

Item 10 - Proposed Settlement Agreement (PEC 20-41.2)

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3 CITY OF OAKLAND PUBLIC ETHICS COMMISSION
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7
8 Petitioner

9
10 BEFORE THE CITY OF OAKLAND
11 PUBLIC ETHICS COMMISSION

12
13 In the Matter of

) Case No.: 20-41.2

14 CALIFORNIANS FOR INDEPENDENT
15 WORK, SPONSORED BY LYFT, INC.;
16 LYFT, INC.

) **STIPULATION, DECISION AND
ORDER**

17 Respondents.
18
19

20 **STIPULATION**

21
22 Petitioner, the Enforcement Unit of the City of Oakland Public Ethics Commission, and
23 Respondents CALIFORNIANS FOR INDEPENDENT WORK, SPONSORED BY LYFT, INC.;
24 and LYFT, INC., agree as follows:

- 25
26 1. This Stipulation will be submitted for consideration by the City of Oakland Public Ethics
27 Commission (Commission) at its next regularly scheduled meeting;

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- 1 2. This Stipulation resolves all factual and legal issues raised in this matter and represents
2 the final resolution to this matter without the necessity of holding an administrative
3 hearing to determine the liability of, or penalties and/or other remedies to be imposed
4 upon, Respondents;
- 5 3. Respondents knowingly and voluntarily waive all procedural rights under the Oakland
6 City Charter, Oakland Municipal Code, the Public Ethics Commission Complaint
7 Procedures, and all other sources of procedural rights applicable to this PEC enforcement
8 action. These procedural rights include, but are not limited to, the right to personally
9 appear at an administrative hearing held in this matter, to be represented by an attorney
10 at their own expense, to confront all witnesses testifying at the hearing, to subpoena
11 witnesses to testify at the hearing, and to have the matter judicially reviewed;
- 12 4. Respondents represent that they have accurately furnished to the Commission all
13 discoverable information and documents that are relevant to the Commission's
14 determination of a fair and comprehensive resolution to this matter;
- 15 5. Upon approval of this Stipulation and full performance of the terms outlined in this
16 Stipulation, the Commission will take no future action against Respondents, including
17 any officer, director, employee, or agent of Respondents, regarding the activities
18 described in Exhibit #1 to this Stipulation, and this Stipulation shall constitute the
19 complete resolution of all claims by the Commission against Respondents, including any
20 officer, director, employee, or agent of Respondents, related to such activities and any
21 associated alleged violations;
- 22 6. If Respondents fail to comply with the terms of this Stipulation, then the Commission
23 may reopen this matter and prosecute Respondents to the full extent permitted by law,
24 except that the Statute of Limitations shall be waived for any alleged violations that were
25 not discoverable by the Commission due to a non-compliance with Section 4 of this
26 Stipulation;
- 27 7. This Stipulation is not binding on any other law enforcement or regulatory agency.
28 However, upon approval of this Stipulation and full performance of the terms outlined in

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1 this Stipulation, neither the Commission nor its staff shall refer the matter to any other
2 government agency with regard to this matter, or any other matter related to it, as pertains
3 to any alleged violation by Respondents;

4 8. Respondents admit no violation of, nor any liability under, the provision(s) of the Oakland
5 Municipal Code specified in Exhibit #1 to this Stipulation, nor any other provision(s) of
6 the Oakland Municipal Code. Respondents nevertheless seek to resolve this matter in a
7 responsible manner that acknowledges the Commission's role in ensuring the entire
8 regulated community understands the importance of due diligence when making
9 campaign contributions;

10 9. The Commission will impose upon Respondents the remedies specified in Exhibit #1,
11 as they pertain to each of the named Respondents;

12 10. Respondents will pay the amount specified in Exhibit #1 to this Stipulation to the City of
13 Oakland general fund via wire transfer upon execution of this Stipulation;

14 11. In the event the Commission refuses to accept this Stipulation, it shall become null and
15 void, and within fifteen business days after the Commission meeting at which the
16 Stipulation is rejected, any payments tendered by Respondents in connection with this
17 Stipulation will be reimbursed to them;

