

**CITY OF OAKLAND
PUBLIC ETHICS COMMISSION**

<p>Respondents:</p> <p>Henry Chang, Jr., Henry Chang, Jr., For City Council, and 2000 Committee To Retain Henry Chang</p>	<p>Complaint No.00-0001</p> <p>██████████ Stipulation, Decision and Order re Probable Cause Determination under City of Oakland Campaign Reform Act (General Complaint Procedures § XIII (G))</p>
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On February 1, 2000, Oakland resident Ralph Kanz filed a complaint ("Complaint") with the City of Oakland Public Ethics Commission ("Commission") alleging that Henry Chang, Jr., and his controlled committees Henry Chang, Jr., For City Council ("1996 Committee") and 2000 Committee To Retain Henry Chang ("2000 Committee") violated the City of Oakland Campaign Reform Act of 1994 ("Act"). The Complaint contained eight allegations generally relating to the handling and use of officeholder funds and the nature of loans made to the two committees.

Pursuant to the Commission's General Complaint Procedures § IV(A)(1)&(B), a probable cause report, dated March 28, 2000, entitled "Probable Cause Report to the City of Oakland Public Ethics Commission Re Complaint No. 00-0001 (Ralph Kanz)," was prepared by David A. Schuricht of the law firm of Katzen & Schuricht. After discussing the report at its regular meeting held on May 1, 2000, the Commission determined that there was no probable cause to conduct a hearing with respect to seven of the Complaint's eight allegations, including all allegations against the 2000 Committee. However, the Commission determined that there was probable cause to conduct a hearing on whether Mr. Chang and the 1996 Committee (collectively "Respondents") violated the Act by using officeholder funds to pay (1) Mr. Chang's treasurer's charges for record keeping and filing for both campaign and officeholder funds for April 29, 1997, through September 21, 1998¹, and September 23, 1998, through August 9, 1999², and (2) \$136.50 in bank charges incurred by the 1996 Committee's campaign checking account.

In issuing its probable cause determination, the Commission authorized Mr. Schuricht to contact Respondents or their representative(s) to arrange a settlement conference or mediation. After conferring with Respondents' counsel, Mr. Schuricht recommends that the charges against Respondents be resolved on the following stipulated terms:

- (1) Within five (5) business days after this Stipulation, Decision and Order (Stipulation") is approved by the Commission, Respondents shall (a) make a

¹ Paid on October 8, 1998.

² Paid on September 30, 1999.

settlement payment of \$400 to the City of Oakland and (b) pay the sum of \$1,973.57 from the 1996 Committee's checking account into Mr. Chang's officeholder fund. None of the funds to be paid to the City of Oakland may be paid from Mr. Chang's officeholder fund. The amount to be paid to Mr. Chang's officeholder fund was computed as follows:

Total Amount of Questioned Payments from Officeholder Fund	\$2,087.92 ³
Approximate Interest at 10 % Per Annum from Payment Dates to 7/3/00	285.65
Less Settlement Payment to be paid to City of Oakland	(400)
Net Amount to be Paid to Officeholder Fund	\$1,973.57

(2) Except as expressly stated herein, nothing in this Stipulation is to be interpreted as an admission of any fact or legal contention by Respondents or the Commission, and, in particular, nothing in this Stipulation is to be interpreted as an admission by Respondents that they violated the Act. The parties have entered into this Stipulation in order to avoid any further proceedings or litigation.

(3) Respondents knowingly and voluntarily waive all rights to a hearing on the merits of the charges and all other procedural rights under the law, including the Commission's General Complaint Procedures.

(4) Respondents understand and acknowledge that this Stipulation (a) will not be effective until it is approved by the Commission, (b) is not binding on any other law enforcement agency and does not preclude the Commission or its staff from referring the matter to, cooperating with, or assisting any other government agency with regard to the matter or any other related matter, and (c) will become null and void if the Commission refuses to approve it. If the Commission refuses to approve this Stipulation and a full evidentiary hearing before the Commission becomes necessary, the Commission's prior consideration of this Stipulation will not constitute grounds for the disqualification of any member of the Commission.

Respondents Henry Chang, Jr., and Henry Chang, Jr., For City Council, hereby agree to the terms set forth in paragraphs 1 through 4, inclusive, above.

³ The \$1,951.42 in treasurer's fees included in this sum were incurred for record keeping and filing for both campaign and officeholder funds. There is no contention that it was improper to use officeholder funds to pay for record keeping and/or filing incurred in connection with officeholder funds; however, the portion of the treasurer's fees which were incurred only for officeholder funds has not been separately tracked or computed. Accordingly, by agreement of the parties the total amount of the treasurer's fees (\$1,951.42) has been included for purposes of the stipulated payment to Mr. Chang's Officeholder Fund.

Date: X _____

[Redacted Signature]

Henry Chang, Jr.

Date: X _____

Henry Chang, Jr. For City Council

By _____

(Signature)

(Print name and title)

The undersigned hereby recommends that the Commission approve this Stipulation, Decision and Order.

Date: _____

[Redacted Signature]

David A. Schuricht

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CERTIFICATION RE APPROVAL OF STIPULATION, DECISION AND ORDER

The foregoing Stipulation, Decision, and Order ("Stipulation") was presented for approval at a duly noticed meeting of the City of Oakland Public Ethics Commission ("Commission") held on JULY 10, 2000. A quorum of the membership of the Commission was present at the meeting. A motion approving the Stipulation was duly made and seconded, and the motion was passed by the Commission.

I hereby certify that the foregoing is true and correct.

Dated: 7/11/00

[Redacted Signature]

Executive Director
City of Oakland
Public Ethics Commission

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