



# San Francisco Ethics Commission

Annual Report  
July 1, 2004 - June 30, 2005

The Ethics Commission is pleased to present this report on the activities, progress, and accomplishments of its tenth year of operation to the Mayor, Board of Supervisors, and citizens of San Francisco.

Emi Gusukuma  
Chairperson

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## **SAN FRANCISCO ETHICS COMMISSION ANNUAL REPORT FY 2004-2005**

### **HIGHLIGHTS OF THE TENTH YEAR**

The Ethics Commission serves the citizens of San Francisco, City employees, elected and appointed officials, and candidates for public office by enforcing the City's governmental ethics laws, providing education about their provisions, and serving as a repository for information.

Commission members and staff are dedicated to the highest standard of public service and to the efficient and innovative fulfillment of the Commission's obligations under the City Charter.

In FY 04-05, the Commission worked to maintain its commitment to quality in the face of chronic understaffing, a City-wide fiscal crisis, and the demands of unfunded mandates. In particular, the strain on its workload caused backlogs in its audit and investigatory functions. The fiscal year was marked by the multiple challenges of a budget and staffing shortfall, an over-extended enforcement program, and an urgent need to reduce outstanding fines.

As the administrator of the City's ethics laws, the Commission is charged with extensive responsibilities. It acts as filing officer for campaign finance disclosure statements; audits statements for compliance with state and local laws; administers City laws regulating lobbyists and campaign consultants; investigates complaints alleging ethics law violations; serves as the filing officer for financial disclosure statements required from City officials; raises public awareness of ethics laws; researches and proposes ethics-related legislative changes; and provides ethics advice to candidates, office-holders, public officials, City and County employees and the general public.

In FY 04-05, the Commission completed its first decade of service. Since its creation by Charter amendment in 1993 the Commission has established itself as a leading institution in the promotion of local government accountability. Its record reflects an emphasis on innovative problem solving, and it has made important and trend-setting progress on such critical issues as public financing, conflict of interest regulation, and electronic access to government records. Despite the perennial hardships that threaten local government such as under funding and increased mandates, the Commission is pledged to a high standard of excellence in government accountability.

As in past years, the Commission delivered a diverse array of work products and services to the citizens of San Francisco:

- Adopted new conflict of interest regulations;

- Approved amendments to the Campaign Finance Reform Ordinance related to: the notice in the Voters Information Pamphlet on candidates who agree to observe the spending limits; expansion of the contractor contribution ban to contractors with the Community College Board and the Unified School District; and electioneering communications;
- Adopted a Permit Processing Code of Conduct to provide ethical guidelines for officers and employees of the Department of Building Inspection, the Planning Department, the Department of Public Works and members of the public who use their services;
- Conducted on-going sessions of its educational program on public finance, on-line filing, lobbying, and other issues under its jurisdiction;
- Implemented an upgraded and expanded web site;
- Made legislative recommendations to the Board of Supervisors;
- Approved legislation to regulate electioneering communications which amends the Campaign and Governmental Conduct Code to require that electioneering communications identify who paid for the communication; the legislation also requires reporting of spending on communications over \$1,000.
- Enforced reporting requirements for political committees, campaign consultants, lobbyists, and City officials;
- Conducted compliance audits of campaign finance committees;
- Undertook a review of its investigation and enforcement function;
- Continued efforts to reduce a backlog of fees and late fines;
- Delineated its advice letters process;
- Responded to hundreds of citizen inquiries;
- Responded to the 2004-2005 Civil Grand Jury report on “The San Francisco Ethics Commission Budgeting and Staffing Issues,
- Conducted hearings on requests for waivers from conflict of interest laws; and
- Hosted the annual conference of the Council on Governmental Ethics Laws (COGEL).

## **MANDATES AND ACCOMPLISHMENTS OF THE COMMISSION**

The Commission’s work covers ever-growing responsibilities demanding consistent innovation in a period of shortfalls impacting funding and personnel.

### Limited Public Financing Program

Under the City’s limited public financing program, supervisorial candidates may be eligible to receive matching funds. The program is capped at \$2 per resident per year, about \$1.6 million, which must cover administrative costs as well as candidate grants. FY 04-05 marked the program’s fourth year of operation.

For the November 2004 election, the Commission certified 23 supervisorial candidates to receive matching funds. Available funds of \$670,000 in the FY 04-05 budget would have been sufficient to fund only 15 candidates at the maximum allowable amount (\$43,750).

