

Attachment R

1. "Mayor Says Mistakes Were Made Regarding Campaign Finance," by David Mark Simpson, SM Daily Press, 10/8/14.
2. "Santa Monica Mayor Accused of Impropriety by Transparency Group," by Daniel Larios, SM Lookout, 10/9/14.
3. "Illegal Campaign Money Allegations Rebuffed by Mayor Pam O'Connor," by Jennifer Eden, SM Mirror, 10/10/14.

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Mayor says mistakes were made regarding campaign finance

By David Mark Simpson (<http://smdp.com/author/dave>) on October 8, 2014 in Politics (<http://smdp.com/category/news/politics>)

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CITY HALL — A local organization is accusing Mayor Pam O'Connor of violating the Santa Monica Municipal Code dozens of times over the course of several years for ac-

cepting campaign contributions from developers after she'd voted to approve their projects.

The Santa Monica Transparency Project submitted stacks of paperwork to the City Attorney's Office on Wednesday, citing 24 violations by O'Connor of the Oaks Initiative, which prohibits elected officials from accepting campaign contributions from people after the public official has conferred them a significant financial benefit.

"I'm doing this as a part-time job," O'Connor said in response. "I don't have \$90,000 to give to my campaign. I'm a single woman who works. I'm probably your average Santa Monican. I do the public service on the Metro Board. I find out that over a 10-year-period there were \$4,000 worth, an average of \$400 a year, of mistakes made and I didn't have a professional treasurer but now I have a professional treasurer."

"We will look at the names on the Oaks initiative log to see if these folks are listed," O'Connor said of the accusations. "Not necessarily all people affiliated with a project are barred from donating."

In January, The Transparency Project asked O'Connor to recuse herself from the vote on a controversial project put forth by the Texas-based developer Hines.

At the time, they were asking O'Connor not to vote on the project because she'd previously accepted money from Hines executives, arguing that it was unethical.

O'Connor defended herself on the dais, summarizing the Oaks Initiative.

Since January (that Hines project was approved — with a 'yes' vote from O'Connor — but later quashed through a referendum), the

Transparency Project, led by Mary Marlow, has been digging through O'Connor's voting record and campaign finance records.

Marlow also serves as an advisor to Santa Monica Coalition for a Livable City, which has vocally opposed O'Connor and numerous development projects for years.

The Transparency Project found that O'Connor has repeatedly accepted campaign contributions from developer executives after approving their projects.

In 2004, O'Connor voted along with council to approve Hines' Lantana Media Campus, according to council minutes.

In March of 2008, she accepted a \$250 contribution from Jeff Hines of Houston, TX, listed as a real estate professional with Hines, according to her campaign finance statements. Jeff Hines has been the president of the company since at least 1998. Within that same campaign disclosure period, she reported receiving five other \$250 contributions from Hines executives.

In 2007, O'Connor voted to approve a substantial remodel of Santa Monica Place, which is owned by Santa Monica-based mall operator Macerich Co.

In 2008 and 2009, she voted to approve facade improvements to parking garages, with the construction set to be done by Macerich. In this case, council's vote gave the city manager the right to negotiate a \$10 million agreement with Macerich, according to meeting minutes.

In October of 2010, she accepted \$250 donations from numerous Macerich executives, including the company's President Edward Coppola, according to campaign disclosure statements.

In June of 2013, O'Connor voted to approve a housing project backed by Century West Partners, according to council minutes.

A month later, O'Connor accepted a \$325 contributions from Steven Fifield, listed as a principal at FRC Realty LLC, a Chicago-based company.

According to Century West Partner's website, the company was formed by Fifield. In this particular campaign disclosure statement, O'Connor is listed as a co-treasurer of her campaign.

Three other FRC executives wrote \$325 checks to her campaign, according to the campaign disclosure statement.

O'Connor conceded that perhaps Jeff Hines and Fifield should not have been allowed to contribute "assuming they are equity partners in their firms."

"Just because someone is an executive employee of a company does not preclude them from contributing," she said "I rely on the information provided by the City Clerk as to who is precluded — and who is not. We will check that list."

