

Recent Penalties in San Diego and York County, PA for Straw Donor Schemes

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By Karen Trainer

In April, the City of San Diego Ethics Commission issued a \$128,000 penalty to Advantage Towing Company, Inc., which reimbursed employees for contributions to three different San Diego mayoral candidates in 2012. The limit on contributions to mayoral candidates for the 2012 election cycle was \$500 per election. According to a proposed administrative enforcement order from a State Administrative Law Judge, 10 straw donors were reimbursed for 15 contributions. A City of San Diego Ethics Commission press release notes that the penalty is the largest in the Ethics Commission's history. Under the San Diego Municipal Code, the Ethics Commission could have assessed a penalty of up to \$5,000 per violation, or \$160,000.

In another case, York Building Products Inc. pled guilty in Pennsylvania state court to reimbursing campaign contributions made by executives. Media reports indicate that the company reimbursed nearly \$95,000 in political contributions made by executives to local, state, and federal campaigns through bonuses. Media reports also indicate that the company will pay nearly \$100,000 in restitution and penalties.

Authors

Karen E. Trainer
Senior Reporting Specialist
202.719.4078
ktrainer@wiley.law

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