In addition, due to the number of potential candidates, the Commission applied its pro-rata formula, setting aside equal funds for each of the candidates who applied. Subsequently, the Mayor and the Finance Committee of the Board of Supervisors indicated support for a supplemental appropriation enabling the Commission to provide funding up to the maximum \$43,750 to each of the candidates who qualified.

The Commission continued an active campaign finance education program, producing materials and providing advice. Commission audit staff undertook mandated financial reviews of candidate committees that received public funds in November 2004, and submitted a 2004 performance review of the program to the Mayor and the Board of Supervisors.

### Campaign Finance Regulation and Reporting

The Commission enforces the City's Campaign Finance Reform Ordinance (CFRO), which sets voluntary ceilings on campaign expenditures by candidates and imposes mandatory limits on contributions to candidates.

The Commission regularly reviews the operation of the CFRO, as well as the other City ordinances under its jurisdiction, enacts enabling regulations, and proposes substantive and operational changes. It also advises on amendments proposed by the Board of Supervisors.

In FY 04-05 Commission recommended approval of three amendments to the CFRO referred for its consideration by the Board of Supervisors. The amendments won Board approval and were signed into law. These amendments (1) extend the contribution ban to contractors doing business with the San Francisco Unified School District and the Community College District, (2) require the Director of Elections to include notification in the voter information pamphlet about whether a candidate has accepted voluntary spending limits, and (3) regulate electioneering communications by requiring disclosure statements and instituting reporting obligations.

The Commission adopted operational regulations to implement the new amendments.

Under the Charter, the Commission serves as filing officer for five categories of local candidates and committees:

1. Candidates seeking election to local office and their controlled committees,
2. Committees formed or existing primarily to support or oppose candidates seeking election to local office,
3. Committees formed or existing primarily to support or oppose qualification or passage of a ballot measure being voted on only in San Francisco,
4. County general-purpose committees active only in San Francisco, and
5. Candidates and candidate committees for county central committee office.

As filing officer, the Commission promotes compliance by candidates and committees and maintains records of reports filed. It audits campaign statements and imposes penalties for failure to adhere to filing deadlines and reporting requirements. It also imposes fines for late statements. The fine policy is distributed to all filers.

Regular semi-annual filings for 245 active committees took place on July 31, 2004 and January 31, 2005. The November 2004 election occasioned the additional filing of pre-election reports on October 5 and 21. A report was also due on October 31 from ballot measure committees exempt from semi-annual reports but making financial contributions toward the passage or defeat of other measures. The Commission reminded committees of the deadlines, sent out notices to delinquent filers, and posted reports on its web site, [www.sfgov.org/ethics/](http://www.sfgov.org/ethics/), within 24 hours.

The Commission collected \$199,487 in late fines during FY 04-05, an increase over previous years. Fines collected during FY 02-03 totaled \$49,322 and during FY 03-04 they totaled \$51,607. Of the FY 04-05 total, \$965 came from fines assessed prior to 02-03, \$4,349 from assessments made during 02-03, \$21,897 from those made during 03-04, and \$172,276 from 04-05. The outstanding balance of late fines from all fiscal years was \$108,204, including accounts referred for collection. The Commission evaluated waiver requests for much of the outstanding amount.

The Commission continued to refer non-responsive accounts to the San Francisco Bureau of Delinquent Revenues. The Bureau has collected \$6,569 on the Commission's behalf since May 2003. A total amount of \$40,219 was due from ten delinquent accounts on file with BDR at the close of the fiscal year. Under a memorandum of understanding with BDR, up to 75% of collected late fines may be credited to the City's General Fund as revenues collected for the Commission.

There were also 345 past due accounts on file for which the Commission sent specific written notices (SWN), not including electronic filing delinquencies for 2004 and 2005, which the Commission had yet to process. Eighty past due accounts were classified as non-responsive, indicating committees that failed to reply to multiple contacts including phone calls and SWNs. The Commission posts an updated list of non-responsive accounts on its web site.

### Mass Mailing Ordinance

The Commission serves as the filing officer for the City's ordinance regulating political mail paid for by candidates for City elective office. The ordinance requires that candidates submit copies of mailed materials to the Commission within five days of the mailing. It also requires an itemized statement of the costs of the mailing.

