

# PUBLIC TRUST

## PEC Achievements Since 2014

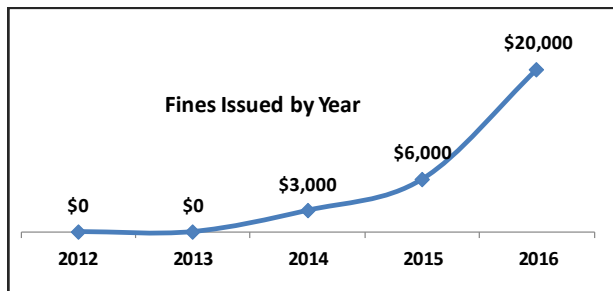
Recent changes to the authority and structure of the Public Ethics Commission (PEC or Commission) have resulted in key achievements in the past 2.5 years. Here are the highlights:

### Clear, Effective RULES

- **New Government Ethics Act** – new local law restricting ethics violations such as bribery, conflicts of interest, nepotism, and misuse of City resources (adopted December 2014).
- **Campaign Reform Act** – strengthens the PEC’s authority, clarifies language, and aligns the Act with the recently revised City Charter and California political reform laws (adopted November 2016).

### Swift, Fair ENFORCEMENT

- **Caseload, fine amounts, and seriousness of potential violations under review are at an all-time high** - the PEC imposed its most serious and largest penalty to date in 2016 – a \$14,400 penalty for intentional laundering of campaign contributions.

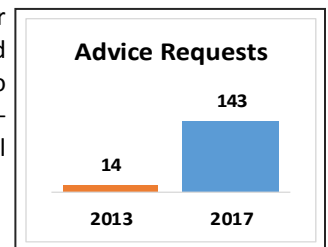


- **Clear penalty guidelines** – the PEC created a new guide for determining fine amounts to ensure that fines are consistent, fair, and commensurate to the violation.
- **Subpoenas to compel records** – the PEC issued its first-ever subpoena in June 2016 and issued 28 in total through July 2017, including obtaining a court order to compel compliance with a subpoena by an elected official in November 2016.

### Consistent EDUCATION, ADVICE

- **New Ethics training for all Public Servants** – all new employees now receive introductory ethics training during new employee orientation, and all existing employees receive the intro training via HR. A comprehensive, one-hour training for Form 700 filers is in development.

- **Requests for advice have increased tenfold** in only the first half of 2017 – PEC staff have responded to 143 advice requests so far this year from officials, staff, and stakeholders seeking to comply with the law, compared with 14 requests in all of 2013.



### Accurate, Accessible DATA

- **Campaign finance disclosure** – the PEC facilitated creation of a new online application that shows campaign data more clearly for broader use by Oaklanders via [www.OpenDisclosure.io](http://www.OpenDisclosure.io).
- **Stadium/Arena ticket use** – the PEC illuminated data on City tickets used by elected officials and shared the information in its report: [Ensuring Ethical and Transparent Distribution of City Tickets](#), available on the PEC website.

### Effective SYSTEMS That Drive Desired Behavior

- **PEC as a catalyst** – the PEC recruited, hired and trained 5 new staff in 2015 and 2016, created a new office space on the first floor of City Hall, revamped operational policies and procedures, and augmented enforcement processes to better accomplish the PEC’s goals.
- **Enhancing City systems for greater integrity** – the PEC reviewed the City’s process for distributing tickets to Oakland Coliseum and Oracle Arena events, published its findings, which included ethical concerns with the current process, and crafted a proposed revised City policy.

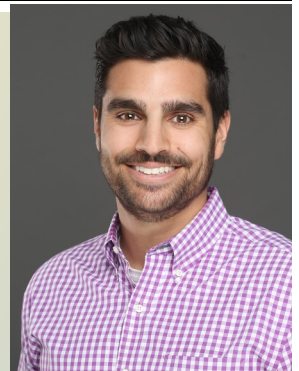
With much accomplished, we still have critical work ahead to make the City’s government integrity systems stronger, clearer, and more effective for 21<sup>st</sup> Century government. The PEC will continue to expand its prevention and enforcement work, while also digging into deeper issues such as its next project to redesign the City’s laws to shrink the influence of money in politics and expand the power of citizens in local democracy. Read on for more about this next endeavor...

