



San Francisco Ethics Commission

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Campaign Finance Audit Report Michael Lai for Supervisor 2024 (ID # 1468472)

October 8, 2025

I. Introduction

This Audit Report summarizes the audit results for the committee Michael Lai for Supervisor 2024, FPPC ID # 1468472 (the "Committee"), for the period January 1, 2024, 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 April 11, 2024, as a candidate-controlled committee supporting the election of Michael Lai (the "Candidate") to the office of District 11 Supervisor in the November 5, 2024, election. The Committee remains active as of October 2025.

Stacy Owens, President of S.E. Owens & Company, served as the Committee's treasurer (the "Treasurer") for the full period covered by the audit. Marissa Quaranta, an employee of S.E. Owens & Company, was the primary audit contact on behalf of the Committee during the audit.

For the period covered by the audit, the Committee reported receiving \$510,311—including \$255,311 in monetary contributions, no nonmonetary contributions, and \$255,000 in public financing—and making or incurring \$509,940 in expenditures.

V. Material Audit Findings

Auditors identified the following material findings during the audit. These 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.

Finding V-1. The Committee did not maintain required support records for expenditures

Applicable Law

For each expenditure made of \$25 or more, or a series of payments for a single product or service totaling \$25 or more, committees must maintain records containing the date and amount of the expenditure, the full name and street address of the payee, and a description of the goods or services received, as well as original source documentation including cancelled checks, wire transfers, credit card charge slips, bills, receipts, invoices, statements, or vouchers. *Id.* § 18401(a)(4)(A)-(B).

Candidates, treasurers, and elected officers have a duty to maintain the records necessary to prepare campaign statements and to comply with the recordkeeping requirements of California Government Code Section 84100, et seq. 2 CCR § 18401(a).

Committees must maintain detailed accounts, records, bills, receipts, and other original source documentation as necessary to prepare financial statements for a period of four years. *Id.* § 18401(b); C&GCC § 1.109(a). City law additionally requires committees to provide the Ethics Commission with any requested documents they are required to retain under state or local laws or regulations within ten business days of receiving a request from the Ethics Commission. *Id.* § 1.109(b).

Analysis

Auditors reviewed a sample of 99 expenditures and identified 18 (18.2% of the sample) totaling \$9,698 for which the Committee did not provide required support documentation. Following an initial request for records to the Committee in January 2025, Auditors requested additional records from the Treasurer during the course of the audit as Auditors identified transactions for which support records had not been received.

As of the date of this report, the Committee did not provide support records for the 18 expenditures discussed in this finding. The Treasurer indicated that they had provided all records in their possession, and that additional records likely resided with the Candidate or campaign staff. On September 9, 2025,

the Treasurer stated that they had made multiple attempts to contact the Candidate and his team via calls and emails but had received no response. Auditors note that pursuant to Regulation 18401(a), candidates and treasurers each have a duty to maintain the records necessary to comply with recordkeeping requirements.

For the 14 expenditures summarized in the table below, the Committee provided a copy of a check, but did not provide an invoice or other original source documentation containing all information required to be reported, including a description of the goods or services provided, as required by Regulation 18401.

Payee Name	Date	Amount
Upwork	6/18/2024	\$1,942
Gentilly	6/29/2024	\$300
Krish Adya	11/5/2024	\$351
Adityz Aggzwzl	11/5/2024	\$572
Sahil Anand	11/5/2024	\$402
Rodrigo Averilla	11/5/2024	\$160
Krish Bhandari	11/5/2024	\$219
Savvesh Himmetremke	11/5/2024	\$506
Kartikey Jandial	11/5/2024	\$226
Tusher Kejriwal	11/5/2024	\$279
Sujes Neher	11/5/2024	\$226
Oevangh Thakkar	11/5/2024	\$349
The Korner Store Bites and Vibes	11/5/2024	\$2,058
Saving San Francisco Voter Guide	11/21/2024	\$500

Additionally, for the four contributions summarized in the table below, the Committee did not provide any supporting record, including a copy of a check or an invoice.

Payee Name	Date	Amount
Amazon	7/24/2024	\$244
Indeed	8/1/2024	\$254
Upwork	9/9/2024	\$936
Comcast	10/10/2024	\$175

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 received two contributions that likely exceeded the local \$500 contribution limit

Applicable Law

City law prohibits local candidate committees from accepting contributions cumulatively exceeding \$500 in an election from any individual. C&GCC § 1.114(a).

A committee that receives a contribution which exceeds this limit must promptly pay the amount received in excess of the permitted amount to the Ethics Commission for deposit in the City's General Fund. *Id.* § 1.114(f).

