

Patrick Ford
Executive Director

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San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102
(415) 252-3100

BEFORE THE SAN FRANCISCO
ETHICS COMMISSION

THE PARTIES STIPULATE AS FOLLOWS:

1. This Stipulation, Decision, and Order (Stipulation) is made and entered into by and between Labor & Working Families Slate and Daniel Anderson (collectively, "Respondents"), and the San Francisco Ethics Commission ("the Commission").
2. Respondents and the Commission agree to settle and resolve all factual and legal issues in this matter and to reach a final disposition without an administrative hearing. Upon approval of this Stipulation and full performance of the terms outlined in this Stipulation, the Commission will take no future action against Respondents, and this Stipulation shall constitute the complete resolution of all

claims by the Commission against Respondents related to the violations of law described in Exhibit A.

Respondents understand and knowingly and voluntarily waive all rights to judicial review of this Stipulation and any action taken by the Commission or its staff on this matter.

3. Respondents acknowledge responsibility for and agree to pay an administrative penalty as set forth in Exhibit A. Respondents agree that this penalty is a reasonable administrative penalty.

4. Within ten business days of the Commission's approval of this Stipulation, Respondents shall either pay the penalty set forth in Exhibit A through the City's online payment portal or otherwise deliver to the following address a check or money order made payable to the "City and County of San Francisco":

San Francisco Ethics Commission
Attn: Enforcement & Legal Affairs Division
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102

5. If Respondents fail to comply with the terms of this Stipulation, then the Commission may reopen this matter and prosecute Respondents under Section C3.699-13 of the San Francisco Charter for any available relief.

6. Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission's Enforcement Regulations with respect to this matter. These include, but are not limited to, the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondent's expense, to confront and cross-examine all witnesses testifying at the hearing and to subpoena witnesses to testify at the hearing.

7. Respondents understand and acknowledge that this Stipulation is not binding on any other government agency with the authority to enforce the San Francisco Campaign & Governmental

Conduct Code section 1.100 *et seq.*, and does not preclude the Commission or its staff from cooperating with or assisting any other government agency in its prosecution of Respondent for any allegations set forth in Exhibit A, or any other matters related to those violations of law set forth in Exhibit A.

8. This Stipulation is subject to the Commission's approval. In the event the Commission declines to approve this Stipulation, the Stipulation shall become null and void, except Paragraph 9, which shall survive.

9. In the event the Commission rejects this Stipulation, and further administrative proceedings before the Commission are necessary, Respondents agree that the Stipulation and all references to it are inadmissible. Respondents moreover agree not to challenge, dispute, or object to the participation of any member of the Commission or its staff in any necessary administrative proceeding for reasons stemming from his or her prior consideration of this Stipulation.

10. This Stipulation, along with the attached Exhibit A, reflects the entire agreement between the parties hereto and supersedes any and all prior negotiations, understandings, and agreements with respect to the transactions contemplated herein. This Stipulation may not be amended orally. Any amendment or modification to this Stipulation must be in writing duly executed by all parties and approved by the Commission at a regular or special meeting.

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

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

01-29-2025 | 16:52:36 PST

Dated: _____

[REDACTED]
PATRICK FORD, EXECUTIVE DIRECTOR

SAN FRANCISCO ETHICS COMMISSION

01-28-2025 | 20:14:44 PST

Dated: _____

[REDACTED]
DANIEL ANDERSON, ON BEHALF OF AND HIMSELF

RESPONDENT

01-28-2025 | 01:18:09 PST

Dated: _____

[REDACTED]
JANELLE JOLLEY, ON BEHALF OF LABOR & WORKING FAMILIES
SLATE

RESPONDENT

DECISION AND ORDER

The foregoing Stipulation of the parties in the matter of "Labor & Working Families Slate and Daniel Anderson, SFEC Case No. 24-781," including the attached Exhibit A, 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: 2-7-25



THEIS FINLEV, CHAIRPERSON
SAN FRANCISCO ETHICS COMMISSION

Exhibit A

I. Introduction

Daniel Anderson (“Anderson”) was a campaign consultant to the general purpose committee Labor & Working Families Slate (the “LWF Slate”) during the period December 2023 through the March 5, 2024, election. In January and February 2024, Anderson coordinated with staff of the candidate-controlled committee Dean Preston for Supervisor 2024 (the “Preston committee”) to schedule a joint campaign event at which volunteers disseminated campaign literature for both committees. Anderson facilitated an expenditure by the LWF Slate to produce a campaign flyer specifically for use at the event which targeted Bilal Mahmood, a Supervisor candidate opposing Preston. Because Anderson came to an agreement with the Preston committee on the timing, location, and mode of the flyer’s dissemination prior to the LWF Slate producing the flyer, a portion of the LWF Slate’s expenditure became an in-kind contribution over the limit to the Preston committee.