18 12. In the event the Commission rejects this Stipulation and a full evidentiary hearing
19 becomes necessary, this Stipulation and all references to it are inadmissible as evidence,
20 and neither any member of the Commission, nor the Executive Director or any member
21 of PEC staff, shall be disqualified from that hearing because of prior consideration of this
22 Stipulation;

23 13. This Stipulation may not be amended orally. Any amendment or modification to this
24 Stipulation must be in writing duly executed by all parties and approved by the
25 Commission at a regular or special meeting;

26 14. This Stipulation shall be construed under, and interpreted in accordance with, the laws of
27 the State of California and the City of Oakland. If any provision of the Stipulation is found
28 to be unenforceable, the remaining provisions shall remain valid and enforceable; and

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1 15. The parties hereto may sign different copies of this Stipulation, which will be deemed to
2 have the same effect as though all parties had signed the same document. Verified
3 electronic signatures shall have the same effect as wet signatures.
4

5 So agreed:

6
7
8 _____
9 Simon Russell, Chief of Enforcement
10 City of Oakland Public Ethics Commission, Petitioner

_____ Dated

11
12 _____
13 Jordan Markwith, Principal Officer, on behalf of
14 Californians For Independent Work, Sponsored by Lyft,
15 Inc., Respondent

_____ Dated

16
17 _____
18 Barrett Atwood, Director, Securities, Ethics &
19 Compliance, on behalf of Lyft, Inc., Respondent

_____ Dated

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DECISION AND ORDER

The foregoing Stipulation of the parties to “In the Matter of CALIFORNIANS FOR INDEPENDENT WORK, SPONSORED BY LYFT, INC.; LYFT, INC.”; PEC Case No. 20-41.2, including all attached Exhibits, is hereby accepted as the final Decision and Order of the City of Oakland Public Ethics Commission, effective upon execution below by the Chair.

So ordered:

Ryan Micik, Chair
City of Oakland Public Ethics Commission

Dated

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INTRODUCTION AND FACTUAL SUMMARY

This case concerns a campaign contribution made by Californians for Independent Work, Sponsored by Lyft, Inc. (“CIW”), a California general purpose committee (FPPC ID # 1425090) in September 2020 to an Oakland political committee called the Committee for an Affordable East Bay (FPPC ID # 1428904; “PAC”). The contribution of \$100,000 was made on or around September 21, 2020, at the time, Lyft, Inc. (“Lyft”) was discussing a right of first offer clause in a contract that required City Council approval.

At the time CIW made the contribution to the PAC, Lyft was under contract with the Metropolitan Transportation Commission to provide bike-sharing services in five cities, including Oakland, and had recently proposed terms under a right of first offer clause that required City Council approval. The Council rejected the proposal in its meeting of November 10, 2020. City contractors are prohibited from making campaign contributions to candidate-controlled committees at certain times, as set forth in more detail below.

The City of Oakland Public Ethics Commission (“PEC”) contends that the PAC was actually a “candidate-controlled” committee of an elected official whom we shall refer to here as “Candidate A.”¹ Neither Lyft nor CIW take a position regarding the PEC’s allegation that the PAC was candidate-controlled. The parties to this Stipulation, however, acknowledge and agree that the PAC was not registered as candidate-controlled at the time CIW made its contribution or at any time thereafter. The parties also acknowledge and agree that Respondents engaged in a good faith process, prior to making the contribution, to obtain the PAC’s registration forms which declared that it was a non-candidate-controlled committee, as well as other materials expressly stating the PAC was not candidate-controlled.

¹ PEC staff is withholding Candidate A’s identity at this time due to other pending enforcement matters. For purposes of this settlement, Respondents take no position on the factual and legal questions of whether Candidate A controlled the PAC. It is the PEC’s position that Candidate A did control the PAC.

