Enforcement Update: Ethics Commission Concludes Hearing on the Merits and Issues Penalty for Violations of Campaign Finance Laws

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March 26, 2024

At its monthly public meeting on Friday, March 22nd, the San Francisco Ethics Commission unanimously found that Paul Allen Taylor violated City and State campaign finance laws on six counts brought against him, issuing a total of $5,650 in penalties for all six counts.

In the Findings of Fact and Conclusions of Law approved by all three Commissioners present at Friday's meeting, the Commission found that the Respondent, Paul Allen Taylor, improperly coordinated between the Ellen Lee Zhou for Mayor 2019 Committee ("the Zhou Campaign") and the Asian American Freedom Political Action Committee ("AAFPAC"). The Commission determined that Mr. Taylor, acting as an agent of the campaign, coordinated AAFPAC's $10,000 expenditure on behalf of the Zhou Campaign, hiding his role from AAFPAC leadership and in the process causing both AAFPAC and the Zhou Campaign to violate City and State campaign finance laws.

"San Francisco's strict campaign contribution limits are subverted when parties coordinate so-called independent expenditures with a candidate's campaign," said Theis Finlev, Chair of the Ethics Commission. "As this enforcement matter shows, campaign committees, irrespective of their size or sophistication, must ensure that they do not illegally coordinate campaign expenditures."

The Commission found violations of law on the following six counts following last month's Hearing on the Merits:

- **Count 1**: Causing the Zhou Campaign Committee to accept a $10,000 contribution over the legal limit;
- **Count 2**: Causing AAFPAC to make a $10,000 contribution over the legal limit;
- **Count 4**: Causing AAFPAC to fail to disclose required information on a pre-election statement;
- **Count 6**: Causing AAFPAC to fail to disclose a late contribution;
- **Count 7**: Failing to register as a campaign consultant;
- **Count 8**: Withholding information required to be provided to the Ethics Commission.

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The Commission voted 2-1 on Counts 3 and 5, failing to reach the three-vote threshold required to find a violation. The Commission voted 3-0 to impose total penalties of $5,650 for all six counts.

The Commission's orders and penalties follow a Hearing on the Merits held on February 9th, 2024, during which the Commission's Enforcement Division and the Respondent, Paul Allen Taylor, appeared to present evidence and arguments before the full Commission. As authorized by the City Charter and the Commission's Enforcement Regulations, the Hearing on the Merits process is designed to allow the Commission to resolve matters where the parties are unable to reach a stipulated settlement. The Commission is authorized to hear arguments, review the evidence, and issue orders and penalties, including monetary penalties of up to $5,000 for each violation or three times the amount which the respondent failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater.

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The San Francisco Ethics Commission was created directly by the City's voters with the passage of Proposition K in November 1993 and is responsible for the independent and impartial administration and enforcement of laws related to campaign finance, public financing of candidates, governmental ethics, conflicts of interests, and registration and reporting by lobbyists, campaign consultants, permit consultants, and major developers.

Our mission is to practice and promote the highest standards of integrity in government. We achieve that by delivering impactful programs that promote fair, transparent, and accountable governmental decision making for the benefit of all San Franciscans. Public service is a public trust, and our aim is to ensure that San Franciscans can have confidence that the operations of the City and County and the decisions made by its officials and employees are fair, just, and made without any regard to private or personal gain.