#### Sasha Linker

From: Ed Brown <

Sent: Wednesday, September 18, 2019 9:49 AM

To: CommAsst

Subject: Comment Letter RE: Item 28, Regulating Campaign Activity on Digital Media

**Attachments:** EX 1 LA Times article Chevron PR website pretends to be news source 140922.pdf; EX 2 LA Times

article Chevron swamps city 141013.pdf; EX 3 Cupertino Today Chamber Commerce endorses 9\_13\_

2018.pdf

Dear Chairperson Miadich and Commissioners,

I encourage the commission to establish a task force to identify best practices for regulating campaign activity on social media and digital platforms and suggest that the definition and exemptions for "news" on digital media be included in review.

Current regulations and interpretation are encouraging a proliferation of "fake news" websites and associated social media such as Facebook and Twitter that use a cloak of "independent news" for campaign activity.

The only difference between a "paid Blogger" and a "fake news" website is that "fake news" is exempt from disclosure requirements and expenditure reporting by current regulation and interpretation as given in Advice Letter I-18-114. The advice letter states Regulation 82025 (c)(4)(A) exempts "any Internet or electronic publication" … "that routinely carries news and commentary of general interest" from expenditure reporting.

This "news" loophole combined with the low cost of producing digital media is being exploited for campaign activity and avoidance of disclosure. Current digital technology has examples of automated "community news" generation, potentially allowing any website to add a low-cost veneer of "news" and then avoid disclosure and reporting requirements. The use of "community news" media is apparently an effective tool to provide campaign communication to a specific region and attract views by potential voters with the additional benefit of avoiding campaign disclosures. The "news" is then spread further on social media such as Facebook, Twitter, YouTube, Nextdoor. and automated news aggregation websites. The "fake news" websites also develop subscriber lists and track user activity that can be used for campaigns. The effectiveness of using a "fake news" website is enabled by lack of disclosure of who is funding the site.

Several "Community news" websites operated by Singer Associates public affairs firm for its clients provide examples of digital media with potential for campaign activity. "The Richmond Standard" (<u>richmondstandard.com</u>), and associated Facebook and Twitter accounts received an outcry of deception and company propaganda to influence local politics. (Exhibit 1, 2) The "news" writer is an account manager at Singer Associates. The Richmond Standard website currently contains a "funded by Chevron" notation, but the postings appear in internet searches as "news" such as the Google News Index.

The Singer Associates operation SF Bay Media also publishes the "Climate of Redwood City" (climaterwc.com) "community news" website and is associated with a monthly print publication. The website provides no information on the publisher or the clients funding it. Critics claim that the website is intended to provide community influence for one or more land developers that are clients of Singer Associates.

The most deceptive of the Singer Associates websites discovered so far is "Cupertino Today" (<a href="cupertinotoday.com">cupertinotoday.com</a>) which includes a "disclosure" claiming to be the work of an independent individual. The only identification of the real website owner was a "SingerSF" notation in the source code, which was subsequently removed when Singer Associates was notified of a FPPC complaint. While all the postings are attributed to an unnamed "Staff Writer", the website

postings are still included in the Google News Index where they compete with legitimate news coverage in internet searches. Among other posts, the Cupertino Today website featured an "endorsement" by the Cupertino Chamber of Commerce with the campaign statements of three candidates in the 2018 Cupertino City Council election.(Exhibit 3) Sand Hill also made contributions to multiple expenditure committees that supported the same three candidates including the Cupertino Chamber of Commerce PAC. Sand Hill Property Company likely funds the "Cupertino Today" website just as they fund their RevitalizeValco.com website which is also created by Singer Associates. Probably not coincidentally, the CupertinoToday.com website was started just prior to Sand Hill Property Company rolling out a renewed effort to gain city approval of their proposed redevelopment project, after previous unsuccessful campaign activity. A complaint that the website campaign advocacy constituted unreported and undisclosed campaign expenditure was dismissed by the FPPC review as being an exempt "news" site.

Another "community news" website type seen to have a link to Singer Associates Public Affairs firm differs from the wholly owned media website model but also has the potential for the use of the "news" exemption. The San Jose Spotlight (sanjosespotlight.com) identifies the Board of Directors and the financial contributors to the non-profit "independent news" website, which is seemingly good. Sam Singer (believed to be same owner of Singer Associates) is listed as a financial contributor along with other public relations firms, special interests, as well as many small contributions from unaffiliated individual supporters. Among the Board of Directors, several are also owners of public relations firms and the Board claims to make the determination of any conflict of interest coming contributions. The website mostly identifies writers with occasional anonymous posts and features of some contributors. The San Jose Spotlight published a story about a Sand Hill foe which was then repeated and hyperlinked by Singer's Climaterwc.com. This website "news" model has the potential to function as a shared campaign activity co-op or payfor-play platform where the interests of contributors can be positioned and disguised as "news" without disclosure or campaign reporting that is required of a paid blogger.

