

**San Francisco  
Ethics Commission**



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**2018 Election Cycle  
Jessica Ho for Supervisor 2018  
FPPC ID #1406738  
Report posted October 8, 2020**

San Francisco Charter section C3.699-11 authorizes the Ethics Commission to audit campaign statements that are filed with the Commission, along with other relevant documents, to determine whether a committee materially complied with applicable requirements of State and local laws. San Francisco Campaign & Governmental Conduct Code Section 1.150(a) requires audits of all candidates who received public financing in their campaigns and authorizes other audits to be initiated of other committees irrespective of whether the committee received any public funds. The Ethics Commission's audit program issues public reports that detail these committees' compliance with applicable campaign finance and reporting laws. The Commission posts its reports to its website and, in cases of apparent violations of law, forwards them to the appropriate enforcement agency.

As part of its audit program in connection with the June and November 2018 elections, the Ethics Commission engaged Macias Gini & O'Connell LLP (MGO) to assess compliance with applicable campaign laws for the 14 committees of candidates that received public funds during those elections. The report that follows is one of the reports issued by MGO pursuant to that engagement.

**CITY AND COUNTY OF SAN FRANCISCO  
ETHICS COMMISSION**

**CANDIDATE COMMITTEE 2018 ELECTION  
ASSESSMENT REPORT:**

Jessica Ho for District 4 Supervisor 2018

June 12, 2018 through December 31, 2018



Certified  
Public  
Accountants

## **Jessica Ho Committee 2018 Election Assessment Report**

Executive Director, Ethics Commission  
City and County of San Francisco

Macias Gini & O'Connell LLP (MGO) presents its report concerning the assessment of the Jessica Ho for District 4 Supervisor Committee (Candidate Committee, or Committee) for the period June 12, 2018 through December 31, 2018 as follows:

### *Background*

The Committee was formed on June 12, 2018, to support the election of Jessica Ho to the City and County of San Francisco (City) Board of Supervisors, to represent District 4, in the general election of November 6, 2018. During the period covered by the assessment, the Committee's Treasurer was Jessica Ho and the Committee's Assistant Treasurer was Patricia Mar.

MGO was engaged to assess candidate committees per the City's Campaign Finance Reform Ordinance, Section 1.150(a), which requires the Ethics Commission to audit all candidate committees that have received public financing.

### *Objectives and Scope*

The objectives of this assessment were to reasonably conclude whether the Committee:

- Accurately reported all campaign contributions and expenditures, as required by City campaign finance law;
- Supported all contributions and expenditures with sufficient documentation, as required by City campaign finance laws;
- Accepted only contributions that comply with state and City campaign finance laws;
- Made only expenditures that comply with state and City campaign finance laws; and
- Complied with applicable campaign disclosure and disclaimer requirements and timeframes required by applicable laws and regulations.

The scope of our assessment included contributions and expenditures the Committee reported from June 12, 2018 through December 31, 2018.<sup>1</sup> The assessment included determining whether funds remaining in the Campaign Contribution Trust Account on December 6, 2018, were subsequently remitted to the Ethics Commissions, as City campaign finance law requires.<sup>2</sup>

### *Methodology*

To meet the objectives of this assessment, we tested and reconciled contributions listed on the Form 460s<sup>3</sup> to deposits listed on the bank statements and vouched them to the Committee's verified records. We also reconciled expenditures listed on the Form 460s to the bank statements and vouched to the Committee's

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<sup>1</sup> Although the assessment period ended December 31, 2018, we reviewed documentation that supported contributions and expenditures after this date to ensure compliance with campaign finance laws during the reporting period.

<sup>2</sup> December 6, 2018 is 30 days after the date of the election. Section 1.148(c) of the City's Campaign Finance Reform Ordinance states, "Any candidate who received public financing and whose committee has unexpended public funds shall pay to the City and County of San Francisco and deliver to the Ethics Commission those funds for deposit in the Election Campaign Fund no later than 30 days after the Ethics Commission completes its audit of the candidate's committee." The City's Campaign Finance Reform Ordinance defines unexpended public funds as, "... all funds remaining in the candidate committee's account on the 30<sup>th</sup> day after the candidate controlling committee is either elected or not elected to office regardless of the source of the funds, but shall not exceed the amount of public funds provided to the candidate."

<sup>3</sup> California Form 460 – Recipient Committee Campaign Statement.



verified records. We performed other tests to determine whether the Committee complied with state and City campaign finance laws. We performed the following procedures: reviewed the Form 460s the Committee filed and the supporting documentation; conducted non-statistical testing of a random selection of contributions and expenditures to confirm that proper documentation was obtained; and reviewed mailings and other advertisements that were listed on the Form 161s<sup>4</sup> for compliance with City campaign finance laws.

