

**San Francisco  
Ethics Commission**



**25 Van Ness Avenue, Suite 220  
San Francisco CA 94102  
Phone (415) 252-3100  
Fax (415) 252-3112**

2018 Election Cycle  
**JEFF SHEEHY FOR SUPERVISOR JUNE 2018**  
FPPC ID #1395306  
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:**

Jeff Sheehy for District 8 Supervisor 2018

March 13, 2017 through December 31, 2018



Certified  
Public  
Accountants

## **Jeff Sheehy 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 Jeff Sheehy for District 8 Supervisor Committee (Candidate Committee, or Committee) for the period March 13, 2017 through December 31, 2018 as follows:

### *Background*

The Committee was formed on March 13, 2017, to support the election of Jeff Sheehy to the City and County of San Francisco (City) Board of Supervisors, to represent District 8, in the primary election of June 5, 2018. During the period covered by the assessment, the Committee's Treasurer was Jeff Sheehy. During the assessment, MGO submitted inquiries to Tricia Waineo.

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 March 13, 2017 through December 31, 2018.<sup>1</sup> The assessment included determining whether funds remaining in the Campaign Contribution Trust Account on July 5, 2018, were subsequently remitted to the Ethics Commission, as City campaign finance law requires.<sup>2</sup>

---

<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> July 5, 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."



## *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 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 March 13, 2017 through December 31, 2018, the Committee received \$189,829 in monetary contributions, and \$152,500 in public funds – or a total of \$342,329 – and expended \$339,302. The Committee owes the City \$1,381 in unexpended public funds. We found that the Committee, in general:

- Accurately and completely reported all campaign contributions and expenditures with the exception of one expenditure that the Committee overstated as noted in observation 2019-01 below.
- Supported reported contributions and expenditures with sufficient documentation.
- Accepted only contributions that complied with State and City campaign finance laws.
- 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 200 expenditures, the Committee overstated one expenditure and made a payment for the expenditure that was \$10 greater than the actual amount of the expenditure.*

Our assessment procedures included reviewing 100% of all expenditures reported by the Committee on the Form 460s and reconciled the reported expenditures to the Committee's bank statements. We also vouched the expenditures to supporting documentation provided by the Committee for each expenditure. Out of over 200 expenditures, we identified one expenditure made by the Committee that was \$10 greater than the amount listed on the reimbursement request. Upon our inquiry to the Committee regarding this discrepancy between the reimbursement request and the payment, the Committee stated that an error was made when the check was issued and an overpayment of \$10 was made. The Committee should request the \$10 be returned to the Committee to cure the overpayment.

According to the California Government Code, Section 84211(i), "Each campaign statement required by this article shall contain all of the following information: The total amount of expenditures made during the period covered by the campaign statement to persons who have received one hundred dollars (\$100) or more."

---

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

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



*Observation 2019-02 – The Committee owes the City \$1,381 in unexpended public funds.*

Based on our calculations as of January 15, 2020, the Committee owes the City \$1,381 in unexpended public funds. The unexpended public funds are calculated by taking the Committee's bank balance on the 30<sup>th</sup> day following the date of the election and subtracting any expenditures incurred by the Treasurer for the preparation of post-election campaign statements or any expenditures associated with this assessment. According to the Committee, no unexpended funds have been returned to the City. However, it should be noted that if the Committee incurs any additional expenditures associated with this assessment or preparation of post-election campaign statements after January 15, 2020, the unexpended public funds amount will change. If no additional expenditures are incurred by the Committee after January 15, 2020, the Committee shall pay the unexpended public funds balance of \$1,381 to the Ethics Commission within 30 days after the completion of this assessment.

According to the City's Campaign Finance Reform Ordinance, Section 1.104, unexpended public funds are defined as, "...all funds remaining in the candidate committee's account on the 30<sup>th</sup> day after the candidate controlling the 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. Funds raised after this date are not unexpended funds." Also, according to the same code, Section 1.148(c), "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. Unexpended funds may be used to pay for expenses associated with an audit such as bank fees, treasurer fees and storage fees until the Ethics Commission completes its audit of the candidate's committee."

*Conclusion*

The observations 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 & O'Connell LLP*

Walnut Creek, California  
February 12, 2020



February 6, 2020

LeeAnn Pelham  
San Francisco Ethics Commission  
25 Van Ness Avenue, Suite 220  
San Francisco, CA 94102

RE: Response to Draft Assessment Report – Jeff Sheehy for Supervisor June 2018

Dear Director Pelham,

Thank you for the opportunity to respond to the draft assessment report by Macias Gini & O'Connell LLP for Jeff Supervisor for Supervisor June 2018 ("Committee").

After thorough review of the draft assessment report, the Committee does not have additional comments and/or updates to make to the report.

If there are any questions that may arise during the finalization of the assessment report, please feel free to reach out to us via e-mail at [pmar@viewavegrp.com](mailto:pmar@viewavegrp.com) or [twaineo@viewavegrp.com](mailto:twaineo@viewavegrp.com) or by phone at (628) 899-6180.

Regards,

Patricia Mar

Enclosure – Jeff Sheehy Draft Assessment Report by MCO