II. Applicable Law

Nonmonetary Contributions

The San Francisco Campaign and Governmental Conduct Code (“C&GCC”) incorporates into City law provisions of the California Political Reform Act (the “PRA”) as it applies to local elections. C&GCC § 1.106, incorporating Cal. Gov’t Code § 81000 et seq. Under state and local law, contributions include nonmonetary (or in-kind) contributions, defined as the provision of property, services, or anything else of value, if full and adequate consideration is not received and if the payment is made for political purposes. Cal. Gov’t Code § 82015(a); § 82025(a); § 82044.

Campaign Statements

Committees are required to file campaign statements that disclose their financial activity via a Form 460. Cal. Gov’t Code § 84200(a). Campaign statements covering activity from July 1 through December 31 are due by the following January 31, while statements covering activity from January 1 through June 30 are due by July 31. *Id.* City recipient committees are also required to file preelection statements at certain intervals in the final 45 days before an election. *Id.* Each required campaign statement must contain, among other information, the total amount of contributions received and expenditures made during the period covered by the campaign statement. *Id.* § 84211.

Contribution Limit

Under city law, no candidate committee treasurer may accept any contribution which would cause the contributor’s total contributions to exceed \$500 for a single election. C&GCC § 1.114(a).

Coordination

City and state law require that an expenditure shall be treated as a contribution if there is coordination between the person making the expenditure and the candidate or committee on whose behalf or for whose benefit the expenditure is made. C&GCC § 1.115; Cal. Gov’t Code § 85500(b).

An expenditure is treated as a contribution to the candidate on whose behalf, or for whose benefit the expenditure is made, if the expenditure funds “a communication that expressly advocate[s] the nomination, election or defeat of a clearly identified candidate” and is made under any of several circumstances. C&GCC § 1.115(a). This includes a communication created, produced or disseminated after discussion between the producer or distributor of a communication, or the person paying for that communication, and the candidate or committee regarding the content, timing, location, mode, intended audience, volume of distribution or frequency of placement of that communication, the result of which is agreement on any of these topics. *Id.* § 1.115(a)(2)(B).

III. Material Facts and Analysis

Background

The LWF Slate is a general purpose committee formed in December 2023. During the period covered by this stipulation, the LWF Slate supported candidates for the San Francisco Democratic County Central Committee (“DCCC”) in the March 5, 2024, election. The LWF Slate supported DCCC candidates in both Assembly District 17 (“AD17”) and Assembly District 19 (“AD19”).

Daniel Anderson was a campaign consultant for the LWF Slate, doing business through his firm Anderson Political. Anderson told investigators that he was the primary consultant to the LWF Slate on the 2024 DCCC race, and that his duties included leading strategy and the production of campaign materials and coordinating between all of the LWF Slate candidates.

The Preston committee is a candidate-controlled committee that was formed in August 2023 to support the reelection of Supervisor Dean Preston to District 5 Supervisor in the November 5, 2024, election.

During the period covered by this stipulation, Bilal Mahmood was simultaneously a candidate for AD17 DCCC member and a candidate for District 5 Supervisor.

Candidates for DCCC and candidates for Supervisor ran in separate elections in 2024 (March 5, 2024 and November 5, 2024, respectively).

Chronology

On January 31, 2024, Gwen McLaughlin, field director for the Preston committee, exchanged text messages with Anderson regarding a draft Partiful RSVP page for an event titled “Dean Preston for District 5 Mega Mobilization.” Anderson confirmed his approval of the language in the RSVP. The Partiful RSVP stated, “Please join the Dean Preston for D5 Supervisor campaign and the DCCC Labor and Working Families Slate for a rally and a district wide lit-drop on Saturday the 10th 11am at Jefferson Square Park.”

On February 1, 2024, Preston shared an Instagram post promoting the February 10 event, described as a “Mega-Mobilization for Dean Preston.” Preston’s Instagram post did not reference the LWF Slate or the DCCC election.

On February 2, 2024, Anderson exchanged messages in a group text named “Labor & Working Families Slate,” which included the LWF Slate DCCC candidates. A candidate asked, “Is Dean letting us

put lit in his mega lit drop bags?" Anderson replied, "Yes! It's for us. Our lit will be in all the bags. We are printing a piece especially for it that also calls out Bilal."

On February 3 and 4, 2024, Anderson exchanged emails with Jim Stearns of Stearns Consulting with the subject "Bilal hit." Anderson described edits to the language in a campaign flyer that targeted candidate Mahmood in his capacity as a candidate for DCCC. Anderson also noted, "We need an AD19 version of this piece too. Basically 1/3 of D5 is now in AD19."

