

NEWS • News

## LA's Neighborhood Council leaders urge tougher ethics laws at City Hall

L.A. lobbyists are paid to influence Neighborhood Council meetings without verbally telling local leaders they are lobbyists



Neighborhood council members (l-r) Daryt J. Frank, Jeffrey Mausner, Michelle Gallagher, Jamie York, Glenn Baily, and Karla Escobar in Reseda, Tuesday, August 30, 2022. (Photo by Hans Gutknecht, Los Angeles Daily News/SCNG)

By **ELIZABETH CHOU** | [hchou@scng.com](mailto:hchou@scng.com) | Daily News

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In March, a concrete lobbyist spoke at a meeting of the North Hills West Neighborhood Council, in support of a proposed law that would effectively limit the use of wood to construct multi-family housing and large commercial buildings in more areas of the city.

The neighborhood council was considering opposing the proposed law that would expand a city law to more



But members of the North Hills West council, along with several other neighborhood councils, said they were worried that the plan would favor the industry behind the production of concrete, which some experts say releases greenhouse emissions that lead to climate change, and could increase the cost of housing by preventing the use of less-costly wood building materials.

Seth Jacobson, the lobbyist, told the neighborhood council that the law was not aimed at “building concrete buildings.” Rather, the proposal “is first and foremost about fire-life safety,” he said. “It is designed to save lives.”

The North Hills West board, which serves as an official advisory body to city elected officials, remained unconvinced. They voted to oppose the proposal. But board members seemed worried that Jacobson may have tried to pull the wool over their eyes.

Members said during the meeting that at first, they did not know Jacobson was a lobbyist. He had identified himself as being part of an organization called Build With Strength, which has churches, community groups and business interests as among its members.

Then a member of the audience spoke up — Jamie York, a board member serving on the nearby Reseda Neighborhood Council — to point out that Jacobson was a lobbyist. York attended the North Hills West Neighborhood Council meeting to support its measure to oppose the Fire District 1 proposal, and had helped to push opposition to it.

In turn, North Hills West board president Carol Hart asked Jacobson, “Are you a lobbyist? Are you a paid lobbyist?”

Jacobson admitted he was. He added, “I did identify that I worked for Build with Strength.”

Hart, seemingly unsatisfied, responded, “Yeah, but it sounded like, right out of the gate, you were saying it was churches and community organization.”

Garry Fordyce, a board member at the meeting, later said that he is worried that this was an example of a pattern among lobbyists who want to influence decisions made by neighborhood councils throughout the city, with as little scrutiny as possible.

Jacobson seemed to be “defensive and argumentative” when confronted about whether he was a lobbyist, Fordyce said.

“I think these lobbyists are playing it to the hilt, trying to fight back in their own subtle way,” he said.

Jacobson did not break any Los Angeles city ethics rules during that meeting. The city does not require lobbyists to verbally identify themselves as lobbyists to neighborhood council members.

An effort driven by several neighborhood councils is underway to change that. They want to require people who speak at community meetings to say up-front that they are lobbyists, and reveal the organization they represent and the industry or political aim that group was formed to support.

This effort has become part of a larger push by neighborhood councils to make other, more comprehensive changes to the city’s lobbying rules, ones that good government advocates say are sorely needed.

But they may face an uphill battle.

The last time Los Angeles City Ethics Commission-initiated comprehensive revisions were made to L.A.’s city lobbying rules was in 1994, nearly three decades ago. Two more recent attempts by the Ethics Commission to



Twice over the years, the Los Angeles City Council was presented revisions by the city Ethics Commission, once in 2009 and again in 2018.

Those proposals, which involved extensive city staff research and public comment from experts and residents, went nowhere. The earlier proposal was taken up in a city council committee, in a meeting led by then-councilman Eric Garcetti, but was not considered by the full city council, [according to city records](#). The second time, in 2018, reforms approved by the Ethics Commission [were never discussed](#) by a City Council committee or the full council.

In May, the Ethics Commission provided to the City Council a [new set of changes to lobbying rules](#). Ethics policies are typically taken up by the council's Rules Committee, which is chaired by the council president, Nury Martinez. But those pushing for the changes say there has been little movement on proposals to strengthen the city's lobbying law.

Martinez's office did not respond to requests by the Los Angeles Daily News for a status update, sent Monday, Aug. 29, Wednesday, Sept. 21, and Tuesday, Sept. 27.

Others pushing to get the City Council to consider the measure said they have also not heard back from Martinez' office on the matter.