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1 Specifically, prior to every political contribution made by Lyft and/or CIW, whether at
2 the state or local level, Respondents, with the assistance of outside counsel experienced in
3 campaign finance law, undertake a due diligence process to ensure the proposed contribution
4 complies with all applicable laws and regulations. CIW's contribution to the PAC was no
5 exception—the pre-approval process included a review of the PAC's Statement of
6 Organization (FPPC Form 410), which affirmed under penalty of perjury that the PAC was not
7 candidate-controlled. In addition, the pre-approval process also involved a review of
8 supplemental documents provided by the PAC to CIW, including a document titled "PAC
9 Information for Donors" that expressly stated the PAC was not candidate-controlled.
10 Although Candidate A personally solicited the \$100,000 contribution from Respondents, at no
11 time did Candidate A inform Respondents that the PAC was candidate-controlled.

12 PEC staff and Respondents have agreed to settle this matter without an administrative
13 hearing. They are now presenting their stipulated agreement, summary of the facts, and legal
14 analysis to the PEC for its approval. Together, PEC staff and Respondents recommend
15 approval of their agreement, including a settlement payment totaling \$50,000 (Fifty
16 Thousand Dollars) and certain other terms, as described in more detail below.

SUMMARY OF LAW & LEGAL ANALYSIS

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20 All statutory references and discussions of law pertain to the referenced statutes and
21 laws as they existed at the time of the facts of this case.

22 All definitions of terms are the same as those set forth in the California Political Reform
23 Act (California Government Code Sections 81000 through 91014), as amended, unless the term
24 is specifically defined in Oakland's Campaign Reform Act (Oakland Municipal Code Chapter
25 3.12) or the contrary is stated or clearly appears from the context.²

26 _____
² OMC § 3.12.040.

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1 Provisions of the California Political Reform Act relating to local elections, including
2 any subsequent amendments, are incorporated into the Oakland Campaign Reform Act
3 (OCRA), except as otherwise provided in, or inconsistent with, other provisions of local law.³
4

5 *Oakland's Ban on Contributions by City Contractors at Certain Times*

6

7 City contractors are prohibited from making a contribution, in any amount, to a
8 candidate-controlled committee during what is informally known as the blackout period.⁴

9 Relevant here, OCRA's "city contractor" prohibition applies to an individual or entity
10 who contracts or proposes to contract with or who amends or proposes to amend such a
11 contract with the City for the rendition of services, for the furnishing of any material, supplies,
12 commodities or equipment to the City, or for purchasing or leasing any land or building from
13 the City, whenever the value of such transaction would require approval by the City Council.⁵
14 "Services" means and includes labor, professional services, consulting services, or a
15 combination of services and materials, supplies, commodities and equipment which shall
16 include public works projects.⁶

17 If the alleged contractor is a business entity, the restriction applies to all of the entity's
18 principals, including, but not limited to, the entity's board chair, president, chief executive
19 officer (CEO), and any individual who serves in the functional equivalent of one or more of
20 those positions.⁷
21

22 ³ OMC § 3.12.240(d).

23 ⁴ OMC § 3.12.140(A).

24 ⁵ OMC § 3.12.140(A).

25 ⁶ OMC § 3.12.140(D).

26 ⁷ OMC § 3.12.140(C).

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1 The blackout period is any time between commencement of negotiations and one
2 hundred eighty (180) days after the completion or the termination of negotiations for a
3 covered contract.⁸

4 5 **Element 1: Candidate-Controlled Committee**

6
7 The first required element of the contractor contribution ban is to show that the
8 receiving committee was candidate-controlled.

9 Here, the PEC asserts that the PAC was a candidate-controlled committee. For
10 purposes of this settlement agreement, Respondents can neither confirm nor deny that the
11 PAC was a candidate-controlled committee. The PAC was not registered as candidate-
12 controlled at the time CIW made its contribution or at any time thereafter. PEC intends to
13 pursue a case against Candidate A and others responsible for the PAC to show that it was in
14 fact candidate-controlled. Respondents here, however, engaged in a good faith process, prior
15 to making the contribution, to obtain the PAC's registration as a non-candidate-controlled
16 committee as well as other materials expressly stating the PAC was not candidate-controlled,
17 and relied upon those materials when deciding to make their contribution to the PAC.