We conducted this assessment in accordance with the statements on standards for consulting services as issued by the American Institute of Certified Public Accountants (AICPA) and the terms of our contract agreement. Those standards require that we plan and perform the engagement to obtain sufficient, appropriate data to provide a reasonable basis for our conclusions based on our objectives. We believe that the data obtained provides a reasonable basis for our conclusions based on our assessment objectives.

### *Assessment Results*

From June 12, 2018 through December 31, 2018, the Committee received \$139,409.27 in monetary contributions, and \$129,287.27 in public funds – or a total of \$268,696.54 – and expended \$268,696.54. The Committee owes no unexpended funds to the City. We found that the Committee, in general:

- Accurately and completely reported all campaign contributions and expenditures.
- Supported reported contributions and expenditures with sufficient documentation.
- Substantially complied with state and City campaign finance laws relating to campaign contributions with the exception of accepting contributions from one contributor that exceeded the contribution limit as noted in observation 2019-01 below.
- Only made expenditures that complied with state and City campaign finance laws.
- Complied with applicable campaign disclosure and disclaimer requirements and timeframes.

The exception is noted below:

*Observation 2019-01 – Out of over 400 contributors, the Committee received funds from one contributor in excess of the maximum contribution limit (\$500 per contributor) per local ordinance. In addition, the Committee did not subsequently remit the excess contribution to the Ethics Commission pursuant to local campaign finance law.*

Our assessment procedures included reviewing 100% of all contributions received by the Committee and determining whether any contributors made contributions in excess of \$500 (the maximum contribution limit per local ordinance), except for the Candidate. Out of over 400 contributors, we identified one contributor that made contributions that totaled \$600, exceeding the contribution limit by \$100 pursuant to the City's Campaign Finance Reform Ordinance. Upon our inquiry to the Treasurer regarding this discrepancy, the Treasurer stated that no refund was given to the contributor and the \$100 was not forfeited to the Ethics Commission as required by Section 1.114(f) of the City's Campaign Finance Reform Ordinance. The Committee should remit \$100 to the Ethics Commission for receiving contributions in excess of the contribution limit.

According to the City's Campaign Finance Reform Ordinance, Section 1.114(a), "No person other than a candidate shall make, and no campaign treasurer for a candidate committee shall solicit or accept, any contribution which will cause the total amount contributed by such person to such candidate committee in an election to exceed \$500."

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<sup>4</sup> San Francisco Ethics Commission Form 161 – Itemized Disclosure Statement for Mass Mailings.

### *Conclusion*

The observation identified in this report will be reviewed further by the Ethics Commission's Enforcement Division, who will determine whether or not any further action is warranted based on the degree to which the Committee substantially complied with state and City campaign finance laws as outlined in the objectives and scope section of this report.

The Committee was provided a copy of this report and an opportunity to respond. The Committee's response is attached to this report.

This report is intended for the information and use of the Ethics Commission and the Committee. The report will be posted to the Ethics Commission website for the purpose of informing the public of the Committee's compliance with state and City campaign finance laws.

*Macias Gini E' O'Connell LAP*

Walnut Creek, California  
January 20, 2020



January 20, 2020

**VIA EMAIL ONLY**

LeeAnn Pelham, Executive Director  
c/o Harrison Murk, Manager-MGO  
San Francisco Ethics Commission  
25 Van Ness Ave, Suite 220  
San Francisco, CA 94102

**Re: Draft Assessment Report – Jessica Ho for District 4 Supervisor 2018**

Dear Director Pelham:

I represent the “Jessica Ho for District 4 Supervisor 2018” committee (the “committee”). Thank you for the opportunity to respond to the draft audit assessment report concerning the committee, as prepared by Macias Gini & O’Connell LLP (“MGO”).

We have the following comment:

The committee mistakenly deposited a \$300 contribution towards the end of the campaign from a contributor who had already contributed \$300. This did not come to the committee’s attention until it was pointed out by MGO. This \$300 contribution occurred in the context of nearly 500 otherwise permissible contributors during the campaign, as referenced in the draft report. This was a de minimis mistake and there was no intent to exceed the \$500 limit. Ms. Ho is willing to make a payment of the excess \$100 to the City.

Please feel free to contact me directly with any questions or comments regarding this letter.

Thank you.

Very truly yours,

Jesse Mainardi