I encourage the Commissioners to start a task force to study these challenges presented by digital media platforms and the "news" exemption with the goal to provide the public better disclosure of funding of internet campaign activity. The current regulations and interpretation seem to be encouraging the publication of owned media "fake news" including campaign activity. "Community news" disguised website and associated social media campaign activity have the strong potential to influence elections in California communities and should require funding disclosure.

Sincerely	

Ed Brown

### Los Angeles Times

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BUSINESS



## A Chevron PR website pretends to be an objective news source



Chevron's Richmond, Calif., refinery, is shown in a 2010 photograph. (Paul Sakuma / Associated Press)

By MICHAEL HILTZIK | BUSINESS COLUMNIST SEP. 22, 2014 | 4:07 PM

If you happened to click Monday on the Richmond Standard, a community news site for that Bay Area locality, you would have come upon a fairly snarky piece about 170 activists ("some from Richmond") who took a train cross-country to participate







If you happened to click Monday on <u>the Richmond Standard</u>, a community news site for that Bay Area locality, you would have come upon a fairly snarky piece about 170 activists ("some from Richmond") who took a train cross-country to participate in the People's Climate March in New York on Sunday.

"Talk about a disturbed climate," the item began. It proceeded to describe how the activists were boisterous, rude, messy, and smelly — enough to "rankle" the other passengers and even the conductors. All in all, a pretty negative picture of some of the participants in a rally that brought together 400,000 people ("some from Richmond") to demand action on climate.

You might think this was an objective news report, unless you recognized that the Richmond Standard isn't just another site for "community-driven news," as it declares on its banner.

It's entirely a creation of Chevron Corp., which operates a huge and controversial refinery in, yes, Richmond, and presumably doesn't have the same view of climate change as the activists on the train.

This is what the news business has come to in communities where economics have wiped out traditional local newspapers. Self-interested corporations have stepped into the vacuum. You'd be hard-pressed to find a case as flagrant as Richmond's.

"We have increasing numbers of dollars going into public relations of that sort," says Ken Doctor, a media analyst at <a href="Newsonomics.com">Newsonomics.com</a>. "Today, everybody can be a publisher. The fact that this Richmond site looks like any other community news site is just a masquerade."

We examined the consequences of corporate-produced "news" just last week, apropos of the National Football League and its homegrown NFL.com news site. The Financial Times also <u>cited the Richmond Standard</u> last week as a prime example of "the invasion of corporate news" into journalism. The San Francisco Chronicle <u>raised questions</u> about the Richmond Standard's objectivity a few months ago.

Chevron's PR department appears to be unfazed by the criticism. "The Richmond Standard's a great resource for Richmond," says Chevron spokeswoman Melissa Ritchie, who says it's designed to deliver "amazing stories about the positive things that are happening here."

She says Chevron took it upon itself to launch the site after hearing laments from local nonprofits that they didn't have an outlet for Richmond news. When I asked if it might not have been better for Chevron to make a grant to an independent organization to open a news site -- or to nearby UC Berkeley, whose student-produced <a href="Richmond Confidential">Richmond Confidential</a> covers the community and could probably use some financial help -- she replied that the company thought "this was the best way to make sure the news was being covered."

Mike Aldax agrees. He's a former San Francisco Examiner reporter who constitutes the Standard's entire staff -- "I work out of cafes and my car," he says. He's also an account executive at Singer Associates, the Chevron PR consultants that advised the company on the creation of the Richmond Standard.

"My function is to report the news you're not seeing in Richmond," he says. When the site was launched early this year, he adds: "We came out in the beginning and said, if you're looking for a story that's critical of Chevron, you're not going to find it in the Richmond Standard." That's a pity, because there's plenty of room for critical

in the Richmond Standard." That's a pity, because there's plenty of room for critical stories about Chevron, <u>fires and pollution at the refinery</u> among them. Chevron's planned \$1-billion refinery expansion, which is <u>questioned by environmental</u> experts, will generate possible news stories for years.

