



San Francisco Ethics Commission

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Campaign Finance Audit Report Re-Elect Myrna Melgar for Supervisor 2024 (ID # 1461513)

August 15, 2025

I. Introduction

This Audit Report summarizes the audit results for the committee Re-Elect Myrna Melgar for Supervisor 2024, FPPC ID # 1461513 (the "Committee"), for the period July 1, 2023, through December 31, 2024. The audit was conducted by Ethics Commission audit staff to determine whether the Committee materially complied with applicable state and local campaign finance laws during the November 2024 election.

II. Audit Authority

San Francisco Charter Section C3.699-11 authorizes the Ethics Commission (the "Commission") to "audit campaign statements and other relevant documents" of campaign committees that file with the Commission. San Francisco Campaign and Governmental Conduct Code ("C&GCC") Section 1.150(a) requires the Commission to audit all committees of candidates who have received public financing and authorizes the Commission to initiate targeted audits of other committees at its discretion.

III. Objective and Scope

The objective of the audit was to reasonably determine whether the Committee materially complied with requirements of the San Francisco Campaign Finance Reform Ordinance (C&GCC Section 1.100, et seq., and supporting regulations) and the California Political Reform Act (California Government Code Section 81000, et seq., and supporting regulations).

The audit was conducted based on an analysis of the Committee's filings and support documentation obtained from the Committee. A complete summary of the audit's objectives and the methods used to address those objectives appears in Appendix A.

IV. Committee Information

The Committee qualified as a committee on July 5, 2023, as a candidate-controlled committee supporting the election of Myrna Melgar to the office of District 7 Supervisor in the November 5, 2024, election. The Committee remains active as of July 2025.

Myrna Melgar was listed as the Committee's treasurer for the full period covered by the audit. Stacy Owens, President of S.E. Owens & Company, was listed as the Assistant Treasurer, and S.E. Owens &

Company (the “Treasurer”) was primarily responsible for performing treasurer duties. Marissa Quaranta, an employee of S.E. Owens & Company, was the primary audit contact (the “Audit Contact”) on behalf of the Committee during the audit.

For the period covered by the audit, the Committee reported receiving \$142,176 in monetary contributions and \$252,000 in public financing and making or incurring \$439,314 in expenditures.

V. Material Audit Findings

Material findings represent instances of noncompliance that Auditors determined to be significant based on the frequency of occurrence within a representative sample, or based on the significance of the dollar amount, the percentage of total activity, or the importance of the item to the purposes of state or local law.

Auditors identified no material findings during the audit.

VI. Other Identified Findings

Auditors identified the following non-material findings during the audit. These findings represent instances of noncompliance discovered through review of the Committee’s filings and support documentation and through testing of sampled transactions that were determined not to be material in terms of frequency or dollar amount. This information is reported for the awareness of committees and treasurers and to facilitate the tracking of trends across audit reports.

Finding VI-1. The Committee did not itemize all expenditures in mass mailing disclosures, and did not file a required mass mailing disclosure

Applicable Law

Under City law, each time a committee pays for a mass mailing, defined as 200 or more substantially similar pieces of mail, it must file a copy of the mailing and an itemized disclosure statement with the Ethics Commission within 5 business days. C&GCC §§ 1.161(b)(3)(A)-(B), *id.* 1.104, incorporating Gov’t Code § 82041.5. Committees comply with this requirement by filing Form SFEC-161. C&GCC Reg. § 1.161-1(a).

Analysis

The Committee made three expenditures to BMWL Campaigns (“BMW”) for mass mailings between September and October 2024, as summarized in the table below. The Committee filed the required Form SFEC-161 disclosures for each of these mass mailings, but the reported itemized costs did not agree with the reported total cost. Specifically, the Committee itemized expenditures such as artwork and design, printing, postage, and proofreading, but the total cost of these itemized expenditures was less than the total reported cost of the mass mailing, as summarized in the “Unitemized Amount” column in the table below.

Auditors determined that the amounts reported in the Form 161s reflected the accompanying invoices provided by BMWL, which similarly itemized the above expenditures, but did not account for the full amount of the invoice. The unitemized difference appears to be the amount paid directly to BMWL for the service. To provide full itemization of the cost of the mass mailings, and to account for the total cost, the Committee should have itemized the amount paid to BMWL, particularly because BMWL is not otherwise referenced in the Form 161s.

The Committee also made a \$1,912 expenditure to 50+1 Strategies LLC for a mass mailing in September 2023, according to a provided invoice and a copy of the advertisement. The invoice indicated a quantity of 2,483 mailers, but Auditors determined that the Committee did not file a Form 161 itemized disclosure as required by Section 1.161.

The table below summarizes the mass mailing expenditures discussed in this finding:

Payee	Invoice Date	Total Invoice Cost	Itemized Expenditures Total	Unitemized Amount
BMWL Campaigns	9/17/2024	\$22,149	\$14,805	\$7,344
	10/10/2024	\$5,040	\$4,615	\$425
	10/18/2024	\$18,090	\$14,950	\$3,140
50+1 Strategies LLC	9/5/2023	\$1,912	(Not Reported)	(Not Reported)

Finding VI-2. The Committee did not include a required disclaimer statement on an advertisement

Applicable Law

In addition to complying with advertisement disclaimer requirements set forth in Government Code sections 84100 *et seq.*, advertisements by candidate committees that support or oppose any candidate for City elective office must include the disclaimer statements, “Paid for by (insert the name of the candidate committee),” and “Financial disclosures are available at sfethics.org.” C&GCC § 1.161(a)(4).