The Commission also enforces a provision requiring committees making independent expenditures for mass mailings that support or oppose any candidate for City elective office to place a disclaimer on each mailing.

## Audit Program

The California Political Reform Act of 1974 and the City's CFRO require officeholders and candidates as well as campaign committees that support or oppose ballot measures or candidates to file finance statements disclosing campaign contributions and expenditures made in connection with a campaign.

The Commission serves as filing officer for statements required to be filed locally. The statements cover disclosure of monetary and non-monetary contributions including loans and enforceable promises, expenditures (including loans), unpaid bills and miscellaneous increases to cash. Filers must also keep detailed records of receipts and expenditures of \$25 or more.

The Commission audits the statements for compliance. Its process is outlined in an audit manual available to the public. Filers are selected for audit by random drawing at Commission meetings, or are targeted based on preliminary staff reviews. In addition, all publicly financed candidates are audited.

At its April, 2003 meeting, the Commission selected sixteen committees to be audited. Work continued on the audits throughout FY 04-05. Selected committees comprise three levels of financial activity: (1) four committees with activity of more than \$100,000; (2) six committees with financial activity ranging from \$50,000 to \$100,000; and (3) six committees with financial activity between \$1,000 and \$49,999. At the close of the fiscal year, one committee remained to be audited.

Audits are posted on the Commission's web site as they are completed.

## Electronic Filing

The San Francisco Electronic Filing Ordinance requires that certain campaign statements be filed electronically as well as on paper.

The City's On-Line Filing System (OLFS), which provides limited electronic filing capability, provides free filing for all Form 460 disclosure statements required by state and local law.

Use of the OLFS is free, but the City also accommodates filers who use more comprehensive software from third party vendors approved by the California Secretary of State.

The Commission continued to work with the Department of Information and Technology Services to streamline the OLFS by eliminating bugs, adding support features, and providing technical maintenance. It also posted a rewritten OLFS manual to the web site.

### Conflict of Interest Regulations

The final two sets of implementing regulations for Proposition E, the Commission's 2003 Charter amendment strengthening the City's conflict of interest laws, took effect in FY 04-05. In the last fiscal year, 03-04, the Commission held a series of hearings to solicit public input, drafted regulations and sent them to the Board of Supervisors in stages. Most of the regulations took effect before the start of the current fiscal year, but two sets, one governing the construction of the City's conflict of interest laws, gifts from restricted sources, decisions involving family members, prohibition on dual office holding, compensated advocacy, and referrals, as well as second set related to political activities, became effective in July and August, FY 04-05, respectively.

During the fiscal year, the Commission considered several requests for waivers from the new conflict of interest laws related to post-employment restrictions and the compensated advocacy ban.

### Statements of Incompatible Activities

Proposition E, passed by the voters in 2003, required departments, boards, and commissions to file Statements of Incompatible Activities, or SIAs, with the Commission, listing activities that are incompatible with the public duties of officers and employees. The Ethics Commission adopted a draft version of the SIA for its own members and employees, and advised agencies on the content and format of their SIAs. Departmental drafts underwent extensive review by the Civil Service Commission in 2004-05. The Commission also reviewed submissions for adequacy. Finalization and implementation are underway and expected in FY 05-06.

### Permit Consultant Regulation

In December, an ordinance regulating consultants who assist applicants seeking building and other City permits at the departments of Building Inspection, Public Works, and Planning took effect. The ordinance required the Commission to promulgate a voluntary code of conduct for applicants, consultants, officers, and employees.

After hearings, the Commission adopted a Permit Processing Code of Conduct in January. The Code reflects an extensive review of materials from the American Institute of Certified Planners, the American Society for Public Administration, the San Francisco Building Inspectors' Association, the Council of American Building Officials, and the Institute of Local Self Government. It is designed to contain a framework for the day-to-day activities of the officers and employees, as well as to promote ethical values such as honesty, respect, fairness, compassion, and responsibility, and to serve as a pledge to uphold a standard of integrity and competence beyond that required by law. The Code also provides ethical guidelines for members of the public who use the services of the three departments.

## Financial Disclosure by City Officials and Employees

The California Political Reform Act and the San Francisco Conflict of Interest Code require public officials and employees with significant decision-making authority to disclose their personal financial interests.

The Commission serves as the filing officer for Statements of Economic Interests (SEIs). In this capacity it undertakes a number of responsibilities. It notifies filers of deadlines and requirements, issues instructions on how to complete the forms, reviews filings, assesses penalties, and requests amended filings where necessary. A list of officials required to file, and whether they have met the filing deadlines, is maintained on the Commission's web site.