O'Connor believes that the initiative only covers equity partners because they are the only ones receiving a direct benefit.

"Nobody's taken it to court yet but then it would mean that every employee is precluded and you're getting into peoples' First Amendment rights to contribute to campaign," O'Connor said.

Earlier this year, a Santa Monica resident was offered a top job in City Hall but the offer was later rescinded because of her past political activism. Elizabeth Riel had con-

tributed to a 2006 campaign that bashed O'Connor as she sought reelection. Riel also published a column in the Daily Press questioning decisions made by city officials. Riel is now suing City Hall, claiming that her First Amendment rights were violated when the job offer was rescinded.

O'Connor told the Daily Press that she "might have commented" to City Manager Rod Gould about Riel but that ultimately it was his decision.

Earlier this week, O'Connor's most recent campaign disclosure filing shows that she accepted contributions from three Century West Partners executives.

The Daily Press reached out to O'Connor about these particular contributions earlier this week.

"I will check that out," O'Connor responded. "As I have a paid treasurer I don't see the checks before they are deposited. If that is the case the funds will be returned."

O'Connor said she is having a volunteer cross-check contributions.

"The repeated campaign contributions by developers with projects before the City has a corrosive impact on our governing process and residents' confidence that decisions are being made for their benefit," said Mary Marlow, Chair of the Transparency Project. "Over the past few years developer money has overwhelmed our elections. Now, it appears that Pam O'Connor has not only violated her ethical responsibilities by taking developer money before she voted on their project, but also Santa Monica law by accepting money after she voted in favor of their project."

Penalties under city law can be both civil and

criminal, according to the Transparency Project statement.

"This is political," O'Connor said. "They only just look at me. They don't look at anyone else and mistakes are made occasionally. If it's \$4,000 over 10 years that's \$400 worth of mistakes a year and I would argue that \$400 a year is not really going to color the decision by most people and certainly not by me."

It should be noted that the Daily Press did not scrutinized the campaign disclosure statements nor the voting records of any of the other council members in the same way that the Transparency Project, and subsequently the Daily Press, did of O'Connor's record. The Daily Press will thoroughly investigate the other records in the coming weeks.

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PREVIOUS STORY

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NO NEWER STORIES

Santa Monica Mayor Accused of Impropriety by Transparency Group

By Daniel Larios
Staff Writer

October 9, 2014 – Mayor Pam O’Connor was accused by the Santa Monica Transparency Project on Wednesday of accepting campaign contributions from developers in violation of the City’s anti-corruption statute.

The watchdog group, headed by slow-growth activist Mary Marlow, filed a complaint with the City Attorney’s Office against O’Connor for allegedly violating the Oaks Initiative statute 24 times since 2004, totaling some \$4,000.

“The repeated campaign contributions by developers with projects before the City has a corrosive impact on our governing process and residents’ confidence that decisions are being made for their benefit,” said Marlow. “Over the past few years developer money has overwhelmed our elections.”

The law, approved by Santa Monica voters in 2000, “prohibits a public official from receiving specified personal benefits from a person or entity after the official votes, or otherwise takes official action, to award a ‘public benefit’ to that person or entity.”

Examples of a “public benefit” include public contracts to provide goods or services worth more than \$25,000 or a land use approval worth more than \$25,000.

“Now, it appears that Pam O’Connor has not only violated her ethical responsibilities by taking developer money before she voted on their project, but also Santa Monica law by accepting money after she voted in favor of their project,” Marlow added. “We’ve got to put a stop to this now.”

