

Patrick Ford
Executive Director

Jeffrey Zumwalt
Acting Director of Enforcement

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102
(415) 252-3100

BEFORE THE SAN FRANCISCO

ETHICS COMMISSION

In the Matter of)	SFEC Complaint Nos. 2223-504 (2223-033)
)	
Walk San Francisco Foundation)	
)	
)	STIPULATION, DECISION, AND ORDER
Respondent.)	
)	
_____)	

THE PARTIES STIPULATE AS FOLLOWS:

1. This Stipulation, Decision, and Order (Stipulation) is made and entered into by and between Walk San Francisco Foundation (“Respondent”) and the San Francisco Ethics Commission (“the Commission”).

2. Respondent and the Commission agree to settle and resolve all factual and legal issues in this matter and to reach a final disposition without an administrative hearing. Respondent represents that Respondent has accurately furnished to the Commission all information and documents that are relevant to the conduct described in Exhibit A. Upon approval of this Stipulation and full performance of the terms outlined in this Stipulation, the Commission will take no future action against Respondent

regarding the violations of law described in Exhibit A, and this Stipulation shall constitute the complete resolution of all claims by the Commission against Respondent related to such violations. Respondent understands and knowingly and voluntarily waives all rights to judicial review of this Stipulation and any action taken by the Commission or its staff on this matter.

3. Respondent acknowledges responsibility for and agree to pay an administrative penalty as set forth in Exhibit A. Respondent agrees that the administrative penalty set forth in Exhibit A is a reasonable administrative penalty.

4. Within ten business days of the Commission's approval of this Stipulation, Respondent shall either pay the settlement amount through the City's online payment portal or otherwise deliver to the following address the sum as set forth in Exhibit A in the form of a check or money order made payable to the "City and County of San Francisco":

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

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

6. Respondent understands, and hereby knowingly and voluntarily waives, any and all procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission's Enforcement Regulations with respect to this matter. These include, but are not limited to, the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondents' expense, to confront and cross-examine all witnesses testifying at the hearing and to subpoena witnesses to testify at the hearing.

7. Respondent understands and acknowledges that this Stipulation is not binding on any other government agency with the authority to enforce the San Francisco Campaign & Governmental Conduct Code section 1.100 *et seq.*, and does not preclude the Commission or its staff from cooperating with or assisting any other government agency in its prosecution of Respondents for any allegations set forth in Exhibit A, or any other matters related to those violations of law set forth in Exhibit A.

8. This Stipulation is subject to the Commission's approval. In the event the Commission declines to approve this Stipulation, the Stipulation shall become null and void, except Paragraph 9, which shall survive.

9. In the event the Commission rejects this Stipulation, and further administrative proceedings before the Commission are necessary, Respondent agrees that the Stipulation and all references to it are inadmissible. Respondent moreover agrees not to challenge, dispute, or object to the participation of any member of the Commission or its staff in any necessary administrative proceeding for reasons stemming from his or her prior consideration of this Stipulation.

10. This Stipulation, along with the attached Exhibit A, reflects the entire agreement between the parties hereto and supersedes any and all prior negotiations, understandings, and agreements with respect to the transactions contemplated herein. This Stipulation may not be amended orally. Any amendment or modification to this Stipulation must be in writing duly executed by all parties and approved by the Commission at a regular or special meeting.

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

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

Dated: 02-02-2024 | 10:48:32 PST DocuSigned by:
Patrick Ford
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PATRICK FORD, EXECUTIVE DIRECTOR

SAN FRANCISCO ETHICS COMMISSION

Dated: 02-01-2024 | 18:17:44 PST DocuSigned by:
Jodie Medeiros
1CFD2877AFE14FD...

