



Campaign Finance and Ethics Commission

AGENDA STAFF REPORT

MEETING DATE: October 26, 2026

Agenda Item: Three

SUBJECT: Review and Give Direction to Executive Director regarding Transmittal of 2026 Annual Report to Board of Supervisors.

RECOMMENDED ACTION: Approve version of Annual Report with updates as required for year-end accuracy and/or as amended by Commission.

Background:

The Campaign Reform Ordinance provides that the Chair of the Commission shall prepare an annual report of the Commission's activities and submit it to the Board of Supervisors.

Specifically, Orange County Codified Ordinance section 1-2-360(e) provides "[t]he Chair of the Commission shall prepare an annual report summarizing Commission activities. This report shall be reviewed and approved by a majority vote of the Commission and presented to Board of Supervisors as an agenda item at a regularly scheduled Board meeting."

Attached as Exhibit A is a proposed draft of the 2026 Annual Report.

Campaign Finance and Ethics Commission

Annual Report 2026

Presented by Chairman Judson Brown



INTRODUCTION

As we reflect on the past year, our work at the Orange County Campaign Finance and Ethics Commission has been guided by a shared commitment to integrity, transparency, and public trust. These values are more than principles - they are the foundation of strong institutions and accountable government. Upholding the rules set in place by the public is a responsibility we carry with care and purpose.

Over the past twelve months, our team has worked diligently to provide clear guidance, timely oversight, and thoughtful engagement with candidates, elected officials, lobbyists and the public. We have responded to challenges, strengthened our educational efforts, and supported the Board of Supervisor's continued efforts to improve ethical conduct across all levels of public service. None of this would be possible without the dedication of the office staff, the collaboration of other County departments, and the support of individual members of the public who engage regularly and honestly with our Commission.

This report offers a brief overview of our activities and progress. It highlights the issues we faced, the outreach we conducted, and the improvements we made to ensure our work remains accessible, consistent, and responsive. It also underscores the ongoing work to maintain public confidence—an effort we approach with professionalism, humility, and a deep sense of responsibility.

Thank you for taking the time to review our annual report. We remain committed to strengthening the trust that the community places in the County of Orange.

COMMISSION HIGHLIGHTS

It is my pleasure to report that the Commission has once again fulfilled its mandated responsibilities as the oversight authority for the County of Orange's Campaign Reform Ordinance, Lobbyist Registration and Reporting Ordinance, the Gift Ban Ordinance, and

Sections 6 and 9 of the County Code of Ethics and Commitment to Public Service. My first term as Chairman has been both engaging and deeply rewarding.

Throughout the year, the Commission continued to carry out essential administrative responsibilities, including approving documents for transmission to the Board of Supervisors and receiving updates from the Executive Director. These actions included setting meeting schedules, reviewing minutes, and approving quarterly reports, training and educational materials, and the Campaign Finance Manual.

This year presented distinct challenges and opportunities as the Commission received two directives from the Board of Supervisors. The first directive tasked the Office of Campaign Finance and Ethics with researching industry best practices for expanding the County Code of Ethics, including potential enforcement mechanisms, and providing recommendations for Board consideration. The Board adopted the recommendations at its August 12, 2025 meeting. Subsequently, at the October 28, 2025 meeting, Supervisor Sarmiento directed the Executive Director to provide the updated Ethics Code to the Commission for review and discussion relating to enforcement mechanisms. I was proud to submit a memorandum to the Commission focused on strengthening enforcement provisions within the Code of Ethics—an effort that supports our continued commitment to transparency and accountability.

The second directive was from Vice Chair Foley and involved the Commission's receipt of the independent audit conducted by the accounting firm Weaver. The first phase of this audit, which examined 145 priority contracts totaling \$486.2 million, was presented to the Commission. While the Commission had no jurisdiction to act on the audit, the review provided valuable insight. Notably, the documented interference by a former Supervisor in the contracting process further underscored the importance of the Commission's work in promoting public trust in County operations.

DIRECTOR HIGHLIGHTS

This year brought a number of meaningful and forward-looking changes to the County's lobbyist regulations. To start, the program now achieves full cost recovery through a long-overdue increase in registration and renewal fees. While the resulting revenue is modest, the shift marks a significant step toward fiscal responsibility and eliminates a long-standing 75% subsidy from the General Fund. The Board of Supervisors has strongly supported efforts across all departments to align programs with sound financial practices, and this change reflects that broader commitment.

Equally noteworthy is the new quarterly reporting requirement for lobbyists. This update substantially enhances transparency by disclosing who is lobbying the County and in what capacity. These disclosures now extend to familial relationships with County employees, reinforcing our ongoing effort to maintain transparency and trust.

In addition, the law now requires lobbyist registration and reporting when lobbying department heads or members of the Board of Supervisors while serving in appointed positions. Together, these reforms strengthen accountability and modernize the County's approach to oversight. All changes will take effect on January 1, 2027.

Beyond regulatory updates, this year also saw inspiring improvements in ethics training for procurement staff through collaboration with several County departments. The District Attorney's Major Fraud Unit generously provided a full hour-long presentation on Fraud in the Age of Artificial Intelligence—an engaging and timely topic. Auditor-Controller Andrew Hamilton will lend his expertise at the next ethics training, further enriching the program. These coordinated efforts demonstrate the shared dedication across County departments to foster a culture grounded in integrity and professionalism.

A final highlight is the completion of a new countywide video created in partnership with the Office, Human Resources, and the Fraud Hotline. Now distributed to all County employees and available to the public, the video clearly underscores how to report

concerns related to malfeasance, fraud, or discrimination, and it reinforces the County's firm commitment that retaliation will not be tolerated.

Other office accomplishments included:

1. Recovery of \$13,245 from the State related to AB1234 mandated duties. (SB90 claim for Fiscal Year 2025-2026);
2. Lobbyists Fees for 2026 – Approximately \$4,675 in revenue collected with no late payments or fines imposed. The County had an average of 80 active lobbyists in 2026;
3. AB1234 ethics training – 99% compliance rate;
4. The semi-annual audits were completed in 14 days; this timeframe fluctuates slightly in election years and the number of candidates. This year almost 2 million dollars of contributions were audited with almost \$16,000 of refunds being requested;
5. The Office underwent significant construction with the building floor adding the Office of the Public Guardian. In a cost savings measure, the Office footprint decreased by 1/2.
6. The website accessibility project successfully brought OCEthics into almost complete compliance with rules not yet in effect.
7. In 2026, the Office received and responded to over 13 requests for advice coming into the Office by email or telephone;
8. The Office budget remains less than 0.01% of the County budget year after year.

LOOKING AHEAD

I am honored to serve on the Commission and look forward to continuing our work together in 2027. With the support of the Board of Supervisors, we will continue to push forward with the important work we are tasked with and look forward to assisting the County of Orange in any way needed.

Judson Brown

Chairman, Orange County Campaign Finance and Ethics Commission