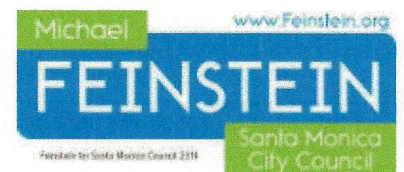
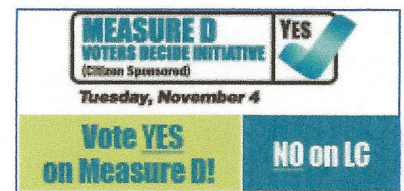
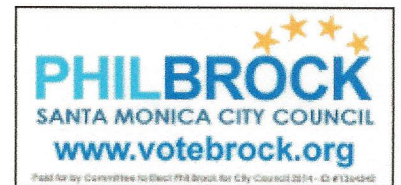
O’Connor said she is checking if her contributors are included on a list maintained by the City Attorney’s office of those prohibited from giving campaign contributions to City Council incumbents running for re-election.

“We will look at the names on the Oaks initiative log to see if these folks are listed,” O’Connor said. “Not necessarily all people affiliated with a project are barred from donating.”

O’Connor questioned the group’s interpretation of the law, saying she believes the statute only covers individuals who directly benefit from City money, not necessarily those employed by a company that benefits.

“Nobody’s taken it to court yet but then it would mean that every employee is precluded, and you’re getting into peoples’ First Amendment rights to contribute to campaigns,” O’Connor said.

According to the complaint, the Transparency Project alleges that O’Connor



has accepted campaign contributions from executives from Hines, Macerich and Century West after approving their development projects.

In 2004, O'Connor voted to approve Hines Development's Lantana Media Campus. In March of 2008, President of Hines Development Jeff Hines contributed \$250 to her campaign, according to campaign finance statements.

She also reportedly received other \$250 contributions from Hines executives, including from Jim Buie, the West Region CEO, and Senior Vice Presidents Colin Shepherd, Doug Holte and Paul Paradis.

In 2007, O'Connor voted to approve renovations on Santa Monica Place, which is owned by Santa Monica-based Macerich Company, and in 2008 and 2009 voted to approve facade improvements to City-owned parking garages, with the construction set to be done by Macerich.

In October of 2010, she accepted \$250 donations from Macerich executives, including the company's President Edward Coppola; Executive Vice President Randy Brant, Board of Directors member Dana Anderson and Senior Vice President Kenneth Gillett, according to the complaint.

In June of 2013, O'Connor voted to approve a housing project backed by Century West Partners.

A month later, O'Connor accepted a \$325 contribution from Steven Fifield, listed as a principal at FRC Realty LLC. According to Century West Partner's website, the company was formed by Fifield.

The complaint also names managing director Randy Fifield, Vice President Kevin Farrell and founder Michael Sorochinsky as individuals who contributed to O'Connor's reelection campaign.

Penalties under Santa Monica law can be both civil and criminal, and can include an order for O'Connor to stop taking prohibited donations and pay fines totaling five times the illegal contributions, according to the Transparency Project. Based on the group's allegations, that would amount to more than \$22,000.

Marlow is listed as an "advisor" on the website for the Santa Monica Coalition for a Livable City (SMCLC), a slow-growth group that has attacked O'Connor in past elections for her support of development projects.

There have been at least two other council members who have been affected by the Oaks Initiative statutes, both during the 2006 election.

Councilmember Kevin McKeown returned a \$250 donation from Pier Board President Ellen Brennan because it violated the initiative, since the Pier receives City money. (*O'Connor Targeted by Coalition; Hit Piece Exposes Rift Within SMRR*, October 30, 2006)

On October 25, 2006, Councilmember Bob Holbrook was charged by Election Watchdog after his campaign received a donation of \$250 from the Bayside Hotel on Ocean Avenue. He later returned the contribution. (*Council Incumbents Work to Abide by Letter of the Law*, October 26, 2006)

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Illegal Campaign Money Allegations Rebuffed By Mayor Pam O'Connor

POSTED OCT. 10, 2014, 9:34 AM
JENNIFER EDEN / MANAGING EDITOR



Resident action group Santa Monica Transparency Project hit Mayor Pam O'Connor Wednesday with allegations of receiving illegal campaign contributions from developers that she had voted in favor of. O'Connor told *The Mirror* that the claims are inaccurate.

The Transparency Project took to the City Hall steps on Wednesday and filed an official complaint with the Santa Monica City Attorney's office citing 24 violations against the Mayor.