Thousands of designated employees file SEIs with their department heads rather than the Ethics Commission. These reports are maintained at the departmental office. The Commission instructs department heads about their duties as filing officers for their designated employees, holds an annual forum for departmental filing officers and provides ongoing support. It also surveys departments to confirm that all designated employees have filed.

The Commission provides filing packets to department heads and commission secretaries containing SEI forms, a designated filers list, and instructional materials. It also contacts departments and commissions to make sure they are aware of the April 1 filing deadline and of their responsibilities under the filing ordinance. The Commission conducted its annual SEI training session in February.

At the request of the Los Angeles Unified School District, the Commission conducted a telephone consultation on its SEI procedures, which the LAUSD considered adopting.

At the close of the fiscal year, 598 of 660 departmental staff and commission members had filed their statements. Staff conducted considerable follow-up with late filers and non-filers; the number of non-filers was reduced to 17.

The names of late filers who do not respond to repeated inquiries from the Commission are referred to the California Fair Political Practices Commission for possible enforcement action.

## Sunshine Ordinance Task Force Matters

The San Francisco Sunshine Ordinance requires department heads and commissioners who are required to file Statements of Economic Interests with the Ethics Commission to sign an annual declaration stating under penalty of perjury that they have read the Sunshine Ordinance and have attended, or will attend, an annual training on the Sunshine Ordinance. The City Attorney's Office provides annual Sunshine Training; the Ethics Commission does not have the resources to perform this function itself.



As of the close of the fiscal year, 485 declaration forms had been filed with the Commission. The Commission continued to educate designated filers of their responsibility under the Sunshine Ordinance, and to follow up with late and non-filers.

### Lobbyist Registration and Reporting

Lobbyists are required by ordinance to register with the City and to file quarterly reports of any activity intended to influence local legislative or administrative action. The Commission reviews lobbyist statements to ensure completeness and accuracy. It assesses penalties for failure to adhere to deadlines and other requirements.

Registration is triggered by a threshold level of activity based on the number of City officials contacted and/or the amount of payments received or made. The threshold varies according to the type of lobbying engaged in.

Statements must disclose which City officials were contacted, the positions advocated by the lobbyist, and any campaign contributions or gifts donated. Contract lobbyists are required to disclose the names of their clients and how much money they received from them. Lobbyists who advocate on their own behalf are required to disclose payments made for the purpose of influencing local legislative or administrative action.

The Commission summarizes statements in quarterly reports it issues two to three weeks after the filing deadlines. The reports are posted on the Commission's web site.

At the close of the fiscal year, there were 41 lobbyists registered with the Commission. Lobbyist registration fees for 04-05 totaled \$37,319; \$1,000 in fines was collected.

The University of San Francisco's McCarthy Center for Public Service and the Common Good assisted the Commission in creating online forms for lobbyist registration and filing, which are anticipated to be ready for use in FY 05-06. This partnership will result in a more-user friendly and searchable database with helpful links of related activities.

The Commission continued outreach efforts to potential filers and other interested parties.

### Campaign Consultant Registration and Reporting

The Regulation of Campaign Consultants Ordinance, passed in 1997, requires anyone who earns \$1,000 or more in a calendar year from activity as a campaign consultant to register with the City and submit quarterly reports.

Consultants are required to report names of clients, services provided, payments received, contributions and gifts made to local officials, and other information. The Commission prepares summaries of the quarterly filings, posted on the web site, and publishes a manual.

At the close of the fiscal year, 18 campaign consultants were registered with the Commission. They paid \$11,060 in fees and \$1,150 in fines.

### Investigations and Enforcement

The San Francisco Charter charges the Ethics Commission with authority to investigate alleged violations of laws governing campaign finance, lobbying, conflicts of interest, and government ethics. In addition, the Improper Government Activities Ordinance, also known as the Whistleblower Ordinance, directs the Commission to investigate charges of retaliation directed against complainants.

In FY 04-05 the Commission initiated a procedural review of its over-extended investigation and enforcement program. The review was still underway at the close of the fiscal year. Also in FY 04-05, the Commission adopted regulations to implement a streamlined enforcement program for committees that fail to file campaign finance reports after receiving specific written notice.