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## Commissioner Perspective: *Creating Equity in Campaign Financing*

**By Jonathan Stein, PEC Commissioner**



The Commission is embarking on a project to review the City's current campaign financing system to determine what reforms would help reduce the influence of big money in politics and enhance citizen participation in the electoral process.

An analysis of campaign contributions in Oakland's 2014 and 2016 election cycles show a near-total dominance of high-dollar donors and significant disparities in political giving by zip code. **A stunning 93.2 percent of money contributed to candidates in Oakland from City residents came in checks over \$100, and came from just 0.93 percent of the City's residents.** Five zip codes – 94602, 94610, 94611, 94612, and 94618 – are responsible for 73 percent of all itemized contributions to City candidates in these two election cycles.

- Zip code 94612, including Downtown, Uptown, and neighborhoods bordering Lake Merritt, is home to less than 4 percent of Oakland's population but was responsible for over 24 percent of all political giving in the City (\$742,789).
- Zip code 94611, including Piedmont, Montclair, and some of the Oakland hills, is home to just 9 percent of Oakland's population but is home to 21 percent of all contributors over \$100 (763 people). By contrast, the similarly sized zip code 94603, in deep East Oakland, is home to less than 1 percent of all contributors over \$100 (28 people). All told, zip code 94611 gave 32 times the amount to City candidates as zip code 94603 did.
- Lastly, 30 percent of money contributed to Oakland candidates in these two election cycles came from donors living outside of the City of Oakland.

The fact that the donor class is non-representative of the public at large is a problem because political giving can provide access to and influence over politicians. Oakland attempts to address the problem of money in politics with two city ordinances.

1. First, the **Oakland Campaign Reform Act** attempts to limit the amount of spending on City campaigns by allowing candidates to raise donations in substantially larger amounts if they agree to limit their overall campaign spending.
2. Second, the **Limited Public Financing Act** attempts to lessen the fundraising burden on candidates and create more political competition by giving candidates public funding for their campaigns in the form of reimbursements for campaign spending, so long as they meet certain specified criteria.

In the coming months, the PEC's subcommittee on Campaign Finance will review these laws and Oakland's current needs to determine whether the current policies are meeting their objectives, and whether those objectives are the right ones for the City. Campaign financing systems in Los Angeles, San Francisco, and New York City known as "matching funds systems" and a new experiment in Seattle with something called "Democracy vouchers" give Oakland the opportunity to learn from other cities and possibly adopt a new and better approach. We can and should use our campaign finance law to democratize our democracy.

Email [EthicsCommission@oaklandnet.com](mailto:EthicsCommission@oaklandnet.com) to receive notice of our subcommittee work on this project and join our discussion. The subcommittee will present its recommendations and draft legislation to the full Commission upon the completion of its work.



Source: <http://www.wausaudailyherald.com/story/opinion/2014/07/16/money-politics-threatens-democracy/12747061/>; Syndicated by Cagle Cartoons.

\*Data for this article was provided by MapLight, a Berkeley-based nonprofit that aggregates and analyzes campaign contribution data from local jurisdictions.

# Campaigns & Elections

## Campaign Filers: July 31, 2017 Deadline Approaching

Candidates for local elective office as well as officeholders and committees collecting contributions or making expenditures on behalf of candidates or ballot measures in Oakland must adhere to a variety of state and local laws intended to ensure ethical and transparent campaign-related activities. The Public Ethics Commission (PEC) acts as filing officer for campaign finance disclosures, enforces campaign rules and provides resources to help candidates and committees comply with local rules and requirements.



An important deadline for campaign filers is coming up July 31, 2017, when they must file a semi-annual statement with the PEC covering the period between January 1, 2017 through June 30, 2017.

### Who needs to file?

Candidate/officeholder committees as well as non-candidate recipient committees, such as city ballot measure and general purpose committees, must file FPPC Form 460 Recipient Committee Campaign Statement with the PEC.