Analysis

The Committee reported two contributions totaling \$643 that appear to have been made by the same individual. The Committee reported a \$143 contribution from Joe Tobin II on April 23, 2024, and a \$500 contribution from Joseph O. Tobin II on October 16, 2024. Auditors examined credit card contribution transaction activity and determined that the April 23 contribution was made through Democracy Engine and the October 16 contribution was made through ActBlue. Auditors noted that the address information and the credit card number were identical for both transactions, and the contributor for both transactions used the "II" suffix. Accordingly, the Committee appears to have accepted \$143 in contributions over the \$500 limit from this contributor.

The Committee also reported a \$500 contribution from Jeff Lawson on June 26, 2024, and a \$500 contribution from Jeffrey Lawson on August 30, 2024. Auditors examined credit card contribution transaction activity and determined that the June 26 contribution was made through ActBlue and the August 30 contribution was made through Democracy Engine.

Though information provided by the contributor for these two contributions differed, the provided occupation and employer information indicates they were made by the same individual. Address information differed between the two sources, and no credit card information was provided for the contribution through Democracy Engine. The provided occupation and employer for the ActBlue contribution was "Executive" at "Twilio Inc.," and for the Democracy Engine contribution was "Owner" of "The Onion." Based on a search of public information, Auditors concluded that this was likely the same contributor, as Jeff Lawson is the founder and former CEO of Twilio, who then purchased The Onion. Accordingly, the Committee appears to have accepted \$500 in contributions over the limit from this contributor.

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

Contributor	Credit Card Processor	Date	Amount	Employer	Occupation
Joe Tobin II	Democracy Engine	4/23/2024	\$143	Tobin Capital Group	CEO
Joseph O. Tobin II	ActBlue	10/16/2024	\$500	Joseph O. Tobin II	Property Management
Jeff Lawson	ActBlue	6/26/2024	\$500	Twilio Inc.	Chief Executive Officer
Jeffrey Lawson	Democracy Engine	8/30/2024	\$500	The Onion	Owner

Finding VI-2. The Committee did not properly file itemized disclosure statements for mass mailings

Applicable Law

Under City law, each time a committee pays for a mass mailing, defined as 200 or more substantially similar pieces of mail that advocates for or against one or more candidates for City elective office, it must file a copy of the mailing and an itemized disclosure statement with the Ethics Commission within 5 business days after the date of the mailing. C&GCC §§ 1.161(b)(3)(A)-(B), 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

Auditors inspected the invoice associated with a \$28,885 expenditure to 50+1 Strategies on October 13, 2024, and noted that it comprised payments for three mass mailings dated September 23 and 24, 2024. The invoice, dated September 19, 2024, included three payments, each with the description “direct mail” and indicated quantities of greater than 200 pieces. Auditors also inspected copies of the advertisements themselves and verified that each included language advocating for the election of Candidate Lai, as well as spaces for a mailing address and a prepaid postage stamp.

Auditors reviewed the Committee’s campaign filings and located only two Form 161s. Those two filed Form 161s were filed more than five days after the indicated date of the mass mailing. The Committee filed a Form 161 for a mass mailing dated September 23 on October 7, and for a mass mailing dated October 1 (according to the filed Form 161) on October 14.

Additionally, neither Form 161 contained any itemized expenses, and each reported only the total cost of the mailing. Consequently, neither form contained any reference to 50+1 Strategies or any payments to subvendors. Auditors reviewed a summary of subvendor payments that was provided by 50+1 Strategies to the Committee on January 29, 2025, which listed several subvendor payments associated with the invoice in question. Based on this document and the September 2024 invoice, the Committee should have filed three Form 161s showing itemized expenses consisting of three payments to Pacific Print Resources, Inc. totaling \$17,177; three payments to Political Data, Inc. totaling \$721; and three payments to 50+1 Strategies totaling \$10,987.

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

Date per 50+1 Invoice	Form 161 Original Filing Date	Number of Pieces in Mass Mailing	Mass Mailing Cost	Itemized Costs Reported
9/23/2024	10/7/2024 (amended 10/14)	9,780	\$12,945	No
9/24/2024	Not filed	3,302	\$5,493	Not filed
9/24/2024	10/14/2024	7,502	\$10,447	No

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

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.”

Fair Political Practices Commission (“FPPC”) Advice Letter I-07-152 provides guidance about the sufficiency of reported contributor information. As relevant to this finding, a PO box does not qualify as a “street address.”

Analysis

Auditors reviewed 123 contributions for compliance with the above reporting and recordkeeping requirements. From that sample, Auditors identified three contributions for which occupation or employer information did not match support records and one for which address information did not

match, as summarized in the table below. These support records include third-party credit card contribution transaction activity and contributor cards accompanying contributions made by check.