Until the beginning of FY 04-05, the Commission operated a whistleblower hotline to receive complaints about alleged improper governmental activity. With the passage of Proposition C in November 2003, the Controller's Office initiated a whistleblower hotline (554-CITY), which was consolidated with the Commission's existing line in August. The Controller assigns whistleblower complaints to the Ethics Commission and other departments as appropriate.

The Commission provides a complaint form available at the Commission office and online; complaints are also accepted by e-mail.

During the fiscal year, the Commission entered into a stipulated decision and order to resolve a complaint whereby respondents agreed to pay a \$100,000 fine for violation of the campaign finance disclosure laws. At the close of the fiscal year, 32 complaints were under Commission review. In general, the Commission carries a caseload of between 40-50 complaints at any given time, excluding cases that are in the streamlined enforcement process.

### Policy Recommendations

The Commission is charged with making policy recommendations on issues under its jurisdiction.

In FY 04-05 it advised on proposed legislation to require non-lobbyists who are paid to testify at public hearings, or who pay someone else to provide testimony, to disclose the source of the payment. It also advised on proposed amendments to the CFRO, described elsewhere. In addition, it commented on proposed legislation to restrict participation in the public finance program by candidates who have outstanding fines or penalties from local or state campaign law violations, or who have been judged by a court to have violated campaign finance laws.

## Grand Jury Report

The Commission also issued a response to the May 17, 2005 2004-2005 Civil Grand Jury report on “San Francisco Ethics Commission Budgeting and Staffing Issues.”

The report included, among others, the following findings and recommendations which are quoted from the report:

### *Findings related to Complaints and Investigation*

- Investigative resources of the EC do not appear to be adequate because they are primarily responding to complaints rather than initiating their own investigations. Furthermore, they are not able to complete investigations in a timely manner.
- The EC has attempted to respond to the fact that it has inadequate resources by prioritizing complaints and closing investigations that are unlikely to be resolved.

### Recommendation

Investigative resources of the EC should be increased by some combination of available alternatives: increases in budget, decreases in mandated responsibilities, and/or delegation of existing investigative duties to other City departments within the limits of the law.

### *Findings related to Statements of Incompatible Activities*

The report noted that this project was one of the areas that occupy most of the Commission’s staff time and that new complaints are likely to result when the SIAs are approved because they will establish many new prohibitions against actions by City employees and officials.

### Recommendation

Department heads should be assessed penalties for their failure to comply with Statement of Incompatible Activities (SIA) requirements and deadlines. This is in keeping with the practices of assessing penalties for other non-compliant entities, such as lobbyists and candidates for public office, under the jurisdiction of the Ethics Commission.

### *Findings related to Statements of Economic Interests (SEIs)*

- No random audits of SEIs on file in City departments are being conducted by the EC. Consequently, there is no means of confirming that the SEIs are indeed on file, as required.
- There is no supervision by EC staff of the public file room for SEIs filed in the EC. Therefore, it is theoretically possible for the public to alter the content of an SEI on file in that room.

- There are no random audits of the content of SEIs. Therefore, the content of the SEIs is not questioned unless there is a specific complaint from the public.

#### Recommendation

If the staff of the EC is expanded, random audits of SEIs required to be on file in City departments should be conducted. If the staff of the EC is expanded, random audits of the content of those SEIs on file in the EC should be conducted.

#### *Findings related to Campaign Finance Reform*

- There is no adequate method of evaluating the efficacy of campaign finance reform.
- Public financing of candidates for supervisor has not been successful in reducing campaign expenditures.

#### Recommendation

As the elected representatives for the citizens of San Francisco, the BOS must initiate an independent, rigorous, and ongoing (it will take several election cycles) evaluation of the campaign finance ordinance and the voluntary public financing program. The Grand Jury report also recognized that related to Lobbyists, Campaign Consultants, and Electronic Filing, additional staff and resources are necessary to enable the Commission to catch up on its backlogs and implement audits and investigations on its own initiative.

#### *Findings related to Education and Training*

The Civil Grand Jury indicates that it is “satisfied that, given its limited resources and staff, and its other mandates, the EC has made credible efforts to carry out its crucial educational and training roles. However, we believe training can be improved to enhance city officers’ understanding and appreciation of the role that ethical considerations should play in their daily activities.” The report continues, “we believe that one can train people to be more fully aware of the ethical dimensions of their activities on behalf of the public they serve.”