Major donors and independent expenditure committees must file FPPC Form 461 Major Donor and Independent Expenditure Committee Campaign Statement if there was any activity during the reporting period.

All recipient committees, major donor committees and independent expenditures committees required by state law to file campaign statements or reports with the City of Oakland must file electronically until the committee terminates.

### Got questions about filing?

If you need assistance preparing your campaign statements, don't wait until the deadline! Filing deadlines are strictly enforced, and late filings are subject to a \$10-per-day late fee. If you have questions, contact the California Fair Political Practices Commission (FPPC) at 1-866-ASK-FPPC or the PEC early for advice.



## Ask the PEC

**Question:** Elections are over and my campaign committee is no longer fundraising. I no longer need to file campaign reports, right?

**Answer:** Your campaign committee *is required* to continue filing statements until the committee is formally terminated. If your committee is now inactive – in other words, you are no longer raising funds or making payments – close the bank account and campaign committee by filing Form 460 Termination (covering the period through 6/30/2017) and FPPC Form 410 (mark the termination box). If you do not terminate your committee, *you must continue to file even if your committee is inactive*. Before terminating, your account must have a zero-ending cash balance and all required campaign statements must be filed. For advice on what you can do with surplus money remaining in your campaign bank account contact the California Fair Political Practices Commission (FPPC) at 1-866-ASK-FPPC.

## Activity Updates

### Enforcement

In February and March, 2017, Commission Staff reviewed campaign statements related to the November 2016 election. Based on its review, Commission Staff opened five pro-active investigations into potential violations of the Oakland Campaign Reform Act. Also, at its June meeting, the Commission closed its last pre-2014 enforcement case.

Currently, Commission Staff is investigating 17 allegations of violations of the Government Ethics Act, 14 allegations of violations of the Campaign Reform Act, eight allegations of violations of the Sunshine Ordinance, and one allegation of violations of the Lobbyist Registration Act.

The PEC now posts a list of all fines and settlement documents on the [Enforcement page](#) of its website.

### Education

The PEC continues to educate City employees, board/commission members, and elected officials about their responsibilities under the Government Ethics Act.

Staff has fully integrated its Government Ethics Act introductory course into the City's online learning management system Target Solutions. To date, over 1,100 employees have taken the course. The introductory course is also a requirement for all new employees during their orientation.

### Lobbyist Registration

Under the Lobbyist Registration Act, registered lobbyists are required to submit quarterly reports disclosing their lobbying activities in Oakland and are required to register with the City before commencing with any lobbying activities.

So far, in 2017, there are 35 registered lobbyists with the City, and over \$345,000 has been reported for compensation received by lobbyists to lobby City officials.

Find out who is being paid to influence City staff and elected officials on any administrative or legislative action in Oakland by checking out our [lobbyist information](#) page on the PEC website.

### Policy

On April 3, the Commission released [Ensuring Ethical and Transparent Distribution of City Tickets](#), a report reviewing the City's current ticket distribution policy that makes recommendations for system and process improvements.

Subsequently, the Commission drafted a new ticket policy incorporating the recommended changes from the report. Once the Commission approves a final version, it will be submitted to the City Council for possible adoption.

### Outreach

The PEC continues to actively engage the community through a series of presentations known as the Roadshow. The community presentations aim to educate the public about the PEC's prevention and policy work, share information about recent enforcement actions, and hear from the community about issues that are important to them.

If you would like to have a Commissioner come speak to your community group or association, contact Jelani Killings at (510) 238-3593 or at [jkillings@oaklandnet.com](mailto:jkillings@oaklandnet.com).



### Social Media

Follow the PEC on Twitter and Facebook. Stay informed of important updates and join the conversation on good governance and ethics.



@OakGovEthics



@OaklandEthics

You can also subscribe to our email distribution list at [www.oaklandnet.com/pec](http://www.oaklandnet.com/pec).

**“Ensuring Fairness, Openness, Honesty, and Integrity in City Government”**