For a contribution via check from Ethel Wallace, the Committee did not maintain a contributor card that listed the contributor's occupation and employer. It is unclear how the Committee determined that she was retired.

For a contribution from Wei Li, the Committee appears to have reported occupation and address information associated with a different contributor of the same name. According to ActBlue credit card contribution data, two individuals named Wei Li contributed on June 23, 2024. One individual, with a Carmel, Indiana address and a reported occupation of "IT professional" at "Insurance Business" made a \$500 contribution. The other individual, with a Redmond, Washington address and a reported occupation of "not employed" gave \$100, which was later refunded. For the individual who gave \$500, the Committee reported the address and occupation information of the individual who gave \$100.

The table below summarizes the contributions discussed in this finding:

Contributor	Date	Amount	Reported Information	Information in Support Records
Wei Li	6/23/2024	\$500	Unemployed	IT Professional at Insurance Business
Vishnu Kalugotla	6/30/2024	\$50	Product Leader at Block	PM at Roblox
Ethel Wallace	6/30/2024	\$100	Retired	(None Provided)
Genevieve Gebhart	10/5/2024	\$200	[San Francisco Street Address]	[Different San Francisco Street Address]

Finding VI-4. The Committee reimbursed employees more than 45 days after the original expenditure dates or did not maintain required documentation for reimbursement

Applicable Law

A committee may reimburse a volunteer or paid employee for expenditures made on behalf of the committee if the committee's treasurer is provided dated receipts and written descriptions for each expenditure, and the reimbursement is paid within 45 calendar days of the expenditure being made. 2 CCR § 18526(a). If reimbursement is not paid within 45 days, the expenditure must be reported on the campaign statement as a nonmonetary contribution received on the 45th day after the date of the expenditure by the person to be reimbursed. *Id.* § 18526(d).

For each expenditure made of \$25 or more, or a series of payments for a single product or service totaling \$25 or more, committees must maintain records containing the date and amount of the expenditure, the full name and street address of the payee, and a description of the goods or services received, as well as original source documentation including cancelled checks, wire transfers, credit card charge slips, bills, receipts, invoices, statements, or vouchers. *Id.* § 18401(a)(4)(A)-(B).

Analysis

Auditors reviewed copies of three reimbursement checks paid by the Committee to campaign employees in December 2024. The Committee made a \$578 payment to Marko Calvo-Cruz on December 4, and payments to Sharon Liu-Bettencourt of \$2,572 on December 3, and \$1,185 on December 4. Based on a review of receipts provided by the employees in connection with these reimbursements, Auditors identified 17 payments totaling \$1,906 for which the employee was reimbursed more than 45 days after making the expenditure, or the provided receipt was un-itemized or otherwise did not contain any description of the goods or services purchased.

The table below summarizes the reimbursed expenditures discussed in this finding that did not comply with all the requirements of Regulation 18526:

Payee	Payment Date	Subvendor	Receipt date	Receipt Amount	Reimbursed within 45 days	Written description
Marko Calvo-Cruz	12/4/2024	Unspecified	10/15/2024	\$78	No	No
		Xpress Prints	11/1/2024	\$300	Yes	No
Sharon Liu-Bettencourt	12/3/2024	Amazon	8/11/2024	\$28	No	Yes
			8/11/2024	\$82	No	Yes
			8/22/2024	\$51	No	Yes
			9/9/2024	\$55	No	Yes
			9/9/2024	\$27	No	Yes
		Target	10/2/2024	\$190	No	Yes
		USPS	10/3/2024	\$511	No	Yes
		Amazon	10/8/2024	\$29	No	Yes
		Bravo Pizza	10/8/2024	\$117	No	Yes
		Red Sea Pizza and Market	10/12/2024	\$145	No	Yes
		Target	10/13/2024	\$76	No	Yes
		SF Hardware	11/5/2024	\$43	Yes	No
	12/4/2024	Amazon	8/15/2024	\$14	No	Yes
			8/28/2024	\$98	No	Yes
			9/22/2024	\$62	No	Yes

Finding VI-5. 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 two contributors who appeared to be listed as either affiliates or subcontractors to contracts that were approved by the Board of Supervisors. Because Candidate Lai was a candidate for the office of District 11 Supervisor, 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.

Refer to the table below for more details on the contributions discussed above.

Contributor/Affiliate Name	Contractor Name	Contract Approval Date	Contribution Date	Amount
Ruchi Sanghvi	UCSF	7/16/2023	4/22/2024	\$500
Rose Bloomin	Community Forward SF, Inc.	6/6/2023	4/11/2024	\$500

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. However, the Committee did not provide a response to the report.

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.