The site is "transparent" about its sponsorship, he says. That's true, up to a point: The homepage states that it's "brought to you by Chevron Richmond. We aim to provide Richmond residents with important information about what's going on in the community, and to provide a voice for Chevron Richmond on civic issues." Chevron corporate announcements are sequestered in a section labeled "Chevron Speaks."

Is that sufficient disclosure? The answer is a resounding "no."

"The disclosures don't go very far to show how news can be corrupted," says Ed Wasserman, a news media ethics expert who is dean of UC Berkeley's Graduate School of Journalism.

The Standard may fill its pixels with items from the Richmond police blotter, community nonprofit nuggets, and coverage of the City Council committees, but "we don't know what interests Chevron might have that dictate what gets covered and what doesn't," Wasserman says. "This is the world we're increasingly inhabiting — it's increasingly difficult to identify sources of bias." To Wasserman, the Standard's diet of noncontroversial community news creates a deceptive atmosphere of community goodwill — "and they can draw on that goodwill when something hits the fan."

Aldax says Chevron doesn't review or edit his stories, but it doesn't have to. It provides his paycheck, and even subconscious self-censorship can undermine news gathering -- especially if one defines news as information its subject doesn't want

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Chevron's Ritchie was particularly proud of its response when a fire erupted at the refinery in July: Aldax received the same corporate statement that every other news agency got -- in other words, corporate flackery. If he were to start giving a creditable platform to the opponents of the refinery project, however, how long would he last?

The fatal flaw of the Richmond Standard is that it inevitably reflects the interests of its corporate sponsor. The novelist David Foster Wallace made the point best in his classic essay about a liner cruise, "A Supposedly Fun Thing I'll Never Do Again," when he was dismayed to find in the publicity brochure for Celebrity Cruises an essay by the distinguished author Frank Conroy about how much he had enjoyed his (expense-paid) Celebrity Cruise.

It was not a creative work but a commercial, Wallace felt, "like somebody who smiles warmly at you only because he wants something from you." Wallace pondered "the cumulative effect that such dishonesty has on us; since it offers a perfect facsimile or simulacrum of goodwill without goodwill's real spirit, it messes with our heads and eventually starts upping our defenses even in cases of genuine smiles and real art and true goodwill."

That's what the Richmond Standard does, on a less lofty scale. It will end by making its readers doubt that any news site exists without ulterior motives -- that any news organization has its readers', not its owners', interests at heart.

And then there's the explanation that Conroy gave Wallace, when the latter called to ask why he wrote the thing: "I prostituted myself."

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BUSINESS

Pulitzer Prize-winning journalist Michael Hiltzik writes a daily blog appearing on latimes.com. His business column appears in print every Sunday, and occasionally on other days.

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### Los Angeles Times



BUSINES

# How Chevron swamps a small city with campaign money and bogus news



Smoke from a fire at the Chevron Richmond Refinery drifts over San Francisco Bay in august 2012. In the foreground, Alcatraz. (Eric Risberg / AP)

By MICHAEL HILTZIK | BUSINESS COLUMNIST OCT. 13, 2014 | 2:21 PM

A few weeks ago, <u>we described</u> how the giant oil company Chevron was barraging little Richmond, Calif. (pop. 107,000), the site of one of its major refineries, with corporate PR disguised as community "news." Its instrument was an objective-



corporate PR disguised as community "news." Its instrument was an objective-looking website, known as the <u>Richmond Standard</u>, purporting to be a news portal for residents of Richmond.

Now we have more to say about how Chevron (2013 revenue: \$220 billion) is trying to influence the upcoming municipal elections in Richmond, which pit a pro-Chevron bloc of city council members against an anti-Chevron bloc.

So far this year, Chevron has poured an astounding \$2.9 million into three campaign committees in Richmond. Of that, at least \$1.4 million has gone to a committee supporting the pro-Chevron candidates and \$500,000 to a committee opposing the candidate critical of Chevron, including the current mayor, Gayle McLaughlin. The figures suggest that Chevron is preparing to spend at least \$33 for the vote of every resident of the city 18 or older.

We know this largely because of the superb reporting of Harriet Rowan of the website Richmond Confidential. Rowan, 26, is a first-year student at UC Berkeley's Graduate School of Journalism, which operates <u>Richmond Confidential</u> to provide practical experience for its students while creating a counterweight to the pap emanating from Chevron's Richmond Standard.