The final produced version of this campaign flyer featured a photograph of Mahmood alongside text reading, "Vote No on Bilal Mahmood for Democratic Party," as well as a series of negative statements about Mahmood's qualifications or character. (This flyer will be referred to as the "No on Mahmood" flyer.) Two versions of the flyer were produced with differing content on the reverse side: one version featured the AD17 LWF Slate candidates and the other featured the AD19 LWF Slate candidates. Anderson later told investigators that he was uncertain about the quantity of AD17 flyers versus AD19 flyers, but that, in general, the LWF Slate aimed for equal spending on both districts.

In an invoice dated February 5, 2024, Rough House Productions, a company managed by Stearns, billed the LWF Slate \$6,968 for 20,000 copies of a campaign flyer with the job title "Mahmood." Anderson confirmed that this expenditure was for the "No on the Mahmood" flyers. The LWF Slate initiated a payment on February 8, 2024, and disclosed the expenditure in a pre-election Form 460 filed on February 22, 2024. In this disclosure statement, the LWF Slate coded half of the total expenditure, or \$3,484, as a contribution divided among each of the DCCC candidates who appeared on the flyer, and half as an independent expenditure opposing Mahmood as a DCCC candidate.

The joint rally and "lit drop" event occurred on February 10, 2024. Social media posts show that volunteers for the Preston and LWF Slate campaigns distributed the "No on Mahmood" LWF Slate flyers alongside a Preston committee flyer that advocated for Preston's election to District 5 Supervisor.

Coordinated Expenditure

The LWF Slate's expenditure for the production of the "No on Mahmood" flyer meets the Section 1.115 definition of a coordinated expenditure because Anderson, an agent of the LWF Slate, facilitated the production of the flyer after he and McLaughlin, an agent of the Preston committee, came to an agreement regarding the timing, location, and mode of the dissemination of campaign communications.

To be considered a coordinated expenditure, and therefore a contribution to the Preston committee, the "No on Mahmood" flyer must have been for the "benefit" of the Preston committee. The context of the communication's production and dissemination indicates that the flyer was at least in part for Preston's benefit. Anderson noted that the flyer was produced specifically for the event at which it would be disseminated alongside Preston campaign literature. Although the evidence does not indicate that Anderson and McLaughlin discussed the content of the flyer, the committees' respective flyers nevertheless contained parallel language: the Preston campaign flyer stated, "Working for You. Not the Billionaires," and the "No on Mahmood" flyer stated that Mahmood is "Bankrolled by Billionaires." Additionally, even though Mahmood was also a DCCC candidate running against the LWF Slate candidates featured on the AD17 version of the flyer, voters in AD19 who received the flyer could only vote for or against Mahmood as a Supervisor candidate. In both DCCC districts, the simultaneous dissemination of a flyer supporting Preston, who is a Supervisor candidate only, and a flyer opposing

Mahmood, who is an opposing Supervisor candidate, created a presumption that the “No on Mahmood” flyer supported a vote for Preston.

Given Mahmood’s dual candidacy, Respondents agree that the following valuation of the in-kind contribution to the Preston committee is appropriate. The evidence suggests that an equal number of flyers was produced for each DCCC district. Accordingly, the LWF Slate spent \$3,484 each on both the AD17 version and the AD19 version. Half of each of those amounts, or \$1,742, is attributable to the “No on Mahmood” side of the flyer. Because Mahmood was not a DCCC candidate in AD19, the full \$1,742 portion for the AD19 version must be considered to advocate against Mahmood as a Supervisor candidate, and therefore for Preston’s benefit given the coordination with the Preston committee. For the AD17 version, Mahmood was an opposing candidate to both Preston and to the DCCC candidates on the reverse side of the flyer. Thus, half of the cost of the “No on Mahmood” side of the AD17 version, or \$871, will be considered a contribution to the Preston committee, and \$871 will be considered an independent expenditure opposing Mahmood as a DCCC candidate.

Using the above valuation, the coordinated expenditure caused the LWF Slate to make a total in-kind contribution to the Preston committee of \$2,613. This amount exceeds the \$500 contribution limit to local candidates by \$2,113. As noted above, the LWF Slate disclosed a \$3,484 independent expenditure opposing Mahmood in its pre-election Form 460 filed February 22, 2024. Because the expenditure was coordinated with the Preston committee, the LWF Slate instead should have reported an \$871 independent expenditure and a \$2,613 contribution to the Preston committee.

