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City of
OAKLAND
California

FOR IMMEDIATE RELEASE
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\$100,000 fine proposed by FPPC and \$14,400 fine imposed by Oakland Ethics Commission after joint probe into spending in Oakland Mayoral and City Council races.

After a joint investigation between the Enforcement Division of the Fair Political Practices Commission (FPPC) and the Oakland Public Ethics Commission, the FPPC today announced a proposed settlement involving illegal contributions in the 2012 and 2014 Oakland city council races, as well as the 2014 Oakland mayoral race, and the Public Ethics Commission announced an approved settlement for multiple violations of Oakland's contribution limits.

In 2015, proactive efforts by the FPPC Enforcement Division detected a pattern of activity that led to the opening of this case and a joint investigation and prosecution with the Oakland Public Ethics Commission. The investigation looked into potential campaign contribution limit violations and laundered campaign contributions in support of four mayoral and two city council candidates between the 2012 and 2014 elections. The candidates receiving the contributions were not a focus of the investigation.

McWane, Inc., is a large manufacturer of iron water works and plumbing products. One of its divisions, AB&I Foundry, is headquartered in Oakland, California. The FPPC case involves 37 laundered campaign contributions (totaling \$23,900) from AB&I through 17 officers/employees (and their spouses) to four Oakland mayoral candidates and two city council candidates from 2012 through 2014, in violation of Government Code section 84301 (20 counts). Of these 17 officers/employees, six contributed to committees in both the 2012 and 2014 election cycles.

The joint investigative team from Oakland Public Ethics Commission and the FPPC found numerous violations of both state and local campaign laws. Making campaign contributions in the name of another is one of the most serious violations of the Political Reform Act as it deceives the public. In this case, the use of 17 individuals to mask the original source of the funds enabled McWane, Inc./AB&I Foundry to circumvent Oakland's contribution limits.

"We are pleased to present the findings from our joint investigation involving laundered campaign contributions," said FPPC Chief of Enforcement Galena West. "Working cooperatively with the Oakland Public Ethics Commission allows us to combine our resources and expeditiously prosecute violations."

The \$23,900 in contributions from McWane, Inc./AB&I Foundry were contributed as follows: \$6,300 to De La Fuente for City Council 2012, \$6,300 to Joe Tuman for Mayor 2014, \$2,100 to Desley Brooks [for City Council 2014], \$2,100 to Re-Elect Mayor Quan 2014, \$2,500 to Parker for Oakland Mayor 2014, and \$4,600 to Kaplan for Oakland Mayor 2014.

The proposed settlement will be heard and voted on by FPPC Commissioners at the July 21st meeting. The Oakland Public Ethics Commission imposed a separate \$14,400 penalty on McWane, Inc./AB&I Foundry at its July 5th meeting for contributing \$6,400 in excess of the Oakland's contribution limit to two Oakland Mayoral candidates, making the total proposed penalty from both Commissions \$114,400.

"AB&I Foundry circumvented the local contribution limit by laundering political contributions, making this case one of the most serious violations of Oakland's campaign laws," said Oakland Public Ethics Commission Deputy Director and Chief of Enforcement Milad Dalju. "We appreciate having coordinated with the FPPC on this case, which resulted in the largest PEC penalty to date."

"The Commission will be vigilant in defending the public's right to know the true source of funding in any campaign," said Commission Chair Jodi Remke. "I applaud the diligent work of the Enforcement Division in investigating and prosecuting these cases. I am also extremely pleased with the outstanding cooperation with our partners in Oakland. And with the upcoming elections, I hope it serves as a reminder that we will be monitoring campaigns to make sure public officials and candidates follow the law as expected."

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