#### Recommendations

The Ethics Commission should hire a well-qualified Education and Training Officer who would:

- Train newly elected and appointed officers of the City to explore the ethical dimensions of their prospective positions.
- Offer seminars for officials on a regular basis, focusing on specific issues such as improving decision-making in one’s domain, dealing with the media, establishing and improving ethical standards within one’s jurisdiction,

understanding how and why the discretionary power one has, though a highly valuable asset, is ethically problematic and dangerous, and the like.

- Assist in performing all other City Charter mandated education and training functions.

The Grand Jury report recognized that—relating to lobbyists, campaign consultants, and electronic filing—additional staff and resources are necessary to enable the Commission to catch up on its backlogs and implement audits and investigations on its own initiative.

Members of the Civil Grand Jury also testified before the Board of Supervisors to support increases in the Commission's budget, which resulted in an increase of funding for FY 05-06.

### Education and Outreach

The Commission has a strong institutional commitment to educate the public about San Francisco's ethics laws and to support campaign reform and government accountability efforts consistent with City policy throughout the state and elsewhere.

It conducts ongoing informational programs about ethics-related laws and requirements. It produces educational materials and actively publicizes its outreach activities through public notices.

Commissioners and staff members are in routine communication with the public about the requirements of the laws and the record of compliance. Regular educational activities reach a wide variety of individuals and organizations, including neighborhood associations, political clubs, labor unions, business groups, lobbyists, campaign consultants, reporters, and others.

Commission availability includes member and staff attendance at community events and individual consultation in person and on-line. The Commission significantly redesigned its web site in FY 04-05 to make it more accessible. Among the upgrades was a new interface that meets with requirements of the Americans with Disabilities Act. Many forms on the site, previously posted in Word or Excel, were made available in PDF format, and new features were added including an internal search engine and a public calendar available for downloading to personal organizers (please note that the use of the public calendar was discontinued when the sponsor began accepting commercial advertising).

The Commission's seminar schedule for FY 04-05 included four hands-on workshops for candidates and treasurers, as well as other training events that covered on-line filing procedures and departmental filing requirements for Statements of Economic Interests. Commission staff also made presentations to other City commissions and groups of City employees about Statements of Incompatible Activities (SIA).

Commissioners and staff meet periodically with visiting dignitaries and other government officials from around the country interested in the San Francisco ethics laws. In July, Commission staff met with David Wright, a member of the British House of Commons, to discuss campaign finance reform and lobbyist regulation. Commissioner Lynn met separately with Mr. Wright. Mr. Wright, a Labor Party MP, was a participant in the U.S. Department of State's International Visitor Program.

In October, Commissioners and staff met with Australian government and trade union officials hosted by the International Diplomacy Council and visiting the United States under the auspices of the International Visitor Program. Discussion centered on the impact of issue-specific politics in American political campaigns as well as the ranked-choice voting that is new to San Francisco but has long existed in Australia.

The Commission encourages active participation in its monthly meetings by interested community members. Regular meetings are held on the second Monday of each month at 5:30 p.m. at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408, San Francisco. Agendas of the meetings are posted in accordance with the San Francisco Sunshine Ordinance and are mailed to a large and expanding list.

#### Advice and Opinions

The Commission is charged with interpreting and applying the conflict laws under its jurisdiction, requiring that it consider requests for waivers, which it routinely does, and that it issue formal and informal written advice on matters requiring interpretation. In January, the Commission reviewed and clarified its procedures for considering advice letters, which are posted on its web site.

Commission staff is available each workday to answer public inquiries about San Francisco ethics laws. In FY 04-05, the Commission responded daily to dozens of requests for information by phone and at the counter in the Commission office.

### **AFFILIATIONS**

The Commission is a member of the Council on Governmental Ethics Laws (COGEL) and participates in its annual conference. The 2004 conference was held in San Francisco in December. Mayor Gavin Newsom made remarks at the three-day event, which featured addresses by experts on governmental ethics from around the world and workshop sessions on campaign finance, freedom of information, electronic filing, and lobbying regulation among others. Over 300 participants attended.

