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My contact information:

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The respondent is an individual:

Mayor of Poway and Sandag chair
Steve Vaus
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Violation information: *False, inadequate, or inaccurate reporting on statements of economic interests*

Steve Vaus has solicited (online and by email) and continues to solicit donations for Carols by Candlelight, an annual concert he produces. The concert is advertised and promoted as a “charity” event, with the “proceeds” going to benefit Rady Children’s Hospital. In fact, Carols by Candlelight is an income producing event for Steve Vaus, several of his family members, and his company, Vaus Productions, which is his sole proprietorship. Vaus solicits and receives donations, grants, corporate donations, sponsorships, hero ticket donations, auction/raffle items and free promotional advertising on tv and in print media for Carols by Candlelight. Vaus lists none of the donations/gifts he receives on any of his Form 700s. He does list that he receives income from Vaus Productions, but he does not list any of the gifts he receives.

In recent years, Vaus has claimed that a 501 C3 nonprofit, called 4Community Solutions, is doing business as Carols by Candlelight. 4 Community Solutions was originally a nonprofit called RB United. It was set up to help fire victims in the Rancho Bernardo area. Some of the board members were people who endorsed Steve Vaus for council.

RB United later morphed into 4Community Solutions, which is some sort of “sponsoring” nonprofit that lends its tax ID number and status for local nonprofit events, and they do some paperwork in return for a cut, or something like that. Most of the entities that they seem to sponsor are local events by volunteers for some charitable cause. However, Steve Vaus’s Carols by Candlelight is not done

by volunteers. Nor is it a nonprofit. The performers are all paid. And, I believe Vaus' production company is also paid. Steve Vaus has never revealed how much money he or the other performers have been paid for their services in the "charity" concert.

In April, 2015, 4Community Solutions filed a fictitious business statement with San Diego County, stating that they are dba several small groups and events including Carols by Candlelight. There is a statement posted on Carol's by Candlelight webpage (<https://www.carolsbycandlelight.com/sponsorship-opportunities/>) that states:

Our fiscal agent, 4Community Solutions is a qualified 501(c)(3)

Taxpayer ID# 26-1722021

4Community Solutions – dba Carols by Candlelight

18402 W. Bernardo Drive, San Diego, CA 92127

Although 4Community Solutions does show some Carols by Candlelight activity on some of their 990 IRS tax filings, there appears to be other entities also "doing business as" Carols by Candlelight. For example, on Carols by Candlelight's webpage, Steve Vaus asks people to buy hero tickets for members of the military and (new this year) first responders. These hero tickets cost \$25 ea and the assumption is that Steve Vaus actually gives them to some military/first responders.

The purchase of hero tickets gets the donor a receipt from Vaus Productions, which is Steve Vaus' sole proprietorship.

Jim Buckley, bought \$500 worth of hero tickets in August, 2017. His credit receipt shows that the money was received by Vaus Products, not Carols by Candlelight:

I can provide the full page of his credit card statement. Although Mr. Buckley thought he was donating to Carols by Candlelight, he donated to Vaus Productions, which is Steve Vaus. That \$500 gift did not show up on Steve Vaus' Economic Interest Statement, Form 700 for 2017.

Recently, another local person bought a single "hero ticket" and, like Jim's donation, his donation was received by Vaus Productions. He then asked Steve Vaus for a receipt from Carols by Candlelight for tax purposes. Steve Vaus responded and told him that hero ticket donations were not tax deductible, and he refunded his money. Vaus then posted a note on the Carols by Candlelight webpage that donated money for "hero tickets" was not tax deductible, unless someone gave a large sum of money. In that case, Vaus requested that they contact him if they wanted a tax deduction. I assume that if someone wants a tax deduction Vaus will funnel that donation to the nonprofit, whereas the other donations are received by his sole proprietorship, but never claimed on his Economic Interest Statements.

I will provide a copy of these emails.

So, according to Vaus, the “deductibility” of hero ticket donations depends on making arrangements with him. This is a clear indication that 4 Community Solutions is not doing all the business of Carols by Candlelight, but doing business on an “as needed” basis. In 2012, Steve Vaus applied for a grant from California Municipal Finance Authority (CMFA) for \$5000 to buy tickets for vets/ servicemen to go to Carols by Candlelight. CFMA probably needed a nonprofit entity to make this donation, so the \$5000 check was given to RB United (the nonprofit that later became 4 Community Solutions). I have attached the letter and check from CFMA to RB United, and a return letter from RB United’s Valerie Brown acknowledging the receipt of the \$5000. In the letter, RB United states that they are the fiscal sponsor for Carols by Candlelight. The check from CFMA was sent on 11/2/2012/ The response from RB United was dated 12/12/2012. The Carols by Candlelight event was held in the beginning of December.

I have attached 4Community Solutions 2012 990-EZ tax filing. (RB United and 4 Community Solutions have the same tax ID number.) 4Community Solutions received \$148,536 in contributions, gifts, grants, and similar amounts in 2012. (Line 1 on their 990 tax form). Part III of the form details their Statement of Program Service Accomplishments. Their total program service expenses amounted to \$57,445 for 2012. Carols by Candlelight is not mentioned anywhere on that 990 tax form. I can see no accounting for the \$5000 check from CMFA, or to Carols by Candlelight.

