limited to nondiscrimination, accessibility, civil rights, and election finance and ethics laws.

15. CONTRACTOR s Social Security number is: _____.

16. EFFECTIVENESS OF CONTRACT

This contract is not effective until fully executed by both parties.

CONTRACTOR:

QUINTIN MECKE

Date

Address

SFARES:

TED GUILLICKSEN

Date

PERSONAL SERVICE CONTRACT

The parties to this contract are ShareBetterSF, and Quintin Mecke (hereafter referred to as Contractor).

1. SERVICES TO BE PROVIDED

CONTRACTOR, in exchange for the compensation paid by the ShareBetter under this contract, agrees to provide the following services: Assist with the coordination and management of the Yes on F Campaign per plans to be mutually developed and agreed.

2. TERM OF CONTRACT The term of this contract is for a period commencing on August 10, 2015 and terminating on November 3, 2015

3. COMPENSATION

ShareBetterSF will pay for the services provided by CONTRACTOR under this contract an amount of \$10,000 for services provided. CONTRACTOR shall provide an invoice for services and will be paid in four (4) quarterly installments. Checks will to be mailed to the address provided on the last page of this document unless otherwise agreed by the parties.

4. TERMINATION OF CONTRACT

a. Termination without cause: This contract may be terminated by mutual consent of both parties, or by either party upon 15 days written notice.

b. Termination for cause: The SHARE BETTER SF by written notice of default to the CONTRACTOR may terminate the whole or any part of this contract: 1) If the CONTRACTOR fails to provide services as described by this contract; or 2) If the CONTRACTOR fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms

The rights and remedies of SHARE BETTER SF provided in the above clause related to defaults by the CONTRACTOR are not exclusive and are in addition to any other rights and remedies provided by law or under this contract.

5. RENEWAL

This contract will not automatically renew.

6. MERGER AND MODIFICATION.

This contract may not be modified, supplemented or amended in any matter except by written agreement signed by both parties.

7. SEVERABILITY.

If any term of this contract is declared by a court having jurisdiction to be illegal or unenforceable the validity of the remaining terms shall not be affected and if possible the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

8. ASSIGNMENT AND SUBCONTRACTS

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without the SHARE BETTER SF's express consent.

9. APPLICABLE LAW AND VENUE

This contract is governed by and construed in accordance with the laws of the State of California.

10. NOTICE OF POTENTIAL CLAIMS

CONTRACTOR shall promptly notify SHARE BETTER SF of all potential claims that arise or result from the activities related to the provision of services under this contract.

11. INDEMNITY

It is understood and agreed that CONTRACTOR is responsible to exercise his/her own due care for the overall implementation of the Yes on F campaign. As a result CONTRACTOR shall hold harmless the SHARE BETTER SF, its officers, agents, and employees from any and all claims of any nature that may in any manner result from or arise out of this contract except for resulting from arising out of SHARE BETTER SF sole negligence. If CONTRACTOR operates any motor vehicle in the course of providing the services under this contract, CONTRACTOR shall be responsible for securing and keeping in force automobile liability insurance with the limits that meet or exceed the requirements of state law.

12. WORK PRODUCT. EQUIPMENT AND MATERIALS

All work product equipment, intellectual property, or materials created or purchased in providing the services under this contract shall belong to SHARE BETTER SF and must be delivered to SHARE BETTER SF upon termination of this contract.

13. INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this contract and is not an SHARE BETTER SF employee for any purpose. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out the CONTRACTOR's activities and responsibilities under this contract except to the extent specified in this contract or as required by law.

14. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

CONTRACTOR agrees to comply with all applicable laws, rules, regulations, and policies including but not limited to nondiscrimination, accessibility, civil rights, and election finance and ethics laws.

15. CONTRACTOR s Social Security number is: _____.

16. EFFECTIVENESS OF CONTRACT

This contract is not effective until fully executed by both parties.

CONTRACTOR:

_____ Date

QUINTIN MECKE

Address

SHARE BETTER SF:

_____ Date

DALE CARLSON

From: "Chatfield, Garrett (ETH)" <garrett.chatfield@sfgov.org>

Date: December 23, 2015 at 3:58:16 PM PST

To: "[REDACTED]" <[REDACTED]>

Subject: CONFIDENTIAL MATTER

Dear Mr. Mecke:

We spoke on November 19, 2015, regarding a pending enforcement matter in which you are the respondent. During that call, you expressed an interest in pursuing a settlement in the matter. As you may be aware, the Commission has appointed a new Director who will start on January 4, 2016. In addition, the former Acting Director left the Commission in mid-December 2015 without instructing me on a proposed settlement amount.

I will contact you after the new Director starts and has reviewed the matter. Thank you for your patience during this period of transition. If you have any questions, please feel free to contact me.

Thank you,

Garrett Chatfield
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