York, who is organizing neighborhood councils to push for the lobbying reforms, said she is hoping that the councils can convince city leaders to take the reforms seriously, despite a history that appears to show little interest from city councils in 2018 and 2009.

This time around, the changes proposed by the Ethics Commission are proving popular among the city's large system of neighborhood councils.

York said that over the summer, 36 of the city's 99 neighborhood councils approved resolutions calling on the City Council to adopt the Ethics Commission's lobbying reform package. The proposed reforms include a requirement that lobbyists disclose their status — verbally — to neighborhood council members.

"It's very rare to see this many neighborhood councils get behind something," she said, adding that "the support has been from across the political spectrum."

"I really would hope that the City Council would have urgency around this issue in the way that neighborhood councils have," she said.



# Calling for change

So far, 36 neighborhood councils have filed resolutions calling for changes to the lobbying ordinance. Some are specifically calling on the council president Nury Martinez, who has the power to schedule the issue, to move the Ethics Commission's reform package forward.

1. Arroyo Seco
2. Central Hollywood
3. Central San Pedro
4. Eagle Rock
5. Echo Park
6. Encino
7. Glassell Park
8. Granada Hills North
9. Greater Wilshire
10. Harbor City
11. Harbor Gateway North



14. Hollywood United
15. Lake Balboa
16. Lincoln Heights
17. Mid City West
18. Mid City Neighborhood Council
19. NoHo
20. North Hills West
21. North Westwood
22. Northridge East
23. Palms
24. Pico
25. Rampart Village
26. Reseda
27. Sherman Oaks
28. South Robertson
29. Studio City
30. Tarzana
31. United Neighborhoods
32. Van Nuys
33. West LA Sawtelle
34. Westside



## 36. Woodland Hills Warner Center

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Earlier this summer, now-Ethics Commission President Jeffery Daar, noted that if there was to be a push for lobbying reform, it would likely come from the neighborhood councils. Daar was on the subcommittee that developed the latest lobbying ordinance proposal.

While there are other important changes proposed in the Ethics Commission package, Daar said the proposal has special relevance to the neighborhood councils, whose members have been among the most vocal on the issue, at their Ethics Commission meetings.

The proposal, he said, is “very, very strongly supported by neighborhood councils ... They just find it important to know if somebody’s giving (public) comment, and they happen to be a lobbyist – that’s a really important fact to know, versus somebody looking like they’re just part of the community, and not a lobbyist.”

In recent years, the City Council has approved a ban on developers contributing to city elected officials and candidates, prompted by an [FBI investigation into corruption at City Hall](#) that broke into the open in November of 2018 when Councilman Jose Huizar’s City Hall office, field office and Boyle Heights home were raided by federal authorities. [Federal authorities later arrested Huizar in 2020](#), and accused of leading a criminal “pay-to-play” operation at L.A. City Hall. His trial is now scheduled for early 2023.

The City Council also approved changes aimed at improving a “matching funds” program that provides public money to candidates running for office. The goal was to minimize the influence of private donations — and open the playing field to a wider range of diverse social and economic backgrounds who may have limited access to deep pockets but are viable candidates.

Amid those ethics changes, lobbying rules seemed to have been overlooked. According to Sean McMorris, of California Common Cause, Los Angeles’s lobbying laws are “out of step” with those of other cities in California and around the country.

Such laws should not go too long without being reevaluated, to ensure they are effective in addressing “bad actors” and to fix areas of the laws that might get exploited, McMorris said.

“It is frustrating, and I would even say beyond the pale” that two previous attempts failed, he said.

“There’s no reason why something like this should languish in a committee,” McMorris said. “That’s unacceptable, currently with all of the corruption scandals in Los Angeles. Anything right now that has to do with ethics should be taken seriously.”

Supporters of the current proposal — including the various neighborhood councils and good government groups — also say it has provisions that aim to help the public learn, earlier on, that lobbyists are involved in an issue, and others that would make it easier to catch and punish those who violate the law.

For example, city ethics officials have long worried that they can’t effectively enforce lobbying rules because of the criteria for determining when a lobbyist must register and disclose information to keep the public informed.

Lobbyists are currently defined as those who have logged 30 hours of lobbying activity. That definition came about due to a 2006 ballot measure that was created without the input of the Ethics Commission.





Ethics officials have since then aimed to undo what they say the ballot measure did, and are trying again, to base the definition on the amount they get paid. They point to other cities, counties and government jurisdictions that have for decades used lobbyist earnings, not hours, as the threshold, and argue it is simpler to track lobbyists that way.

In a 2010 Los Angeles City Council Rules Committee hearing to discuss the 2009 proposal, Heather Holt, now deputy director of the Ethics Commission, said, “We have an enforceability issue,” when defining a lobbyist based on hours of work.