ADVERTISING

Richmond Confidential may be one of the most important newsgathering enterprises in the country right now. The site runs on a relative shoestring—a Ford Foundation grant that funded its launch ran out some years ago—but it demonstrates how important it is to have a counterweight to corporate PR in what is, essentially, a company town.

"Richmond Confidential has established a very solid identity, and its credibility is not questioned," its faculty advisor, Robert Rogers, told us. "The students are learning while practicing journalism that has a real impact in the community."

Richmond Confidential performs a crucial service because the city receives only spotty coverage from the mainstream Bay Area dailies, the San Francisco Chronicle, Oakland Tribune and Contra Costa Times. But its ability to compete is necessarily limited; the students are unpaid, and the site shuts down during the summer, when school is out.

It's true that there's sometimes a downside to such one-sided corporate political influence. In 2010, Pacific Gas & electric spent more than \$40 million to pass a ballot initiative that it drafted, to undermine municipal public power systems. It went down to defeat. Says Justin Levitt, an election law expert at Loyola Law School in Los Angeles: disclosure of corporate spending "may be a signal to voters to vote the other way. Chevron may not be doing its preferred candidates a favor."

Still, leaving coverage of the election to Chevron's PR organ, the Richmond Standard, could be disastrous for Richmond's residents. For example, you won't find a peep about Chevron's political spending in the Richmond Standard. That's par for the course: The website's entire staff, an employee of Chevron's PR firm named Mike Aldax, told me last month that "if you're looking for a story that's critical of Chevron, you're not going to find it in the Richmond Standard."

Give Aldax a point for candor. But maintaining utter silence about the source of the largest block of campaign spending in the entire city is a bit extreme, even for an openly bogus community news website. There's no mention of Chevron's contributions to the election even in the Standard's section devoted to Chevron corporate announcements, which is entitled "Chevron Speaks." ("That doesn't surprise me," Rowan says, "but it does point out what they are and are not interested in covering.")

What the Richmond Standard does provide, along with its customary fare of police blotter items and announcements from community groups, are nasty stories about Chevron's critics on the council.

One leading target of the Standard is the Panama-born and openly gay Vice Mayor Jovanka Beckles, who long has been the target of vitriolic heckling from the audience at city council meetings. She's also a frequent critic of Chevron.

When the heckling boiled over at a council meeting in July, the Standard <u>implied that</u> <u>she instigated</u> the fracas--its headline read "Jovanka Beckles' drama-filled night in council chambers leads to call to police."

In fact, as other reports suggested, the heckling started from the audience, and it was Beckles herself who called police—to walk her safely to her car after the meeting. For more complete, and fairer, reports placing the event in the context of four years of frequently obscene harassment of Beckles, you'd have to read reports from the Chronicle and Contra Costa Times <a href="here">here</a> (with video), <a href="here">here</a>, and <a href="here">here</a>. You can come to your own conclusion about who's at fault, but you should note that the Richmond Standard's take is essentially indistinguishable from that of <a href="here">a Chevron-funded anti-Beckles campaign website</a>.

Chevron says its campaign activities reflect its support for "city leaders who share our commitment to policies that foster an economic environment where business can thrive and create jobs to make Richmond an even more attractive place to live and work."

And more inviting for Chevron. The oil company's contributions surely overwhelm all other candidate spending in the city this year. Chevron's independent expenditure committee, "Moving Forward," fashions itself as "a coalition of labor unions, small businesses, public safety and firefighters associations." But as Rowan documented, 99.7% of its funding comes from the oil company. (See accompanying pie chart.)

For a corporation to manipulate a municipal election on this scale should be illegal. Chevron may pose as a company enjoying its free speech rights, as secured through the Supreme Court's 2010 Citizens United decision, but a pincer movement employing pantsfuls of money and misleading, manipulative "news" demonstrates the potential of a big company's speech to drown out every other voice.

Loyola's Levitt may be right that disclosure laws sometimes signal voters to steer clear of candidates supported by big money. But when a company controls the bulk of election spending and a major community news source too, as Chevron does in Richmond, voters may not even hear the signal.

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# Chamber of Commerce endorses three City Council candidates





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The Cupertino Chamber of Commerce has endorsed three candidates for City Council. Photo courtesy of Cupertino Chamber of Commerce Facebook.

POSTED BY: STAFF WRITER SEPTEMBER 13, 2018

The Cupertino Chamber of Commerce has endorsed three community members, Hung

#### POSTED BY: STAFF WRITER SEPTEMBER 13, 2018

The Cupertino Chamber of Commerce has endorsed three community members, Hung Wei, Orrin Mahoney, and Savita Vaidhyanathan, for City Council. Notably, Mayor Darcy Paul, who was once President of the Chamber of Commerce Board of Directors, was not endorsed.