18 19 **Element 2: City Contractor**

20
21 The second required element of the contractor contribution ban is to show that the
22 donor in question qualified as a "contractor."

23 Here, CIW made a \$100,000 contribution to the PAC on September 21, 2020. At the time
24 CIW made its contribution, Lyft had submitted proposed terms for operating additional
25 equipment types under its public bike-sharing contract, at the request of the Metropolitan

26 _____
27 ⁸ OMC § 3.12.140(A).

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1 Transportation Commission, which held the master Program Agreement involving bike-
2 sharing in five cities, including Oakland. That contract specifically concerned the equipment
3 Lyft would operate in conjunction with the bike-share program. The City Council voted on the
4 matter at its meeting of November 10, 2020 (the Council rejected Lyft's proposed terms). As
5 such, Lyft qualified as a contractor subject to the City's contractor contribution ban.

6 7 **Element 3: Blackout period**

8
9 The third and final required element of the contractor contribution ban is to show that
10 the contributions in question were made during the blackout period, which is in effect at any
11 time between the commencement of negotiations and one hundred eighty (180) days after
12 the completion or the termination of negotiations for a covered contract.

13 As stated above, CIW made its contribution on or about September 21, 2020, and the
14 City Council voted on the proposed contract amendment at its meeting of November 10, 2020
15 (the Council rejected Lyft's proposed terms). As such, Lyft was engaged in contract
16 negotiations with the City at the time CIW made its contribution to the PAC. Its contribution
17 therefore fell within the blackout period.

18 19 **COUNTS:**

20 **CALIFORNIANS FOR INDEPENDENT WORK, SPONSORED BY LYFT, INC.; LYFT, INC.**

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22 Respondents, Californians For Independent Work, Sponsored By Lyft, Inc. (a
23 controlled committee of a City contractor); and Lyft, Inc. (a City contractor and the sponsor
24 of Californians for Independent Work, who also caused, aided and/or abetted the
25 contribution at issue); have reached a proposed settlement with the PEC regarding activity
26 that implicates the following Oakland Municipal Code(s):
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Count 1: Contribution from a City Contractor to a Candidate-Controlled Committee

On or around September, 22, 2020, Respondents Californians for Independent Work, Sponsored by Lyft, Inc. (“CIW”), and Lyft Inc., made a contribution in the amount of \$100,000 to a committee (Committee For An Affordable East Bay Supporting Derreck Johnson and Opposing Rebecca Kaplan for Oakland City Council At-Large 2020 (the “PAC”)) that the PEC maintains was candidate-controlled.

As a City contractor, Lyft was prohibited from making contributions to a candidate-controlled committee, per the terms of OMC section 3.12.140(A). The PAC was not registered as candidate-controlled at the time CIW made its contribution or at any time thereafter. PEC intends to pursue a case against Candidate A and others responsible for the PAC to show that it was in fact candidate-controlled. Respondents here, however, engaged in a good faith process, prior to making the contribution, to obtain the PAC’s registration as a non-candidate-controlled committee as well as other materials expressly stating the PAC was not candidate-controlled, and relied upon those materials when deciding to make their contribution to the PAC. Without taking a position on the question of whether the PAC was candidate-controlled, Respondents are prepared to reach a settlement agreement with the PEC on this count.

AVAILABLE REMEDIES

The PEC’s Guidelines

Oakland’s Campaign Reform Act and the PEC’s guidelines authorize the Commission to impose the following base-level and maximum remedies for the following types of activity:

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Activity	Counts	Base-Level Per Count	Statutory Limit Per Count
Contractor Contribution Prohibition	1	\$1,000, plus the unlawful amount	\$5,000 or three times the amount of the unlawful contribution, whichever is greater.