"The repeated campaign contributions by developers with projects before the city has a corrosive impact on our governing process and residents' confidence that decisions are being made for their benefit," said Mary Marlow, chair of the Transparency Project.

Marlow said developer money has overwhelmed Santa Monica elections during the past few years.

"Now it appears that Pam O'Connor has not only violated her ethical responsibilities by taking developer money before she voted on their project, but also Santa Monica law by accepting money after she voted in favor of their project," Marlow said. "We've got to put a stop to this now."

Candidates running for city office in Santa Monica are subject to the Oaks Initiative or the Taxpayer Protection Act, which was adopted in the year 2000 by Santa Monica voters.

The act "prohibits a public official from receiving specified personal benefits from a person or entity after the official votes, or otherwise takes official action, to award a "public benefit" to that person or entity.

Examples of a "public benefit" include public contracts to provide goods or services worth more than \$25,000 or a land use approval worth more than \$25,000.

In order to meet the requirements of the Oaks Initiative, the City Clerk's office compiles and maintains certain information in a log.

That information includes the name of any person who is seeking a "public benefit" from the city. If an entity, rather than an individual person seeks the "public benefit", the information includes the name of every: (a) trustee, (b) director, (c) partner, (d) officers, or (e) 10 percent interest in the entity.

The City Clerk's office then provides the log of people ineligible to make campaign contributions under the Oak Initiative to the candidates to be crosschecked.



COURTESY PHOTO

Santa Monica Mayor Pam O'Connor, who is running for re-election on Nov. 4, claims that allegations she has received illegal campaign contributions from developers is inaccurate.

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Mayor O'Connor said that due to the complex nature of campaign funding, especially with the use of credit card donations, this year she has a treasurer working with her.

"We found three [donations that fell under the Oaks Initiative] against the log and they got refunded. The treasurer checks the log and then we reimburse," she said. "I am guessing that the ones they [the Transparency Project] are referring to are contributions by employees of the company. I'm thinking that they're thinking that anyone who works for the firm can't make a contribution."

Acknowledging that "small mistakes can happen," Mayor O'Connor said that an attack from the Transparency Project is par for the course in the lead up to any election in which she is running.

"You should ask them 'Is this a political attack?' 'Are they more of an anti-growth group? Are they anti-development?'," she said. "They do this every campaign."

"It makes me sad," the Mayor added. "This is the kind of thing that could discourage people from say from the Planning Commission from running."

Mayor O'Connor explained that for people with years in public office, paths often cross with developers and with those receiving "public benefit" from the city.

She said that disallowing employees of such firms to contribute or threatening potential candidates who have dealt with such parties with legal action, could be very detrimental.

"We don't want a whole council made up of people who are self-funded," she said, adding that as a single woman who hasn't amassed a personal fortune to fund her campaign, she relies of friends, family, and everyone she knows to enable her to run for public office.

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Comments

Oct. 10, 2014, 11:21:31 am

Patricia D. said...

And look she has her own PR machine! So I am just supposed to take the mayor's word for it without an investigation in the claim? Talk about following Dear Leader. Don't give your vote away to the developers! This is why you must vote NO on LC!

Oct. 10, 2014, 10:03:01 am

Jean Wilson said...

Santa Monica politics is getting too nasty. Pam O'Connor is an honorable Mayor and I resent these smear tactics. She has my vote!

Oct. 10, 2014, 10:24:11 am

Daniel Gregory said...

Pam O' Connor, is a committed public servant, our Mayor and council member of 20 years. This woman tirelessly serves our community. Pam is effective, knowledgeable and experienced. Bravo,

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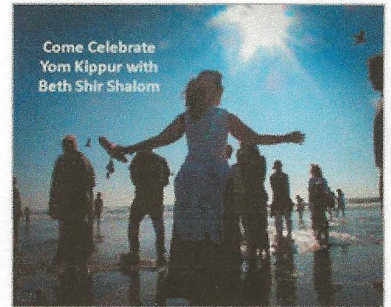


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