Allegations of Vendor Misconduct in Their Dealings with the San Diego County Democratic Party in the 2020 General Election

Authors: The authors of this document are choosing to remain anonymous at this time due to fear of retaliation - due to the outsized influence that vendors Jesus and Andrea Cardenas currently have on our Democratic Party Central Committee, Executive Board and elected officials. It is unfortunate that forprofit vendors have managed to gain such power, and we hope the distribution of this document and actions taken to remedy the abuses it describes, will create a better party, where we and others can openly express our concerns without fear of retaliation in the future.

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Summary

Jesus and Andrea Cardenas were contracted by the Democratic Party to run field and mail programs for endorsed candidates. They were simultaneously associated with a consulting group, Political Strategies, Inc., that was creating and distributing negative mail "hit pieces" on endorsed Democratic candidates around the county.

In the 2020 general election, the campaign committee the "Affordable Housing Coalition" sent out mailers in opposition to endorsed democratic candidates, including Todd Gloria for San Diego City Mayor, Marcus Bush for National City Council, Teresa Acosta and Don Greene for Escondido City Council, Elizabeth Perez for Vista City Council and Alan Geraci for San Marcos City Council Member.

The "Affordable Housing Coalition" was funded by interests that directly conflict with the progressive goals and interests of the San Diego County Democratic Party, including <u>housing developers</u>, <u>police associations and the Independent Voter Project</u>.

The "Affordable Housing Coalition" committee was controlled by the organization "Political Strategies, Inc" which is comprised of Jesus and Andrea Cardenas of Grassroots Resources, John Wainio, San Diego Group, and Tony Turpin of TMC Direct (a direct mail house) and Barrett Gonzalez.

In the same 2020 general election cycle, Grassroots Resources, as direct by Jesus and Andrea Cardenas, was contracted by the San Diego County Democratic Party to lead the field operations in the South region including volunteer coordination, canvassing strategy, and deployment, as well as to design and distribute the party slate mailers on behalf of endorsed candidates in South San Diego County, which included Todd Gloria for Mayor and Marcus Bush for City Council. Therefore, Jesus and Andrea Cardenas were directly associated with efforts for and against endorsed Democratic candidates Todd Gloria and Marcus Bush in the 2020 general election.

This conflict of interest constitutes a serious breach of ethics that merits a serious and swift response from the party to show that such behavior is not tolerated and to ensure it will not be emulated in the future. Jesus and Andrea Cardenas have shown a pattern of repeated ethical violations in their dealings with the party. These violations merit consequences, including, but not limited to, censure of their roles in the central committee, removal of committee assignments, and the termination of their firms privileged relationship with the party. Failure to do so will be seen as tacit approval of these ethical breaches that will further erode party moral and the trust in the party held by endorsed candidates, volunteers and donors.

Moreover, these actions raise <u>serious concerns about the undue influence of corporate interests in the elected offices represented by the principals of Political Strategies, Inc.</u> given the clients of this firm - namely the office of Councilmember Andrea Cardenas in Chula Vista, the office of Councilmember Stephen Whitburn in San Diego City (for which Jesus Cardenas serves as chief of staff) and the office of Supervisor Nora Vargas for which Devonna Almagro, consultant for Political Strategies, Inc., also serves as director of communications.

The Campaigns of the "Affordable Housing Coalition" Against Endorsed Democratic Candidates

The campaign committee Affordable Housing Coalition was formed on September 24th, 2020, just after the 1st Pre-Election campaign filing deadline, avoiding this reporting requirement.

