



1 settlement amount shall be paid by check or money order made payable to the “City and County of  
2 San Francisco” and shall be delivered to the following address: San Francisco Ethics Commission,  
3 Attn.: Enforcement Division, 25 Van Ness Avenue, Suite 220, San Francisco, California, 94102.

4 5. Respondents agree to file with the Commission amended statements in compliance with San  
5 Francisco Campaign and Governmental Conduct Code Section 1.114(e), for the four periods listed  
6 in paragraph three of Exhibit A.

7 6. Within ten (10) business days after the Commission approves this Stipulation, Respondents  
8 shall file the statements described in paragraph 5 at the Commission’s office at the following  
9 address: San Francisco Ethics Commission, 25 Van Ness Avenue, Suite 220, San Francisco,  
10 California, 94102.

11 7. Respondents understand, and hereby knowingly and voluntarily waive, any and all  
12 procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission’s  
13 Regulations for Investigations and Enforcement Proceedings with respect to this matter. This  
14 includes, but is not limited to, the right to appear personally at any administrative hearing held in  
15 this matter, to be represented by an attorney at Respondent’s expense, to confront and cross-  
16 examine all witnesses testifying at the hearing and to subpoena witnesses to testify at the hearing.

17 8. Respondents understand and acknowledge that this Stipulation is not binding on any other  
18 law enforcement agency, and does not preclude the Commission or its staff from cooperating with  
19 or assisting any other government agency with regard to the complaint, or any other matter related  
20 to it.

21 9. This Stipulation is subject to approval by the Commission. Respondents agree that in the  
22 event the Commission refuses to approve this Stipulation, it shall become null and void.

23 10. In the event the Commission rejects the Stipulation and a full evidentiary hearing before the  
24 Commission becomes necessary, no member of the Commission shall be disqualified because of his  
25 or her prior consideration of this Stipulation.

1 11. This Stipulation, along with the attached Exhibit A, reflects the entire agreement between  
2 the parties hereto and supersedes any and all prior negotiations, understandings, and agreements  
3 with respect to the transactions contemplated herein. This Stipulation may not be amended orally.  
4 Any amendment or modification to this Stipulation must be in writing duly executed by all parties.

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

8 13. For the reasons set forth in Exhibit A, the parties agree that three thousand three hundred  
9 dollars (\$3,300) is an appropriate settlement amount for Respondents' violations of San Francisco  
10 Campaign and Governmental Conduct Code Section 1.114(e), including any late fees and forfeiture  
11 amounts that are due. Accordingly, Respondent agrees to pay \$3,300.00 as set forth in the payment  
12 schedule described in paragraph 3.

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

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16  
17 Dated: \_\_\_\_\_

\_\_\_\_\_  
RANDALL KNOX, Treasurer  
Matt Gonzalez for Mayor  
Respondent

18  
19  
20 Dated: \_\_\_\_\_

\_\_\_\_\_  
ENRIQUE PEARCE, Treasurer  
Matt Gonzalez for Mayor  
Respondent

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22  
23 Dated: \_\_\_\_\_

\_\_\_\_\_  
JOHN ST. CROIX, Executive Director  
SAN FRANCISCO ETHICS COMMISSION  
Complainant

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DECISION AND ORDER

The foregoing Stipulation of the parties in "In the Matter of Matt Gonzalez for Mayor (ID No. 1258016) and Randall Knox, Treasurer and Enrique Pearce, Treasurer, San Francisco Ethics Commission Complaint No. 54-031204," including all attached exhibits, 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: \_\_\_\_\_

\_\_\_\_\_  
Susan J. Harriman, Chairperson  
San Francisco Ethics Commission

1 **EXHIBIT A**

2 **Background**

3 1. On August 8, 2003, Matt Gonzalez filed a Candidate Intention Form (Form 501) with the  
4 Department of Elections, announcing his intent to run for Mayor in the November 4, 2003 election.

5 2. On August 21, 2003, Respondents filed a Statement of Organization (Form 410) to report  
6 that the Committee had received \$1,000.00 in contributions and qualified as a recipient committee.

7 (*See* S.F. C&GCC § 1.106; Cal. Gov. Code § 82013(a).) This Statement of Organization listed  
8 Randall Knox as treasurer and John Henry Pearce as assistant treasurer.

9 3. Between September 25, 2003 and February 2, 2004, Respondents filed paper and electronic  
10 campaign finance disclosure statements (Form 460) for the Committee for the following reporting  
11 periods: 1) July 1, 2003 to September 20, 2003, filed September 25, 2003; 2) September 21, 2003 to  
12 October 18, 2003, filed October 23, 2003; 3) October 19, 2003 to November 22, 2003, filed  
13 November 28, 2003; and 4) November 23, 2003 to December 31, 2003, filed February 2, 2004.

14 4. In November 2003, December 2003 and January 2004, Respondents filed amended  
15 campaign finance disclosure statements (Form 460) for three of the above periods: 1) July 1, 2003  
16 to September 20, 2003, electronic amendment filed November 15, 2003 and paper amendment filed  
17 November 19, 2003; 2) September 21, 2003 to October 18, 2003, electronic amendment filed  
18 November 20, 2003 and paper amendment filed December 15, 2003; and 3) October 19, 2003 to  
19 November 22, 2003, electronic amendment filed January 6, 2004 and paper amendment filed  
20 January 15, 2004.