In addition to monetary settlement payments, the Commission may issue warnings or require other remedial measures.⁹

The PEC will consider all relevant mitigating and aggravating circumstances surrounding the facts of a case when deciding on a settlement agreement, including, but not limited to, the following factors:

1. The seriousness of the activity, including, but not limited to, the extent of any public impact or harm;
2. The presence or absence of any intention to conceal, deceive, or mislead;
3. Whether the activity was deliberate, negligent, or inadvertent;
4. Whether the activity was isolated or part of a pattern;
5. Whether the respondent has a prior record of violations and/or demonstrated knowledge of the rule or requirement at issue;
6. The extent to which the respondent voluntarily and quickly took the steps necessary to cure any alleged violation (either independently or after contact from the PEC);
7. The degree to which the respondent cooperated with the PEC's enforcement activity in a timely manner;
8. The relative experience of the respondent.

⁹ OMC § 3.12.270(C).

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The PEC has broad discretion in evaluating a case and determining the appropriate settlement based on the totality of circumstances. This list of factors to consider is not an exhaustive list, but rather a sampling of factors that could be considered. There is no requirement or intention that each factor – or any specific number of factors - be present in an enforcement action when determining a settlement. As such, the ability or inability to prove or disprove any factor or group of factors shall in no way restrict the PEC’s power to bring an enforcement action or agree to a settlement.

Similar Cases in the Past

When agreeing to a settlement in a given case, the PEC endeavors to be consistent with its precedent.

The following past cases are similar in some respects to the one here, but none of these cases are perfectly analogous to the case at hand:

In the Matter of Cypress Security, LLC (PEC # 14-26).

In this case, Respondent was a security company that had a contentious contract coming before the City Council worth \$2 million annually. Respondent gave \$1,000 to a ballot measure committee controlled by a Councilmember (who was also running for Mayor at the time). Before making the contribution, the respondent informed the committee that they were a City contractor but the committee’s officer assured Respondent “with 100% certainty” (the officer’s words) that contribution was legal because he had personally registered the committee as a county rather than a city committee.

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1 The PEC imposed a lesser penalty of \$600, reasoning that the respondent had lacked
2 any intent to deceive in light of the faulty assurance they had sought and received from the
3 committee. The respondent had also fully cooperated with the PEC's investigation.
4

5 *In the Matter of Lane Partners and Andrew Haydel (PEC # 19-24).*
6

7 In this case, Respondent was a real estate developer seeking a contract to acquire land
8 owned by the City. The contract was large enough that it required a City Council vote. The
9 respondent contributed \$1,000 to a Councilmember's legal defense fund following the Council
10 vote on the contract. Before making the contribution, the contractor consulted their attorney
11 and was erroneously informed that the contractor ban did not apply to legal defense funds.
12 When a news report came out about the contribution, the contractor self-reported the
13 violation to the PEC.

14 The PEC imposed the maximum fine of \$5,000 despite the fact that the respondent
15 had relied upon incorrect legal advice when committing the violation. The PEC reasoned that
16 the respondent was a sophisticated party, and the fact that the contribution was made about
17 two or three months after the relevant Council vote was a serious aggravating factor. In the
18 case at issue here, however, it is important to note that Respondents were not incorrectly
19 advised by counsel. To the contrary, Respondents, after a good faith investigative process,
20 relied on publicly available official documents, including one filed under penalty of perjury,
21 expressly stating that the PAC was not candidate controlled.
22

23 *In the Matter of PSAI Realty Partners CAC, et al. (PEC # 14-25)*
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25 In this case, respondents were four business entities all controlled by the same person.
26 Each entity gave \$700 each (the contribution limit at the time) to a candidate's committee.
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1 Because the companies were all controlled by one person, they needed to be aggregated as
2 one single contribution of \$2,800, which was \$2,100 over the legal limit. When making the
3 contributions, the respondent erroneously told the committee that the four companies were
4 not controlled by the same person. Respondent was not a City contractor, so the violation
5 here was the over-the-limit amount (\$2,100), and the committee was charged along with the
6 contributor.