The Affordable Housing Coalition ran direct mail campaigns. The majority of these campaigns focused on negative mailers against endorsed Democratic candidates in San Diego County, including:

- Against Todd Gloria for Mayor (4 mailers sent)
 - Note: these mailers were recorded in the campaign finance reports as "In favor of Barbara Bry", but 50% of the mailers were dedicated to negative attacks on Todd Gloria
- Against Marcus Bush (2 mailers sent)
- Against Teresa Acosta for Escondido City Council (1 mailer sent)
- Against Don Greene for Escondido City Council (1 mailer sent)
- Against Elizabeth Perez for Vista City Council (1 mailer sent)
- Against Alan Geraci for San Marcos City Council Member (1 mailer sent)
- Against Shari Mackin for Oceanside City Council (1 mailer sent)
- Against Jane Marshall for Oceanside City Council (1 mailer sent)

Additionally, the committee paid for the placement of an advertisement in a slate mailer in favor of Proposition 20, recriminalizing minor misdemeanors as felonies and mandating jail sentences, which was officially opposed by the California Democratic Party. A record of these expenditures can be found in the <u>form 460 for Affordable Housing Coalition</u> filed for the period of 10/18/2020 – 12/31/2020, as well as the form 496s filed by the committee.

Affordable Housing Coalition Funding - Developers, Police Officers Associations, and the Independent Voter Project

Funders of the Affordable Housing Coalition included:

- Developers
 - Associated General Contractors
 - O Pacifica Senior Living Management, LLC
 - o KD Development
 - Gotham Property Management
 - o Jose Lynch
- Police Officers Associations
 - O Los Angeles Police Protective League
 - O Public Safety Advocates
 - The Deputy Sheriffs' Association
 - The Sycuan Band of the Kumeyaay Nation
 - Building Industry Association

The Independent Voter Project

The <u>Independent Voter Project</u> is an organization formed by Steve Peace and family in opposition to political parties.

A full list of all funders of the Affordable Housing Coalition can be found here:

https://cal-access.sos.ca.gov/Campaign/Committees/Detail.aspx?id=1430997&session=2019&view=received

The Affordable Housing Coalition was Controlled by Political Strategies, Inc

On the original 410 organization form filed for the Affordable Housing Coalition, filed on September 24th, 2020, Barrett Gonzalez was listed as the responsible officer of the committee. Barrett Gonzalez is the political director Political Strategies, Inc according to their website. In the amended 410 for the Affordable Housing Coalition, filed on February 9, 2021, the responsible officer was updated to John Wainio. John Wainio's company, The San Diego Group, is listed on the website of Political Strategies, Inc., as a "Founding Member". John Wainio himself is prominently listed as an "Experienced Counselor".

According to the <u>form 460 filed by the Affordable Housing Coalition</u> for the period of 10/18/2020 through 12/31/2020, the vast majority of the expenditures were paid to TMC Direct, a direct mail firm and partner in Political Strategies, Inc, listed as a founding partner on the Political Strategies, Inc webpage. Significant payments were also directly made to Political Strategies, Inc. Other payments were to slate mailer companies, or for administerial services (legal, treasury, etc.) Therefore, <u>this committee appears to have been a vehicle for political contributions from the clients of Political Strategies</u>, Inc to contribute to the races of their choice, while allowing the principals of Political Strategies to profit from the same.

Jesus Cardenas and Andrea Cardenas are Principal Partners in Political Strategies, Inc.

On the <u>website of Political Strategies</u>, Inc., Grassroots Resources, the firm of Jesus and Andrea Cardenas, is listed first as a "Founding Member" of Political Strategies, Inc., indicating that they have been partners in Political Strategies, Inc since its founding, including in the 2020 general election cycle. Jesus Cardenas is prominently featured on the webpage, http://politicalstrategies.org/, as an experienced counselor. Andrea Cardenas is also shown as an "experienced counselor" on the webpage. Given their prominent roles as partners in Political Strategies, Inc, they would have been included in campaign decisions taken by Political Strategies, Inc.

In the <u>form 460 submitted by the Affordable Housing Coalition</u>, only TMC Direct is directly noted as a vendor for direct mail. However, TMC Direct is a mail house - they do not provide political messaging services, nor do they provide mail distribution strategy. Any direct mail conceptualization, messaging, and distribution decisions would have to been made by other individuals - i.e. strategic consultants.