An “advertisement” is any general or public communication that is authorized and paid for by a committee for the purpose of supporting or opposing a candidate for elective office. Gov’t Code § 84501(a)(1).

Analysis

Auditors obtained a copy of an advertisement flyer associated with a \$3,600 expenditure to BMWL Campaigns on February 15, 2024, for 5,000 copies. Both sides of the advertisement included the statement, “Vote Myrna Melgar for District 7 Supervisor.” The advertisement appeared not to be a mailer but intended for dissemination by hand, as it did not include an area for postage and the invoice did not include such costs. Auditors determined that the advertisement did not include any disclaimer statement as required by Section 1.161(a), nor any reference to the Committee’s name.

The table on the following page summarizes the expenditure discussed in this finding:

Payee Name	Date	Amount
BMWL Campaigns	2/15/2024	\$3,600

Committee Response to Finding

The Treasurer provided the following comment: “This was an inadvertent omission in a very busy campaign season.”

Finding VI-3. Contributor employer information reported by the Committee for two contributions did not match support records

Applicable Law

For each individual from whom a committee has received cumulative contributions of \$100 or more, the committee must disclose the contributor’s full name, street address, occupation, employer, or, if self-employed, the name of the business, the date and amount of the contribution, and the cumulative amount of contributions received. Gov’t Code § 84211(f).

For each contribution received of \$25 or more, committees must maintain records containing the date and amount of the contribution and the full name and street address of the contributor, and original source documentation including copies of contributor checks, any other record of all items deposited, and contributor cards. 2 CCR § 18401(a)(2)(A)-(B). For each contribution received of \$100 or more, committees must additionally maintain records of the contributor’s occupation and employer and any communication used to secure that information. *Id.* § 18401(a)(3)(A)-(B).

A committee must return any contribution of \$100 or more within 60 days if the committee does not have on file in its records the name, address, occupation, and employer of the contributor. Gov’t Code § 85700(a). Fair Political Practices Commission (“FPPC”) Advice Letter A-04-110 notes that the information required to be obtained by Section 85700 does not need to be obtained firsthand from a contributor, and no particular method for obtaining the information is required. However, “recordkeeping is a separate obligation of candidates and treasurers” and “the sufficiency of any recordkeeping in a particular instance will be assessed against the requirements of regulation 18401.”

Analysis

Auditors reviewed a sample of 105 contribution transactions for compliance with the above reporting and recordkeeping requirements and identified two contributions for which the reported occupation or employer did not match support records. These support records include third-party credit card contribution transaction activity, contributor cards accompanying contributions made by check, and third-party online sources obtained by the Committee.

For a \$500 contribution from Miguel Galarza, the Committee reported the contributor’s occupation as an Engineer at Yerba Buena Engineering. However, a copy of the contributor’s LinkedIn profile, provided by the Committee as support documentation, indicated that he was the President of that company. The

reported occupation does not match the support, and Auditors note that the reported occupation is substantively different from the leadership position indicated in the support records.

For a \$500 contribution via check from Joseph Jweinat, the Committee reported the contributor's occupation as Owner of Parkmerced Shopping Center. The Committee did not provide a contributor card or other support documentation, but the Treasurer stated that they had received this information directly from the Candidate. The Committee did not maintain any communication or other record supporting the reported information as required by Regulation 18401, and Auditors note that, in effect, the Committee's support for the information was the Committee itself.

The table below summarizes the contributions discussed in this finding:

Contributor	Date	Amount	Reported Information	Information in Support Records
Miguel Galarza	1/10/2024	\$500	Engineer for Yerba Buena Engineering	President of Yerba Buena Engineering
Joseph Jweinat	7/19/2024	\$500	Owner of Parkmerced Shopping Center	None recorded

Committee Response to Finding

The Treasurer provided the following comment: "The committee does not agree with this being a finding on the audit report. Miguel Galarza is an engineer. In the future when we are required to look up a contributor's occupation, we will instruct our staff to use a job title where available. The information for Joseph Jweinat was provided to us by the committee, which we took at face value. We had no reason to question this information. It's not possible for us as Treasury firm to secondarily verify all occupation and employer information for thousands of contributions."

Auditor Comment

After reviewing a draft of this report, the Treasurer provided to Auditors an August 2025 email communication from Miguel Galarza confirming that "engineer" and "president" are equally accurate descriptions of his occupation. Auditors note that this manner of communication complies with Regulation 18401(a)(3), though committees should have such a communication documenting a contributor's occupation on file within 60 days of receiving a contribution pursuant to Section 85700(a).

