



THE CITY OF SAN DIEGO
PRESS RELEASE

Ethics Commission

FOR IMMEDIATE RELEASE
Friday, May 15, 2009

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**ETHICS COMMISSION ANNOUNCES SETTLEMENT
WITH CORNERSTONE STRATEGIES
CONCERNING VIOLATIONS OF LOBBYING LAWS**

Stacey Fulhorst, Executive Director of the City of San Diego Ethics Commission, announced today the Commission's approval of a stipulated settlement agreement with Cornerstone Strategies, a registered lobbying firm owned and operated by Arturo Castanares. Cornerstone has agreed to pay a fine of \$1,000 for failing to timely file two quarterly disclosure reports in 2008. Ms. Fulhorst explained that, after registering as a lobbying firm in January of 2008, Cornerstone failed to file its first quarter disclosure report, which was due on April 30, 2008. Although Cornerstone filed a report for the second quarter, it used an outdated report form and therefore did not disclose all the information required under the new laws that took effect on January 1, 2008.

Despite repeated reminders by the City Clerk and the Ethics Commission staff, Cornerstone did not file its first quarter report and its amended second quarter report until March 19, 2009, the day before a Probable Cause Hearing had been scheduled by the Ethics Commission. Although the disclosure reports ultimately filed indicate that Cornerstone did not engage in any lobbying activities during the reporting period, Ms. Fulhorst commented that "the timely disclosure of this information to the public is a very important aspect of the City's lobbying laws." Moreover, Ms. Fulhorst noted that Mr. Castanares has a history of failing to

timely file lobbyist disclosure reports, and commented that his continued failure to adhere to the City's laws "suggests he does not appreciate the seriousness of his obligations as a lobbyist."

According to the Commission Chairman, Gil Cabrera, the Commission thought the amount of the fine was appropriate when all the factors were taken into consideration. Mr. Cabrera explained that the Commission considered the fact that Mr. Castanares paid a \$4,500 fine in December of 2007 for failing to timely register and failing to timely file five quarterly disclosure reports. He added that the Commission balanced these factors in aggravation with the fact that the public was not deprived of any relevant information since Cornerstone ultimately had no lobbying activities to disclose.

Ethics Commission fines are paid to the City of San Diego's General Fund. The stipulated settlements approved by the Commission resolve all factual and legal issues without the necessity of holding an administrative hearing.

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