Both this Commission and the Fair Political Practices Commission have established a precedent of warning or excluding the beneficiary candidate from coordination cases if the evidence suggests the candidate did not explicitly authorize – and did not know – of the coordinated spending. *See Common Sense Voters, FPPC No. 10/973; see also Paul Allen Taylor, Case No. 20-243.* In this case, while the Preston committee coordinated on timing and location, there is no evidence that the committee knew about the communication’s substance, including the benefit it would bring to the Preston campaign. For these reasons, the Preston committee is not a respondent in this stipulated settlement agreement.

IV. Violations of Law

Count 1

**Causing a candidate committee to accept a contribution over the limit
in violation of C&GCC § 1.114(a)**

Count 1: By coordinating the dissemination of a campaign communication with the Preston committee, thereby making the expenditure for its production a contribution, Respondent Anderson caused a candidate committee to accept an in-kind contribution \$2,113 over the limit in violation of C&GCC section 1.114(a).

Count 2

**Failure to disclose a nonmonetary contribution on a campaign statement (Form 460)
in violation of Gov’t Code § 84211 and C&GCC § 1.106**

Count 2: By misreporting \$2,613 of the total cost of the coordinated campaign communication as an independent expenditure, Respondent committee the LWF Slate failed to report an in-kind

contribution to a candidate committee in violation of Gov't Code section 84211, incorporated under C&GCC section 1.106.

Penalty Assessment

This matter consists of two counts involving violations of the San Francisco Campaign and Governmental Conduct Code. The San Francisco Charter authorizes the Commission to assess a maximum administrative penalty of "up to five thousand dollars (\$5,000) for each violation or three times the amount which the person failed to report properly or unlawfully contributed, expended, gave or received." SF Charter § C3.699-13(c)(i)(3).

Per Commission Regulations section 9(D), when determining penalties, the Ethics Commission considers all of the relevant circumstances surrounding the case, including but not limited to: (a) the severity of the violation; (b) the presence or absence of any intention to conceal, deceive, or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d) whether the violation was an isolated incident or part of a pattern; (e) whether the respondent has a prior record of violations of law; and (f) the degree to which the respondent cooperated with the investigation and demonstrated a willingness to remedy any violations.

The City's coordinated expenditure provision is important as it is intended to prevent candidate committees from passing on the cost of producing campaign communications to committees for which contribution limits do not apply. Here, DCCC candidate committees are not subject to the same \$500 contribution limit as are Supervisor candidate committees. By coordinating with the Preston committee prior to producing a flyer especially for use at a joint event, Respondents allowed the Preston committee to disseminate campaign literature that supported its candidate alongside campaign literature that attacked an opposing candidate in his capacity as a candidate for DCCC, for which the Preston committee had not paid.

In mitigation, Respondents do not have a prior record of violations of law and Respondents fully cooperated with the Ethics Commission's investigation. The violations also appear not to have been willful or part of a larger pattern. The expenditure was made nine months before the relevant election and before Mahmood had qualified as a candidate in that election and did not expressly advocate against Mahmood in his capacity as a candidate for Supervisor. Further, the LWF Slate reported the full cost of its expenditure for the flyer in question in public disclosure reports, as well as the relative portions of that expenditure that amounted to contributions to each DCCC candidate committee and an expenditure opposing Mahmood.

Regarding penalties for the contribution over the limit, Staff look to the Commission's Streamlined Administrative Resolution Program (SARP) for guidance. Though SARP does not apply in this case because the aggregate amount of the contribution over the limit exceeded \$2,000, Staff believe the SARP 30-day penalty basis is appropriate given the mitigating factors. Under SARP, a committee must forfeit the amount of the excess contribution. In this case, Respondents are liable for \$2,113, the amount of the in-kind contribution in excess of \$500 they caused the Preston committee to accept.

Regarding the failure to report \$2,613 of the expenditure as a contribution, Staff look to precedent set by recent cases *In the Matter of Walk San Francisco Foundation* (SFEC Case No. 23-504) and *In the Matter of Neighbors for a Better San Francisco Advocacy and Jay Cheng* (SFEC Case No. 23-

484). In each case, the respondents were liable for 20% of the unreported contribution. However, unlike in those cases, Respondents in this case did report all activity in a timely manner, albeit incorrectly. Because of that mitigating factor, the parties agree that a penalty set at approximately 15% of the unreported contribution is appropriate. Thus, a \$400 penalty for Count 2 is appropriate.

In balancing the above facts and considering the penalty factors and prior analogous enforcement cases resolved by the Ethics Commission, and to promote a future deterrent effect, Staff proposes, and Respondents agree to, the following penalties for the above listed violations of City law:

Count 1 (Contribution Over the Limit): \$2,113

Count 2 (Failure to Report a Contribution): \$400

Total Penalties: \$2,513