Previously, a lobbyist had to register with the city if they were paid \$4,000 in a calendar quarter, Holt said, in the 2010 committee hearing. That was changed by [Measure R in 2006](#), which increased City Council terms from two to three, while also changing lobbying rules. The move to combine the two separate issues into a single measure was controversial at the time, with some critics saying the ethics changes were tacked on to raise support for the proposal to increase city councilmembers’ term limits.

At that 2010 Rules Committee hearing, chaired by Garcetti, [Holt explained](#) that prior to Measure R, the \$4,000 reporting threshold “could at least subpoena bank records and third party statements ... to track the flow of money.”

But, she said, when Measure R ended the \$4,000 threshold and changed the lobbyist definition to an individual who spends at least 30 hours lobbying, it made it much more difficult to track them. “It’s kind of a ‘he said, she said’ kind of a situation,” Holt said. “So we have huge evidentiary problems on that front.”

Lobbyists also must register sooner in other jurisdictions than in Los Angeles. Depending on the situation, lobbyists in L.A. have up to 40 days after they begin lobbying activity before they must report it. Ethics officials say it is possible for a lobbyist to successfully influence a city policy before the public is aware of what lobbying activity took place. They want that window to be narrowed to 10 days after they qualify as a lobbyist.

The latest Ethics Commission’s proposal would also expand the type of information a lobbyist must disclose once they register. For example, lobbyists would be required to disclose the issue they are working on. The proposal would also require them to state their position on the issue.

Other parts of the latest proposal would open up thorny discussions over who should be exempt from reporting as lobbyist. One issue that has been debated in past proposals is whether to require nonprofits, or at least some nonprofits, to register. The current proposal calls for those with budgets of less than \$2 million in gross receipts during the last calendar year to be exempted from registering.

Nonprofits are now exempt from lobbying rules if they receive government funding and provide free services to the poor, unless they are seeking city funding.

But some observers of the Ethics Commission efforts say the \$2 million amount is too high and could be exploited by special interests masquerading as nonprofits that fall under that threshold.

In addition to setting a \$2 million threshold for exempting nonprofits, the proposal also calls for exempting nonprofits that were formed “primarily to provide food, clothing, shelter, child care, health, legal, vocational, relief, or other similar assistance to disadvantaged people without charge or at a significantly below-market rate.”

The proposal also seeks to exempt Business Improvement Districts from reporting as lobbyists. In such zones, commercial property owners and businesses are assessed a fee to spend on upkeep in the areas. The Ethics Commission had previously argued that these groups represent a special interest of a commercial group,

rather than the larger community. This time around, the proposal appears to have sided with the Business



In an interview with the Los Angeles Daily News in September, Jacobson, the lobbyist for Build With Strength, said he would support a requirement that lobbyists verbally disclose to neighborhood council members that they are lobbyists — though he added that anyone representing an organization, including a neighborhood council, also ought to disclose their affiliation when speaking at a meeting.

When asked which industries fund Build With Strength, Jacobson initially declined, explaining that it is funded by a “number of industry groups.” He then said he had to ask the funders if they “wanted to disclose that, but it’s industry groups involved in construction and development.”

Later in an email, Jacobson again did not name the industry group or groups funding Build With Strength, referring the Los Angeles Daily News to the organization’s website, “if you need further information.”

He added: “I am however, still not sure what relevance it has to a story about proposed changes to the MLO (municipal lobbying ordinance) and this particular meeting, since I fully disclosed my affiliations.”

However, according to an October 2021 enforcement action against Jacobson, for not complying with the city’s [current lobbyist disclosure rules](#), the Ethics Commission stated that Build With Strength is a “grassroots lobbying program of the National Ready Mixed Concrete Association” organization in the concrete industry.

Jacobson and his firm, JCI Worldwide, Inc., were fined \$65,000 in October 2021 for failing to register as a lobbyist and failing to file disclosure reports for more than two years. It is the single highest fine the city has ever handed out in the lobbying category, according to the Ethics Commission’s enforcement actions records.

The website for Build With Strength promotes the use of concrete as a building material — including a statement on the main page that points to a goal to cut concrete’s carbon emissions to zero, and “strides” made to reduce emissions, citing figures provided by the National Ready Mixed Concrete Association.

According to the Ethics Commission website, three members of the Los Angeles City Council have received contributions to their officeholder accounts from the concrete industry group backing Build With Strength.