7 The PEC imposed a fine of \$2,100 on the committee and \$1,800 on the contributor. The
8 PEC reasoned that the committee should have to forfeit the over-the-limit amount, but should
9 not face any additional penalty in light of the erroneous information it had been provided by
10 the contributor. As for the contributor, the PEC imposed a lesser penalty in light of the
11 respondent's cooperation and the fact that they were unaware of the aggregation rule at the
12 time they made the contributions.

ANALYSIS AND RECOMMENDATION

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16 The circumstances of the Respondents' conduct establish mitigating factors that
17 should be considered:

18 Respondents' contribution was not made with the intention to conceal, deceive, or
19 mislead. When performing their due diligence prior to making the contribution, Respondents
20 obtained and relied upon the PAC's publicly-available Statement of Organization indicating
21 that the PAC was not candidate-controlled (completed and signed by the PAC under penalty
22 of perjury, and therefore assumed to be accurate) and a document provided by the PAC to
23 Respondents expressly stating the PAC was not candidate-controlled. The Statement of
24 Organization did not identify the PAC as a candidate-controlled committee, nor was Lyft or
25 CIW ever otherwise informed that Candidate A (or any other candidate) controlled it.

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1 Respondents recognize the City of Oakland’s interest in enforcing its ban on
2 contributions from City contractors. Respondents cooperated fully with the PEC’s
3 investigation. Respondents are also cooperating with the PEC in not only settling this matter,
4 but in drafting and releasing a statement reaffirming Lyft’s commitment to ethics in public
5 contracting and a statement of best practices for similarly-situated contributors in the
6 regulated community to reference when pre-clearing proposed campaign contributions.

7 For its part, PEC staff believes that a settlement payment in the amount of \$50,000 is
8 appropriate in light of the facts of this case and the purposes of the law. This is not an
9 insignificant payment even for a party such as Lyft. Although it could not have been known at
10 the time the contribution was made, the size of CIW’s contribution was significant because it
11 was over half the amount of money ultimately raised by the PAC during 2020. But PEC staff
12 also believes it would be unfair to demand a higher settlement payment from Respondents in
13 light of the fact that, when performing their pre-contribution due diligence, they conducted
14 due diligence pursuant to their internal process and industry-standard best practices,
15 consulted expert legal counsel before clearing the contribution, and relied upon the
16 information reported and provided by the PAC. PEC retains its ability under this settlement to
17 pursue its claims against Candidate A and others responsible for the PAC who may have
18 caused, aided or abetted the contribution.

19 The situation here is somewhat similar to the facts in PEC # 14-26, when we required a
20 lesser payment by a contractor who was incorrectly told by a committee officer that they
21 were “100% certain” a contractor contribution was legal based upon the officer’s personal
22 knowledge of the situation. In that case, the PEC gave the contractor a reduced penalty below
23 the baseline. This case is also distinguishable from PEC # 19-24 because in that case, the
24 contractor had all of the information necessary to follow the law but relied upon faulty legal
25 advice; whereas here, the contractor arrived at what appeared to be the correct legal
26 conclusion, but based upon what the PEC believes is faulty information provided by the PAC.

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1 And, as in case # 14-25, the PEC is still able to pursue enforcement against other respondents
2 who operated the PAC.

RECOMMENDATION

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6 Based on the foregoing, PEC staff and Respondents recommend that the Commission
7 approve their stipulated agreement, consisting of the following:

8 As to Respondents CALIFORNIANS FOR INDEPENDENT WORK, SPONSORED BY LYFT,
9 INC.; and LYFT, INC., a settlement payment in the amount of \$50,000; and the public release
10 of the following statements:

STATEMENT REAFFIRMING LYFT'S COMMITMENT TO ETHICS IN PUBLIC CONTRACTING

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14 Lyft is committed to ensuring the highest standards of integrity and ethical conduct in
15 all aspects of our operations. This is especially true when Lyft partners with municipalities and
16 other governmental entities through the public contracting process. We take our ethical
17 responsibilities in the public contracting process very seriously and understand the
18 importance of maintaining trust in the public contracting system, especially when making
19 political contributions.