We believe that Jesus and Andrea Cardenas may have directly oversaw the creation and distribution of mail "hit pieces" against endorsed Democratic candidate. However, regardless of their level of personal involvement in the execution of these campaigns, as partners in Political Strategies, Inc, they were privy to, associated with, and profited from, campaigns against endorsed Democratic candidates.

Democratic Party Campaign Efforts Directed by Jesus and Andrea Cardenas

Grassroots Resources, as led by Jesus Cardenas and Andrea Cardenas, was contracted to lead the field campaign for the San Diego County Democratic Party in the South Region during the 2020 general election. These responsibilities included the direction of party volunteers, canvassing strategy, and field deployment, as well as to design and distribute the party slate mailers on behalf of endorsed candidates in south San Diego County, which included Todd Gloria for Mayor and Marcus Bush for City Council.

The consulting work of Grassroots Resources in the South Bay is shown as an expense in the <u>form 460 for the Democratic Party</u> for the period of 10/18/2020 - 12/31/2020 with the key "CNS" (Consulting).

Severe and Undisclosed Conflict of Interest

It is an obvious conflict of interest to work for and against a candidate in the same election cycle. Such actions undermine the confidence of candidates and voters in the intentions of the Party. The work of Political Strategies, Inc. was directly detrimental to the efforts of the Party.

Moreover, the funders of the activities of Political Strategies are antithetical to the goals of the Democratic Party.

- The <u>Independent Voter Project</u> has a stated goal of becoming a competing force to political parties, including the Democratic Party.
- Corporate developer interests often run contrary to the goals of the Party by pushing for developments that cause rural sprawl, destroy natural habitat, and contribute to our ongoing climate crisis.
- As our communities of color that have been disproportionately affected by police brutality lead
 the call for police accountability. To have strategic consultants of the Party receive major funding
 from Police Associations, which actively resist police accountability and reform is offensive and
 against our party values.

Remedies

Suggested Remedies

Censure of Central Committee Membership and Removal from Committee Assignments
Section XVIII of the San Diego County Democratic Party's <u>Policies and Procedures</u> states: "The Central
Committee may censure elected officials, candidates, consultants and vendors if it is deemed that their
practices are unethical, or detrimental to The Party."

Andrea and Jesus Cardenas are members of the Central Committee. Censure of their Central Committee role and their committee positions needs to be considered.

Censure of Grassroots Resources and Associated Entities

Additionally, the business entity Grassroots Resources should be considered for censure and for placement on the "Do Not Patronize" list, since this business has clearly that it has worked to the detriment of the Party.

Further Clarification of Rules Regarding "Detrimental Activities"

It should absolutely go without saying that a political consultant contracting with the Party should not simultaneously be working against endorsed candidates. That said, as with the previous club scandal, the actions of Jesus and Andrea Cardenas compel our party to further clarify, in writing, this obvious ethical principle. We recommend that the following language (or something to this effect) should be added to party policies:

- Vendors providing strategic services to the San Diego County Democratic Party shall not engage in actions in opposition to endorsed candidates in the same election cycle, nor shall they engage in actions on behalf of candidates directly competing against endorsed democratic candidates in San Diego County. Nor should they be associated with, nor should they be in partnership with any person or entity, that engages in actions in opposition to endorsed candidates in the same election cycle or that engages in actions on behalf of candidates directly competing against endorsed democratic candidates in San Diego County. Strategic services include, but are not limited to, design or direction of design of messaging material, including mail and walk pieces, mail piece distribution strategy, field canvassing strategy, direction of field staff including phone bankers and field canvassers, text and robocall message creation, direction of volunteers on behalf of the party, design of candidate surveys, analysis of results of candidate surveys, analysis of previous election result, social media material design, social media distribution strategy, etc.
 - O Non-strategic vendors providing basic goods and services, including landlords, print shops, janitorial services, utility providers, internet service providers, caterers, etc., are necessarily exempt from this requirement.

Recusal of Central Committee Members from Remedy Discussions Due to Conflicts of Interest

Any discussion, votes or decisions of remedies to the actions of Jesus and Andrea Cardenas by the San Diego County Democratic Party Central Committee and E-board must exclude E-board and Central Committee members whose employment directly depends on these individuals.