JODIE MEDEIROS, ON BEHALF OF WALK SAN FRANCISCO FOUNDATION

DECISION AND ORDER

The foregoing Stipulation of the parties in the matter of “Walk San Francisco Foundation Case No. 2223-504,” including the attached Exhibit A, 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: _____

THEIS FINLEV, ACTING CHAIRPERSON
SAN FRANCISCO ETHICS COMMISSION

Exhibit A

I. Introduction

Respondent Walk San Francisco Foundation is a 501(c)(3) non-profit organization whose stated vision is to “make San Francisco the most pedestrian-friendly city in the United States.” Respondent pursues this vision with a combination of membership engagement, fundraising, awareness campaigns, and advocacy at the city and state level. In addition to being a registered non-profit, Respondent also qualified as a multipurpose organization under state and city law because of its political activity. *See* Cal. Gov’t Code § 84222; San Francisco Campaign & Governmental Conduct Code § 1.106 (hereinafter “SF C&GCC”).

Respondent violated state and City campaign finance law when the organization solicited political contributions from its members to support Propositions J and L and oppose Proposition I on the November 8, 2022 General Election ballot (“November Election”), and subsequently made political expenditures for the same purposes, while failing to timely register and report as a political committee. *See* SF C&GCC § 1.106; Cal. Gov’t Code § 84222; 2 CCR § 18422.

II. Applicable Law

SF C&GCC section 1.106 incorporates the California Government Code (Cal. Gov’t Code) commencing at Section 81000. Government Code section 84222(a) defines a multipurpose organization as “an organization described in Sections 501(c)(3) to 501(c)(10), inclusive, of the Internal Revenue Code and that is exempt from taxation under Section 501(a) of the Internal Revenue Code, a federal or out-of-state political organization, a trade association, a professional association, a civic organization, a religious organization, a fraternal society, an educational institution, or any other association or group of persons acting in concert, that is operating for purposes other than making contributions or expenditures.”

The Government Code defines a committee as any person or combination of persons who directly or indirectly does any of the following:

- a) Receives contributions totaling one thousand dollars (\$2,000) or more in a calendar year;
- b) Makes independent expenditures totaling one thousand dollars (\$1,000) or more in a calendar year; or
- c) Makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to or at the behest of candidates or committees.

Cal. Gov’t Code § 82013.

Government Code section 84222(c) provides that a multipurpose organization constitutes a recipient committee under state law, and is thus subject to all reporting requirements that apply to recipient committees, if, among other things, “[t]he multipurpose organization accepts payments from donors in an amount equal to or greater than [\$2,000] subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures.”

Government Code section 84101(a) outlines a committee's initial filing requirements and states, "[a] committee that is a committee by virtue of subdivision (a) of Section 82013 shall file a statement of organization . . . within 10 days after the committee has qualified as a committee."

Government Code section 84200(a) requires a committee to file semi-annual campaign statements "each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31." In addition to the campaign disclosure requirements of the Government Code, SF C&GCC section 1.135(a) requires a county general purpose committee to file pre-election campaign statements "if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the pre-election statements." SF C&GCC section 1.135(b)(2) defines the timing of the pre-election statements for even-numbered years as follows:

- A. For the period ending 45 days before the election, the statement shall be filed no later than 40 days before the election;
- B. For the period ending 17 days before the election, the statement shall be filed no later than 12 days before the election; and
- C. For the period ending six days before the election, the statement shall be filed no later than four days before the election.

III. Summary of Material Facts

Respondent issued several public and private communications to its membership and to the public soliciting donations that would be used toward its efforts on Propositions J, I, and L in the November Election.

First, Respondent acknowledged that it sent a fundraising email to its membership soliciting donations to be used as part of a campaign "to defeat" Proposition I. Further, Respondent published eight blog posts between June 15 and November 9, 2022 that discussed the organization's work on ballot measures on the November ballot and, for at least a brief period of time, included a "donate" button or hyperlink that led to a donation page.

By July 25, Respondent had raised at least \$2,000 in contributions, thus meeting the threshold to register as a recipient committee. Respondent would go on to raise a total of \$6,934.92 in contributions.

On September 20, 2022, Access for All, the political committee supporting Proposition I and opposing Proposition J in the November election, publicly complained that Respondent was operating as a political committee but had failed to register and report as such.