21 5. On December 3, 2003, the Commission received an anonymous complaint alleging that  
22 Matt Gonzalez for Mayor, ID Number 1258016 (“the Committee”) violated S.F. C&GCC Section  
23 1.114(e),<sup>1</sup> by failing to disclose required contributor information for 175 contributions. On  
24 December 4, 2006, the Commission initiated this complaint, and staff referred the complaint to the

25 \_\_\_\_\_  
<sup>1</sup> This section of SF C&GCC is now codified as Section 1.114(f).

1 City Attorney and the District Attorney pursuant to San Francisco Ethics Commission Regulations  
2 for Investigations and Enforcement Proceedings (“the Regulations”) Section IV(A). Both agencies  
3 declined to investigate the matter.

4 6. During the course of the investigation, the Commission’s enforcement and audit staff  
5 discovered that the Committee, candidate Matt Gonzalez, and treasurers Randall Knox and Enrique  
6 Pearce (collectively “Respondents”) failed to provide required contributor information for 234  
7 contributions received between August 8, 2003 and June 30, 2004.

8 **Summary of Relevant Law and Respondent’s Reporting Requirements**

9 7. Committees active in San Francisco elections must file campaign disclosure reports with the  
10 Ethics Commission. S.F. C&GCC § 1.106; Cal. Gov. Code § 84200, *et seq.*

11 8. Candidates and treasurers are responsible for complying with the above reporting  
12 requirements and may be held jointly and severally liable for violations by their committees.  
13 S.F. C&GCC § 1.106, 1.170(g); Cal. Gov. Code § 91006.

14 9. Any person who intentionally or negligently violates campaign disclosure laws is liable in  
15 an administrative proceeding before the Commission for penalties up to five thousand dollars  
16 (\$5,000) for each violation or three times the amount which the person failed to report or  
17 unlawfully received, whichever is greater. S.F. C&GCC § 1.170; S.F. Charter § C3.699-13.

18 **COUNT I – Failure to Obtain and Disclose Complete Contributor Information**

19 10. For contributions of \$100 or more, the committee’s treasurer may not deposit the  
20 contribution unless the treasurer has the following information: contributor’s full name; street  
21 address; occupation; and name of employer, or if self-employed the name of the business.  
22 Contributions that are deposited without the required contributor information must be forfeited to  
23 the City, in addition to any other penalties. The amount subject to forfeiture is the amount that  
24 exceeds \$99.99 of a contribution. S.F. C&GCC § 1.114(e).<sup>2</sup>

25 <sup>2</sup> During the time period when these statements were filed, this prohibition was codified at S.F. C&GCC § 1.114(d).

1 11. In the Committee's original campaign finance disclosure statements, Respondents reported  
2 that the Committee received a total of 2,837 contributions totaling \$1,245,119 between August 8,  
3 2003 and May 8, 2004. Of these 2,837 contributions, Respondents failed to disclose complete  
4 contributor information for 234 contributions totaling \$36,860, and \$13,792.31 of that amount is  
5 forfeitable, pursuant to S.F. C&GCC § 1.114(f).

6 **Factors in Mitigation**

7 12. Respondents have no prior enforcement history.

8 13. Respondents were cooperative, voluntarily met with enforcement staff and provided  
9 answers regarding the missing contributor information.

10 14. After a thorough investigation, Commission staff did not discover any evidence to suggest  
11 that any of the violations were committed intentionally or with the intent to deceive or defraud the  
12 public.

13 15. The total dollar amount of the contributions lacking complete contributor information was  
14 \$36,860, which represents less than three percent of the total contributions received by the  
15 Committee.

16 16. The number of contributions lacking complete contributor information was 234, which  
17 represents only eight percent of the total number of contributions received by the Committee.

18 17. Of the 234 contributions lacking complete contributor information, only 6 were lacking the  
19 name of the contributor. Respondents stated that these were credit card contributions made via  
20 PayPal and that absent a subpoena, PayPal refused to release the names of the credit card holders  
21 due to privacy concerns.

22 18. Of the remaining 228 contributions lacking complete contributor information, Respondents  
23 were able to provide the missing information – either a street address instead of a post office box or  
24 missing information regarding the contributor's occupation or employer – for 220 contributions.  
25 The 14 remaining contributions were all instances where the contributor listed a post office box

1 instead of an actual street address. Respondents have attempted to obtain the actual street address  
2 of these 14 contributors but have been unsuccessful.

3 **Factors in Aggravation**

4 19. The failure to obtain complete contributor information, while representing only eight  
5 percent of the 2,837 contributions, is significant, because it deprived the public of full disclosure as  
6 to the sources of contributions to the Committee.

7 20. On August 13, 2003, the Commission staff mailed a letter titled, “Changes to Campaign  
8 Finance Reform Ordinance” to the Interested Parties list. Commission records show that this letter  
9 was mailed to Matt Gonzalez at the Hayes Street address listed in his Candidate Intention Form  
10 (Form 501) described above. This letter explained the contributor information requirements that  
11 applied to all contributions of \$100 or more.