Carols by Candlelight is not mentioned on 4Community Solutions 2013 990 tax filing either. A Philip Hill is listed as president on both the 2012 and 2013 form. I contacted him at his workplace (Wells Fargo Bank in Rancho Bernardo) and he told me he had never heard of Carols by Candlelight and severed relationship with RB United. I told him his name was on 4 Community Solutions webpage. He was not happy about that.

After I spoke to him during the summer of 2018, I tried contacting Valerie Brown, who signed the tax returns for 4Community Solutions She did not call me back, but the 4Community Solutions website went down. I called her several times and left messages for her to call me, but she did not. She finally picked up the phone one day in mid September, 2018. I asked her for information about Carols by Candlelight and also asked her what percent of Carols by Candlelight donations went to the charity and what percent ended up in Steve Vaus’ pocket. I also asked her for the tax returns for 2016, and 2017 which were unavailable online. Valerie Brown told me she would get 2016 for me and that they had an extension for 2017. She promised to call me back with answers to my questions on Sept 22, 2018, but she did not. The webpage of 4Community Solutions is

back online, but with only a home page and not anything else. But, I have some screenshots from before it went down.

Note: 4Community Solutions was located in a senior center in Rancho Bernardo when they were a fire charity, and they are still located there now that they are a sponsoring non profit.

CMFA has given \$45,000 to Carols by Candlelight according to Mr. John Stoecker of CMFA. 4Community Solutions tax returns for 2012 and 2013 do not show any money from them going to Carols by Candlelight. In 2014, 4Community Solutions gave Carols by Candlelight \$59,492. CMFA donation for that year may be included in that amount, but it is difficult to know. The tax return for 4Community Solutions groups all of the incoming money from all of the groups it is "sponsoring" together. In 2016, 4 Community Solutions gave Carols by Candlelight \$48,046.

I realize that this nonprofit is probably not a concern of the FPPC. I have included this information to show that the donations Steve Vaus gets are not all going into a nonprofit and then to the charity. It is very likely that a substantial amount of donations are going through Steve Vaus Productions, Steve Vaus' sole proprietorship. Yet, none of these gifts are claimed on any of his economic interest statements.

In 2014, 4 Community Solution's 990 showed a \$59,492 given to Carols by Candlelight. In 2015, the amount for Carols by Candlelight was \$48,046. During these years, the donation for the event sponsor alone was \$25,000. There were other corporate donors for these years, and there were angel donations for plates of food and decorations and travelling expenses, etc, etc, etc. There is an annual auction/raffle with donated prizes, mostly from corporate sponsors, some of whom have business before the City of Poway, such as Poway Toyota, Edco (our trash provider), SDG&E, etc. There are over 75 companies that have donated something for this year's auction/raffle. The total value of these items is unknown, but some of the items are quite expensive. I would expect that the value of the donated items is many times the amount of "proceeds" that end up being given to Rady's Children's hospital. Yet, nothing ends up on Vaus' Form 700.

In recent days, I have seen various TV promotional spots for Mayor Steve Vaus to plug his Carols by Candlelight event. KUSI, COX, the San Diego Union Tribune and KOGO radio are all media sponsors. The value of these free media time is not on Steve Vaus' Form 700, yet he and his family members personally benefits from the number of tickets sold for Carols by Candlelight.

There are 2 performances of Carols by Candlelight every year, in early

December at the California Center for the Arts, Escondido, CA. Tickets are \$19-\$87. There are 1500 seats in the concert hall.

It seems quite likely that thousands of dollars of donations are ending up in Steve Vaus' pocket, either directly, as with the hero ticket donations, or as money he pays himself and his production company to put on the show. Since he has become mayor, Vaus has gotten considerably more donations to the show.

One odd donor was the campaign of Kristin Gaspar, who campaigned for and won a seat on the county board of supervisors. Twice, she gave \$5000 to Carols by Candlelight/RB United, once in 2015, and once in 2016. The code on her Form 460 is "MTG".

I have no idea if this is an appropriate donation for a campaign, but it does show that thousands of dollars are pouring in as donations, yet the proceeds seem pretty small by comparison. Gaspar did label this donation with the old name of the nonprofit, "RB United", so perhaps it did not go to Steve Vaus directly. Steve Vaus has political connections with Kristin Gaspar. He recently was instrumental in appointing a politically connected friend of Kristin Gaspar to a vacant council seat, even though the friend had been a resident of Poway for less than 3 months.

Carols by Candlelight is not a nonprofit event. I do not know enough about sponsoring nonprofits to know if there are violations of law. Neither Carols by Candlelight, Steve Vaus Productions or 4Community Productions is registered with the State of California as a charity fundraiser. The Carols by Candlelight webpage solicits donations to help sick children, but nowhere does Steve Vaus say what percent of the donations actually are given to the charity, and what percent end up in his pocket. Nevertheless, it does appear that some, and possibly many of the donations, are given to Steve Vaus himself through Vaus Productions. None of these donations connected to Carols by Candlelight are noted on Steve Vaus' Economic Interest Forms.

Chris Cruse

Other contact information:

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