



FOR IMMEDIATE RELEASE  
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## **Ethics Commission Announces Settlement with Civic San Diego Board Member Concerning Financial Disclosure and Conflict of Interest**

SAN DIEGO – Stacey Fulhorst, Executive Director of the City of San Diego Ethics Commission, announced today the Commission’s approval of a stipulated settlement agreement with Phil Rath, a member of the Civic San Diego Board of Directors and the co-owner of Rath Miller, LLC. Mr. Rath has agreed to pay a fine in the amount of \$11,000 for failing to timely disclose the income his firm received from Affirmed Housing, and for participating in Civic San Diego matters that financially benefited Affirmed Housing. Specifically, Mr. Rath took part in two decisions to recommend that the City Council enter into an Exclusive Negotiation Agreement with Affirmed Housing to develop the Hilltop & Euclid project, a 143,800-square foot mixed use project in the Chollas View neighborhood.

The Commission Chair, Deborah Cochran, explained that the prohibition on participating in matters that involve your personal financial interests is the cornerstone of the City’s ethics laws. She added that, “These violations are extremely egregious because they undermine public confidence in the integrity of the City’s decision-making process.” Chair Cochran noted that the violations in this matter were exacerbated by the Respondent’s failure to disclose the income he received from Affirmed Housing on the Statement of Economic Interests he filed with the City Clerk. The combination of disclosure and conflict of interest violations “necessitated the imposition of a stiff penalty” according to Chair Cochran.

With regard to the Hilltop & Euclid project, Ms. Fulhorst noted that Civic San Diego rescinded its recommendation to the City Council after allegations were made regarding Mr. Rath’s conflict of interest. The City Council later entered into an agreement with Affirmed Housing to develop the project.

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. Stipulations can be viewed on the Commission’s website at <http://www.sandiego.gov/ethics/documents/stipulations.shtml>.

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