Finding VI-4. The Committee received contributions that were likely prohibited under the City's contractor contribution prohibition

Applicable Law

Under local law, no City contractor or affiliate of a City contractor may make any contribution to a candidate for an office for which the individual holding that office, or the board on which such an individual serves, must approve the contractor's contract, for a period of 12 months after the date of contract approval. C&GCC § 1.126(b)-(c).

An individual holding City elective office, or the clerk of the board on which such an individual serves, must notify the Ethics Commission by filing Form SFEC-126 within five business days of the approval of each contract by the relevant officer or board. *Id.* § 1.126(f)(4), C&GCC Reg. § 1.126-4(a)-(b).

Pursuant to the contribution ban in Section 1.126, a committee will meet due diligence requirements if the contributor certifies under penalty of perjury, in writing, including in an electronic format, that the contributor does not meet the aforementioned criteria in Section 1.126. C&GCC Reg. § 1.126-7.

Analysis

Utilizing Form SFEC-126 filing data made publicly available on the Ethics Commission’s website, Auditors compared the affiliates and subcontractors reported by the Board of Supervisors to the contributors disclosed by the Committee. Auditors identified three contributors who appeared to be listed as either affiliates or subcontractors to contracts that were approved by the Board of Supervisors. Because Candidate Melgar holds the office of District 7 Supervisor and was a candidate for that office, these contributions appear to have been prohibited by the City’s contractor contribution prohibition.

Notwithstanding, Auditors verified that the Committee included the language specified in Regulation 1.126-7 on contributor cards and its online contribution landing platform, and the Committee thereby likely met the due diligence requirement of Regulation 1.126-7.

The table below summarizes the contributions discussed in this finding:

Contributor/ Affiliate Name	Contractor Name	Contract Approval Date	Contribution Date	Contribution Amount
Gina Fromer	Children’s Council of San Francisco	7/18/2023	5/6/2024	\$250
Elena Asturias	CARECEN	7/18/2023	10/31/2023	\$500
Jillian Spindle	MEDA Small Properties, LLC	7/30/2024	11/5/2024	\$200

Committee Response to Finding

“Confirmed, the committee absolutely did comply because auditors verified that the Committee included the language specified in Regulation 1.126-7 on contributor cards and on its online contribution landing platform.”

VII. Conclusion

Except as noted in the audit findings sections above, and based on the evidence obtained, Auditors conclude that the Committee substantially complied with the requirements of the California Political Reform Act and the San Francisco Campaign and Governmental Conduct Code. The Committee was provided a copy of this report and an opportunity to respond. The Committee’s comments are included in this report alongside the relevant finding.

This report and the support documentation on which it is based will be forwarded to the Commission's Enforcement Division for further investigation and/or enforcement action as warranted. The scope of the audit is not exhaustive of all conduct of the Committee during the audit period, and any subsequent enforcement action may include conduct not covered in this report.

This Audit Report is intended to provide information about the Committee's activities and its compliance with campaign finance requirements to the Commission, the Committee and its Treasurer, and San Francisco voters. This report, and all Audit Reports prepared by the Commission, will be posted to the Commission's website at **sfethics.org**.

Appendix A

Objectives and Methodology

Audit Objective	Methodology
Determine whether disclosed campaign finance activity materially agrees with activity in the Committee's bank account.	<ul style="list-style-type: none"> • Calculated total reported contributions and expenditures in the Committee's filings and total reported credits and debits in the Committee's bank statements. • Applied adjustments as needed to account for variations in transaction reporting between sources.
Determine whether the Committee accepted contributions from allowable sources and in accordance with limits, appropriately disclosed those contributions, and maintained required contribution records.	<ul style="list-style-type: none"> • Reviewed contributions submitted for public funds matching for compliance with limits and accuracy of contributor information. • Selected a statistically significant sample at a 95% confidence level and a 3.5% margin of error based on the total number of reported contribution transactions. Selected samples for testing from a range of periods, sources, and payment methods. • Reviewed each sampled transaction for compliance with state and local requirements regarding contribution restrictions, disclosure, and recordkeeping. • Performed additional targeted testing of contributions identified through analysis of filing data and support records. • Utilized automated procedures to analyze data extracted from the Committee's filings. Identified contributions from prohibited sources and late-reported transactions. Verified identified noncompliance against support records.
Determine whether the Committee made expenditures for allowable purposes, appropriately disclosed those expenditures, and maintained required expenditure records.	<ul style="list-style-type: none"> • Selected a statistically significant sample at a 95% confidence level and a 3.5% margin of error based on the total number of reported expenditure transactions. Selected samples for testing from a range of periods, sources, amounts, vendors, and agents. • Reviewed each sampled transaction for compliance with state and local requirements regarding expenditure restrictions, disclosure, and recordkeeping, including any expenditures made to subvendors by agents or contractors of the committee. • Performed additional targeted testing of expenditures identified through analysis of filing data and support records. • Utilized automated procedures to analyze data extracted from the Committee's filings. Identified late-reported transactions and verified identified noncompliance against support records.
Identify any other evidence of potential noncompliance for inclusion in the audit report or referral for further investigation.	<ul style="list-style-type: none"> • Analyzed data extracted from the Committee's filings. • Analyzed support records obtained from the Committee.