### **BUDGET**

For the first time in its history the Commission's actual revenues exceeded projections. The approved budget for FY 04-05 included \$176,944 in expected revenues (requiring

average collections of \$14,745 per month) and \$1,545,445 in general fund support. Total revenues were \$330,671. The Commission's annual approved budget totals are as follows:

FY 94 - 95	157,000
FY 95 - 96	261,000
FY 96 - 97	313,274
FY 97 - 98	394,184
FY 98 - 99	475,646
FY 99 - 00	610,931
FY 00 - 01	727,787
FY 01 - 02	877,740
FY 02 - 03	1,156,295
FY 03 - 04	909,518
FY 04 - 05	1,052,389

## **MEMBERSHIP AND ADMINISTRATION**

The Ethics Commission had five non-salaried members and a staff of nine supported by interns throughout the year.

Commission membership was as follows:

<u>Commissioner</u>	<u>Appointed By</u>	<u>Dates of Service</u>
Michele Anglade	City Attorney	3-02 to 2-08
Michael L. Garcia	Board of Supervisors	5-02 to 2-05
Eileen Hansen	Board of Supervisors	2-05 to 2-11
Waukeen Q. McCoy	Mayor	2-02 to 2-06
Joe Lynn	District Attorney	12-03 to 2-07
Emi Gusukuma	Assessor	3-04 to 2-10

Commissioners Michael L. Garcia and Michele Anglade served as Chairperson and Vice Chairperson, respectively, until February 2005 when Commissioner Emi Gusukuma took over as Chairperson and Commissioner Waukeen McCoy became Vice Chair. Also in February, Commissioner Eileen Hansen succeeded Commissioner Michael L. Garcia as the appointee of the Board of Supervisors.

John St. Croix took over as Executive Director in August, succeeding Virginia Vida, who retired in June 2004. Deputy Director Mabel Ng served as acting director in the interim.

Other staff members were Public Finance Administrator Shaista Shaik, Ethics Investigator Richard Mo, Campaign Finance/Budget Officer Sarah Dang, Campaign Finance Auditor Grace Chau, Public Finance Clerk Marvin Ford, Principal Clerk Jen Taloa, and Fines Collection Officer Oliver Luby. In addition, for parts of the year the Commission had the assistance of the following temporary staff: Assistant Investigators Patrick Perez and Linda Bjorke and Campaign Finance Assistant Kristian Ongoco.

The Commission also had several interns who played a very important role in upgrading the Commission's website, getting the Commission's files in order, running errands, and providing other supporting services that enabled staff to meet the Commission's mandates. Interns included Jarrod Flores, a recent graduate from the University of California at Berkeley; Tairon Kimura, a recent graduate of Utah State University; Steven Massey, a student for a Masters of Public Administration at San Francisco State University; Marc Lowe, a graduate of Brandeis University; Nikesh Patel, a senior at Stuart Hall High School; Kimberly Powell, a student at the University of Virginia; Lily Madjus, a student at the California State University in Sacramento; and Danny Chin, a student at the University of California at Davis.

## **FUTURE INITIATIVES**

The Commission will continue to fulfill its mandated duties in the forthcoming years, with a particular focus on achieving the following broad objectives:

- The Commission will work to secure sufficient budget resources to meet its mandates.
- The Commission will work with various City departments, boards and commissions to establish statements of incompatible activities for the respective departments, boards and commissions. The Commission has devoted and will continue to devote many hours of staff time to this task, as well as to advising City officers and employees and members of the public about the changes in the conflict of interest laws.
- The Commission will endeavor to train newly elected and appointed officers of the City to explore the ethical dimensions of their prospective positions and offer seminars for officials on a regular basis focusing on important issues under its jurisdiction.
- The Commission will continue to ongoing process of reviewing, updating and renewing the Campaign Finance Reform Ordinance in order to keep pace with changes in policy, technology, civic needs and campaign modernization.
- The Commission will continue to administer the public financing program for candidates for the Board of Supervisors in FY 06-07, when such offices are up for election. In the odd-numbered years when there is no election for the Board, the Commission will continue to perform audits, produce reports, and prepare for the next round of elections.
- The Commission will continue to monitor the application of laws within its jurisdiction and will continue to propose amendments and regulations as appropriate.



- The Commission, in 2005-2006, plans a review and possible restructuring in the following areas: the enforcement/investigative process; data integration and electronic filing modernization; public education; and the lobbyist and consultant programs.

Respectfully Submitted,

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Emi Gusukuma  
Chairperson

The San Francisco Ethics Commission FY 2004-2005 Annual Report  
was prepared by Marc Slavin, independent contractor,  
and edited by the members and staff of the Ethics Commission.

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