On October 2, Respondent filed a Statement of Organization (Form 410) forming the Walk San Francisco Foundation Committee to Support Props L and J (501(c)(3) ("Walk SF Committee"). On October 15, the Walk SF Committee filed a pre-election campaign statement (Form 460) reporting \$6,934.92 in contributions and \$2,858.66 in expenditures during the period from July 1 through September 24, 2022. On October 27, the Committee filed another pre-election campaign statement (Form 460) reporting a total of \$2,215.75 in contributions, \$3,319 in returned contributions, and \$2,972.41 in expenditures. In total, the Committee reported returning or spending all contributions. Commission staff confirmed in

December 2023 that the Walk SF Committee returned all contributions not required to cover political expenditures.

IV. Conclusions of Law

Respondent qualified as a committee on July 25, 2022 and was thus required to register as such no later than August 4, 2022. Respondent did not meet this obligation. On September 29, 2022, the First Pre-Election Campaign Statement (Form 460) was due for the period July 1, 2022, through September 24, 2022. However, Respondent had still not registered as a committee at that time and also failed to file the pre-election campaign statement by this deadline. Respondent ultimately filed its campaign statement for this period and registered as a committee on October 2, 2022.

The conduct at issue in this matter pertains to violations of the Campaign Finance Reform Ordinance, Article I Chapter 1 of the San Francisco Campaign & Governmental Conduct Code. The Commission's investigation identified, and Respondents acknowledge responsibility for, the following violations of City law:

Count 1

Failure to timely file committee registration and disclosure forms as required in violation of SF C&GCC section 1.106.

Count 1: Respondent failed to timely file campaign disclosure forms, as required by SF C&GCC sections 1.106 and 1.135(b)(2) and Cal. Gov't Code sections 84101(a) and 84200(a) during the time Respondent was qualified and required to report as a committee. This count comprises multiple campaign finance law violations that all relate to Respondent's political activities in connection with the November 8, 2022 election. These are the failure to timely form a political committee by filing a Form 410, failure to timely file the first pre-election campaign statement by filing a Form 460.

V. Penalty Assessment

This matter consists of one count (two violations) of Respondent failing to timely file committee registration and disclosure forms to report political activity that occurred in connection with the November 8, 2022 election. The San Francisco Charter authorizes the Commission to assess up to \$5,000 for each violation, or three times the amount which the respondents failed to report properly or unlawfully contributed. S.F. City Charter § C3.699-13(c); *see also* SF C&GCC § 2.145(c).

Pursuant to its Enforcement Regulations, 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. Enf. Reg. § 9(D).

Because Respondent did not timely comply with registration and reporting requirements that apply to political committees, the public was deprived of transparency into when and how money is raised and spent to influence the outcome of political contests in the City. Campaign finance disclosure laws exist to ensure that this transparency exists.

In mitigation, Respondent's level of political activity remained low over the period in question. Respondent spent \$5,831.07 over the course of the election. Respondent's violations were the subject of a public complaint that brought them to Respondent's attention, after which Respondent subsequently came into compliance with any registration and reporting requirements prior to the election, which served to mitigate any harm that was caused. There is no indication of any intention to conceal, deceive, or mislead, and the campaign finance violation appears to have been inadvertent. Finally, Respondent fully cooperated with the Ethics Commission's investigation and amended the relevant campaign statements.

This violation parallels Case No. 1920-075, *In the Matter of San Francisco Bicycle Coalition, et al*, where the Respondent Education Fund failed to timely register and report as a political committee while taking contributions and spending in support of the same ballot measures. The parties agreed to a \$1,000 penalty for that violation. In that case, while the Respondent raised a similar amount, \$5,680.50, it only spent \$265.50. Because Respondent in this case spent nearly \$6,000, a penalty of \$1,200 is appropriate.

Count 1: Failure to timely register and report as a political committee: **\$1,200**

Total Penalty: \$1,200