20 With this commitment to integrity as our guide, we acknowledge the concerns raised
21 by the Oakland Public Ethics Commission in PEC case no. 20-41.2, and the need for
22 accountability. That is why we have fully cooperated with the Commission since the start of
23 this investigation. While Lyft, its sponsored California political committee (Californians for
24 Independent Work ("CIW")), and its officers or employees did not violate the law and admit
25 no liability, Lyft acknowledges the highly sensitive nature of contributions that might
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1 implicate the City’s contractor ban and the importance of avoiding even the appearance of
2 any impropriety.

3 All contributions made by CIW are pre-cleared by outside counsel experienced in
4 campaign finance law. CIW’s contribution to Committee for an Affordable East Bay (“CAEB”)
5 was no exception—the pre-approval process included a review of CAEB’s Statement of
6 Organization, which affirmed under penalty of perjury that CAEB was not candidate
7 controlled, and a review of supplemental documents provided by CAEB that explicitly stated
8 the committee was not candidate controlled. Despite this thorough process, we recognize
9 that, as a public contractor, we are subject to public scrutiny on political giving; accordingly,
10 any discussion regarding CAEB should have been precise to avoid even the appearance of any
11 wrongdoing on the part of CIW or its sponsor.

12 As a company whose relationships with the public sector are important to our
13 business, we recognize the privilege and responsibility that come with participating in the
14 public contracting process. Because of this, we are reaffirming our commitment to
15 transparency, fairness, and honesty in all our dealings, including our sustained compliance
16 with all applicable rules surrounding our political giving.

17 18 **SUMMARY OF LYFT’S BEST PRACTICES FOR COMPLIANCE IN POLITICAL GIVING**

- 19
- 20 1. After obtaining initial internal approvals, a member of the Lyft policy team sends
21 outside counsel a request for clearance of the proposed contribution. This request
22 must include details regarding the intended recipient and the amount of the
23 proposed contribution. The requestor must also include any supplemental
24 materials, such as committee fact sheets, solicitation forms, invoices, flyers,
25 remittance forms, and any relevant correspondence with the representatives of
26 the recipient committee.
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Item 10 - Proposed Settlement Agreement (PEC 20-41.2)

EXHIBIT #1

In the Matter of Californians For Independent Work, Sponsored by Lyft, Inc, *et al.*

PEC 20-41.2

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2. Outside counsel pulls the recipient committee’s Statement of Organization (FPPC Form 410) to understand the committee’s legal classification, principal officers, and jurisdiction. Outside counsel also reviews all supplemental materials provided by the requestor.
3. Outside counsel reviews the relevant limits that apply to the recipient committee and runs a report detailing Lyft’s prior contributions to the committee, if any. From this information, outside counsel determines whether the proposed contribution is within legal limits.
4. Outside counsel notes Lyft’s reporting obligations in connection with the proposed contribution, taking into account late reporting periods and whether local reporting requirements apply.
5. Outside counsel checks the relevant jurisdiction’s law for “pay-to-play” rules and, if necessary, consults with Lyft whether it is a prospective or current contractor in the jurisdiction.
6. Outside counsel summarizes these conditions, noting any special considerations and, if legally permissible, approves the contribution for processing.
7. Once internal approval at Lyft is obtained, its committee cuts the contribution check and transmits it to the recipient.

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EXHIBIT #1

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PEC 20-41.2

1 8. Outside counsel notes the date of the contribution and ensures the contribution is
2 reported on the applicable campaign report(s).

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4 This settlement shall fully resolve this matter as regards the PEC and Respondents here.
5 The Commission will take no future action against Respondents, including any officer,
6 director, employee, or agent of Respondents, regarding the activities described herein, and
7 this Stipulation shall constitute the complete resolution of all claims by the Commission
8 against Respondents, including any officer, director, employee, or agent of Respondents,
9 related to such activities and any associated alleged violations.