One of them is Blumenfield, who co-authored the proposal to expand Fire District 1 in 2019. He received the maximum donations (which increased after 2017, due to changes in the Consumer Price Index) from the concrete industry group of \$700 in 2017 to his officeholder account, and \$800 each to that account in 2019 and in 2022.

Herb Wesson was president of the City Council when he received a \$800 contribution to his officeholder account in 2018. And Marqueece Harris-Dawson, who seconded Blumenfield’s motion to expand the city’s fire district, received \$800 contributions both to his officeholder account in 2018, and to his City Council campaign account in 2018.

Those areas are part of what is known as Fire District 1, which is now limited to downtown Los Angeles and Hollywood.

The proposed effort to widen Fire District 1 to include a larger swath of the city was authored and introduced in 2019 by City Council members Bob Blumenfield and Monica Rodriguez to address the more frequent danger to communities posed by wildfires.

In the motion to expand Fire District 1, council members wrote that there is a need to expand the district “to ensure that it captures the changing and growing regional centers and neighborhoods within the city.” It calls for expanding the district to areas where there is high fire risk and wind, as well as to “high density” areas of the city.





“Many times, news comes out about legislation our office is approach(ed) by organizations and nonprofits asking how they can help,” he said, adding that the Southwest Carpenters, a union for workers involved in the construction trade, also did the same to help back his motion.



Los Angeles City Councilman Bob Blumenfield joins a panel of council members during the Greater San Fernando Valley Chamber of Commerce's State of the Valley at the Hilton in Universal City on Thursday, November 4, 2021. (Photo by Sarah Reingewirtz, Los Angeles Daily News/SCNG)

Flynn said the councilman “understands Build with Strength to be industry professionals who are advocating for stronger building codes that help lower the risks of danger from fire and earthquakes. They also push for various sustainability efforts to help lower the carbon footprint of development.”

He also explained that the motion originated from Blumenfield learning that “most fire-related building codes are dictated by the state, so the city council doesn't exactly have much power over that.”

In conversations with city department staff, Blumenfield learned that the city has the power to adjust Fire District 1, “so the council member authored the motion to explore how we could add some more communities so these sorts of protection can be applied.”

However, critics of the proposal to expand Fire District 1 point to the motion including urban areas that may not be affected by wildfires. They also point to the long-held worries of carbon emissions produced in the concrete industry process that has made it among the major contributors to climate change, as well as the state's adoption of building codes that allow the use of “mass timber,” a form of wood building material that is increasingly being used in tall buildings.

The state fire marshal, Mark Richwine, explained the California Building Standards Commission's adoption of the new codes by saying that it was a way to meet the demands of construction in California, prevent wildland fires, promote forest management goals by thinning forest of younger trees, and provide alternative to concrete and steel as a material that has a lower “carbon footprint.”

For York, the proposed lobbying reform package would arm regular citizens, such as those who sit on



She took a proactive approach that led her to learn that Jacobson was a lobbyist, but she noted that neighborhood council members have limited resources. They serve on the neighborhood boards as volunteers, have no staff of their own, and are not trained on how to research lobbyists.

She said that those limitations and others makes it especially burdensome for neighborhood council members to be on the lookout for speakers who may be lobbyists who appear at their meetings.

“When I’m in a meeting, I want my focus to be on the meeting, not having to doublecheck everyone’s identity,” says York, who is her board’s secretary.

Fordyce, on the North Hills West Neighborhood Council, is among the neighborhood council members who urged the Ethics Commission to include a verbal disclosure rule in the current proposal.

Fordyce said that if the City Council fails to act, distrust growing among the public due to the spate of corruption scandals, and the [recent upset and close votes in City Council primary elections in June](#), don’t bode well for city leaders.

While the City Council has yet to take up the proposed lobbying rule changes, supporters say the consequences for city leaders could be harsh if the council fails to act.



Heath Kline, a member of the Woodland Hills Warner Center Neighborhood Council, on Thursday, September 22, 2022. (Photo by Dean Musgrove, Los Angeles Daily News/SCNG)

Heath Kline, a member of the Woodland Hills Warner Center Neighborhood Council, said it can be helpful to talk to paid representatives lobbying for a particular position when considering city issues.

Practically speaking, when a lobbyist says who they really are, it allows people to ask follow-up questions. Their presence at a meeting is not necessarily a bad thing, “if they’re honest about it,” he added.

“But you know,” Kline said, “when they are misrepresenting information, it means you have to dig a little deeper.”

Kline believes the Los Angeles City Council should take the lobbying ordinance seriously because



“If they don’t take this up – it may not happen this election cycle – but soon enough, these people will be booted out of office,” Kline said.