E-Board and Central Committee members whose actions on these matters would pose a direct conflict of interest to their employment, include:

- Emily Bonner, Chair of the Admin Committee As Policy Advisor & Community Representative to Stephen Whitburn, her work is directly overseen by Jesus Cardenas, Chief of Staff to Stephen Whitburn.
- Codi Vierra, Council of Clubs President Deputy Chief of Staff to Stephen Whitburn. Her work is directly overseen by Jesus Cardenas, Chief of Staff to Stephen Whitburn.
- Ryan Darsey, Associate Central Committee Member Communications Director for Stephen Whitburn. His work is directly overseen by Jesus Cardenas, Chief of Staff to Stephen Whitburn.
- Andrea Cardenas, Central Committee member and member of the Admin Committee Self.
- Dafne Ariza, Associate Central Committee member Staff to Chula Vista City Council member Andrea Cardenas.
- Jesus Cardenas, Alternate Central Committee Member Self.
- Jehoan Espinoza, Member of the Club Development Committee Currently employed by Grassroots Resources.

Party Chair Will Rodriguez Kennedy and South Region Vice Chair Sara Kent may also wish to recuse themselves, due to their involvement in the selection of Grassroots Resources as a strategic partner in the 2020 general election campaign of the San Diego County Democratic Party. That said, there is no evidence that Chair Rodriguez Kennedy nor Vice Chair Kent were aware of the Cardenas's involvement with Political Strategies, Inc, nor with the conflict that this presented.

Additionally, given the outsized influence that Jesus and Andrea Cardenas, as a previous employer of many members of the Central Committee, we recommend that any votes taken by the E-board and/or Central Committee regarding their conduct be conducted via secret ballot.

History of Unethical Behavior

In considering this issue, it is worth noting that this is not the first ethical issue brought upon the Party by Jesus and Andrea Cardenas. A mere two years ago, the party was engulfed in a club scandal, when in an effort to game the endorsement process, Andrea and Jesus Cardenas created a number of high school clubs in the south bay that never held public meetings, did not produce agendas or minutes, and never met individually. This scandal was documented by the Voice of San Diego in the below article:

https://www.voiceofsandiego.org/topics/politics/charges-of-fake-clubs-are-roiling-the-county-democratic-party/

And was further captured in the below letter, written by the President of Dems for Environmental Action, Cody Petterson:

https://www.voiceofsandiego.org/wp-content/uploads/2019/02/Report-on-Endorsement-Irregularities-in-the-South-Area-Full-Report.pdf

Additionally, Jesus Cardenas was previously cited for ethics violations related to the Ricardo Flores for City Council Campaign:

https://www.sandiegouniontribune.com/communities/san-diego/story/2019-08-13/faulconer-council-candidates-fined-for-violating-city-transparency-laws

And for his involvement in the gay-baiting committee Citizens for Gay Rights:

https://www.kpbs.org/news/2013/oct/11/city-ethics-commission-fines-political-group-7500-/

Despite this history of scandals, Jesus and Andrea Cardenas have continued to enjoy a position of preferred vendor to the San Diego County Democratic Party. We hope that this latest development will finally spur the Party to severe business and organizational ties with these individuals.

Reference Materials

Hit Piece Against Todd Gloria

2nd Hit Piece Against Todd Gloria

Hit Piece Against Marcus Bush

Organizational Form for Affordable Housing Coalition (Form 410), Revised

Campaign Committee Statement for Public Safety Advocates (Form 460, 10/18/2020 – 12/31-2020)

<u>Campaign Committee Statement for the Affordable Housing Coalition (Form 460 10/18/2020 – 12/31/2020)</u>

<u>Campaign Committee Statement for the San Diego County Democratic Party (Form 460 10/18/2020 – 12/31/2020)</u>

<u>Screenshot of Political Strategies, Inc. Website Homepage</u>