According to the Sept. 13 press release, Andrew Walters, Chamber of Commerce Board President, said, "Cupertino faces challenges involving traffic, housing and redevelopment." He believes that these candidates "have the experience and abilities to move our community forward."

There are **seven candidates** vying for three open Cupertino City Council seats in the upcoming Nov. 6 election.

**Savita Vaidhyanathan** (incumbent): Former Mayor/Board Member Valley Transportation Authority

Website: www.savita4cupertino.com

Campaign statement: I'm honored to serve Cupertino on the City Council since 2014. I ask for your vote again to continue solving the challenges we face in Transportation, Housing, Environment and Senior living. You can count on me to work on these priorities. On transportation, I represent five West Valley Cities on Valley Transportation Authority (VTA) Board. As your elected representative I drove initiatives to cut traffic congestion, reduce pollution and support our Youth and Seniors. During my year as Mayor, I spearheaded POGO carpool app for students and RYDE curb-to-curb transportation for Seniors. The city received state-wide awards for reducing carbon emissions. I led approval for more senior affordable housing. Earlier, I helped negotiate \$350M from Measure B for transportation solutions in Cupertino and Highway 85. I regularly encourage youth civic programs like "Girls in Government". The challenges we face require regional solutions in collaboration with our neighboring cities and county agencies. As Councilmember and Mayor, I've proven my ability to build consensus, and dialogue with Apple and San Jose to meaningfully mitigate traffic. That's why I'm endorsed by elected leaders in Cupertino and neighboring cities supporting my approach to real achievable solutions.

Hung Wei: Governing Board Member, Fremont Union High School District

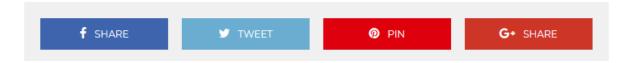
Website: hungwei.org

Campaign statement: Hung Wei has lived in Cupertino since 1990. She is an advocate for public education. In 2007, Hung served on the Governing Board of Fremont Union High School District, serving 10,000+ students from Cupertino, Fremont, Homestead, Lynbrook, and Monta Vista High Schools. Her model is "Servant Leadership" - serve with compassion, communication and collaboration; lead with transparency, fiscal health, and heart for teens. During her tenure, Fremont Union High School District has strived to educate the "whole" child - fostering high standards in academic successes, while cultivating pathways in performing arts, sports, STEM, business and entrepreneurial skills. Hung's volunteer work doesn't stop at the school level. She volunteers at nonprofits including the High Schools Foundation, the Northwest YMCA, Asian American Parent Association, the Rotary Club of Cupertino, and EMQ Auxiliary supporting Uplift Family Services. With 11 years of school board service and 20+ years of community volunteering, Hung has developed deep dedication and love for Cupertino, a hometown to her! Vote Hung Wei for Heart for Cupertino - Hung will dedicate her time, energy, and passion in bringing collaborative spirits to Cupertino City governance, to build teamwork, unity, and solutions, in moving Cupertino forward with innovative and positive future vision.

Orrin Mahoney: Former Mayor

Website: www.mahoney4council.com

Campaign statement: I am running for Cupertino City Council again to help create a Council that will collaboratively work together to achieve progress on Cupertino's key issues: 1)Skyrocketing housing prices driving teachers, public safety workers, and other key residents to leave Cupertino; 2)Traffic, including short-term relief and future technologies and driving patterns providing long-term solutions; 3) Economic sustainability, so that our major employers and small businesses continue to provide the revenue that supports our City. While on the City Council before, working with my fellow Councilmembers, we added significant improvements to the City including key trail and recreational facilities, such as the Mary Avenue Bicycle-Pedestrian Bridge and the Blackberry Farm and Stevens Creek Trail renovation. Many shopping centers were modernized and a thriving community gathering place was established with the Main Street project. Finally, when I was Mayor, Apple Park was approved, providing for Cupertino's long term economic security with direct and indirect fiscal benefits. Apple recently announced that they will work with the City to develop meaningful traffic solutions. I will work together with my fellow Councilmembers and our residents to move Cupertino forward and create a better place for all of us to live, work, and play. Please re-elect Orrin Mahoney to the Cupertino City Council. www.mahoney4council.com.



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