*The 35 enforcement actions by the Ethics Commission involving lobbying are here:*

*<https://ethics.lacity.org/data/more/enforcement-orders/>*



# Making lobbyist identities public

Los Angeles is far behind other cities in banning lobbyists from posing as interested members of the public. Lobbyists can legally hide who they are at any of the hundreds of L.A. Neighborhood Council meetings held each year. Thirty-five people and companies have been hit with city of Los Angeles enforcement actions related to lobbying since 2001, with fines ranging from \$400 to \$65,000. To look up lobbying-related enforcement actions, go to:

<https://ethics.lacity.org/data/more/enforcement-orders/>

Date	Case	Enforcement action	Fine
Aug. 7, 2022	Danielle Hayman and Hayman Development LLC	Lobbying Failure to register and report clients; failure to timely file quarterly lobbying reports	\$10,000
June 15, 2022	Veronica Becerra and Rabuild Commercial Services LLC	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$5,000
Dec. 15, 2021	Athena Novak and AHN & Associates LLC	Failure to register and report clients; failure to timely file quarterly lobbying reports; impermissible contribution	\$7,500
Oct. 20, 2021	JCI Worldwide Inc. and Seth Jacobson	Impermissible Failure to register and report clients; failure to timely file quarterly lobbying reports; impermissible contribution	\$65,000
Oct. 20, 2021	Steve S. Kim and GSD22 Partners Corp.	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$7,500
Oct. 20, 2021	Steven Crosby and Crosby Consulting	Failure to register and report clients; failure to timely file quarterly lobbying reports; impermissible Contribution	\$32,500
Feb. 16, 2021	Matter of Craig Fry	Failure to register and report clients; failure to timely file quarterly lobbying reports; filing an inaccurate lobbying report; impermissible contribution	\$63,750
Feb. 16, 2021	Craig Fry & Associates LLC	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$56,250
Feb. 16, 2021	David Vela and Velada Consulting LLC	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$7,500
Feb. 16, 2021	Larry Mondragon	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$12,500
Feb. 16, 2021	Michael Rueda	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$22,500
Dec. 8, 2020	Daniel Ahadian and Nur Corp.	Lobbying Failure to register and report clients; failure to timely file quarterly lobbying reports	\$45,000
June 23, 2020	Arturo Gonzalez	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$15,000
June 23, 2020	FE Design & Consulting	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$22,500
June 23, 2020	Manuel Diaz	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$20,000
June 23, 2020	Urban Strategy Group, Inc.	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$15,000
Dec. 10, 2019	Gary Benjamin and Alchemy Planning LLC	Failure to register and report clients; failure to timely file quarterly lobbying reports	\$37,500
Oct. 22, 2019	Chris Parker	Failure to register and report clients; filing an inaccurate lobbying report	\$22,500
Oct. 22, 2019	John Parker	Failure to register and report clients; filing an inaccurate lobbying report	\$20,000



Feb. 21, 2017	Cisco Systems Inc.	Filing an inaccurate lobbying report	\$12,500
Feb. 21, 2017	Crest Real Estate	Failure to register and report clients; filing an inaccurate lobbying report	\$15,000
Feb. 21, 2017	Jason Somers	Failure to register and report clients; filing an inaccurate lobbying report	\$15,000
April 19, 2016	Dominick W. Rubalcava	Filing an inaccurate lobbying report	\$15,000
Feb. 16, 2016	Hospital Association of Southern California	Filing an inaccurate lobbying report	\$17,500
Feb. 16, 2016	Los Angeles Alliance for a New Economy	Filing an inaccurate lobbying report	\$30,000
June 10, 2008	Amy R. Forbes	Impermissible contribution	\$1,000
June 10, 2008	Dominick W. Rubalcava	Impermissible contribution	\$1,000
May 8, 2007	Dominick W. Rubalcava	Failure to register and report clients	\$3,000
Jan. 10, 2002	Mario Solis-Marich and Targeted Comm.	Failure to timely file quarterly lobbying reports	\$1,000
March 20, 2001	Clark Davis and C.S. Davis Company Inc.	Failure to timely file quarterly lobbying reports	\$500
March 20, 2001	Dwayne Hall and Hall, Thompson & Associates	Failure to timely file quarterly lobbying reports	\$1,000
March 20, 2001	Jonathan Y. Thomas and Saybrook Capital LLC	Failure to timely file quarterly lobbying reports	\$1,000
March 20, 2001	Stephanie M. Schroder and Schroder Public Affairs	Failure to timely file quarterly lobbying reports	\$400

Source: Los Angeles Ethics Commission

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