



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

NOREEN AMBROSE
CHAIR

YVONNE LEE
VICE-CHAIR

DAINA CHIU
COMMISSIONER

FERN M. SMITH
COMMISSIONER

LARRY BUSH
COMMISSIONER

LEEANN PELHAM
EXECUTIVE DIRECTOR

September 4, 2020

To: Members of the Ethics Commission

From: Jeff Pierce, Director of Enforcement & Legal Affairs

Subject: **AGENDA ITEM 7: Enforcement Report for the September 11, 2020 Meeting**

Summary: This report highlights programmatic information and operational updates related to the Enforcement & Legal Affairs Division.

Action Requested: No action is required by the Commission, as this item is for informational purposes only.

Programmatic Updates

Staff Development

As part of our regular outreach to counterparts at peer agencies, and in furtherance of an ongoing effort to deepen our capacity and refine our methods, Enforcement Staff met remotely in late August with David Tristan, the Deputy Executive Director of the Los Angeles City Ethics Commission. Tristan has worked in nearly every capacity in his three decades at that Commission and made his enforcement experience and expertise available to Staff. We focused our discussion on best practices for investigating campaign finance cases and shadow lobbying, two areas in which Los Angeles has secured a number of high profile and high penalty enforcement resolutions. Staff have begun to incorporate insights from that discussion and to further modify our own approaches informed by that discussion.

In the last two weeks Staff have also participated in several remote trainings hosted by the Money Laundering and Asset Recovery Section of the U.S. Department of Justice. While focused primarily on federal statutes and investigative methods available to federal agencies, Staff have nevertheless sought to glean additional insights on approaches that might be applied to its investigations in San Francisco. Staff intend to participate in additional trainings that are scheduled for the coming weeks.

Staff continue to identify opportunities for professional development during this period in which on-site conferences and trainings have been suspended.

Fixed Penalty/Streamlined Administrative Resolution

On Wednesday, September 9, 2020, staff of the Fair Political Practices Commission (FPPC) will present before the [FPPC's Law and Policy Committee](#) proposed amendments to the regulations governing the FPPC's Streamline and Warning Letter Programs. FPPC Staff are recommending changes based on their experience implementing those programs over the course of the last 18 months. Among other changes, FPPC staff are proposing the following:

1. To add additional types of violations that may be handled by streamlined resolution.
2. To simplify the penalty calculations to increase predictability and efficiency.
3. To create a Second Tier of streamlined resolutions where the respondent does not qualify for treatment under the existing Streamline Program but alternative treatment under the Mainline Program is not wholly warranted.
4. To increase the Enforcement Division's discretion to exclude from the program violations that caused minimal public harm and for which a Streamline Penalty is not warranted.

Enforcement Staff will observe the meeting and evaluate how the FPPC's experience and proposed amendments might inform the Staff proposal that remains under development.

Docket Updates

The following tables compare the number and average age of the Commission's enforcement docket to the same figures as reported one month ago and one year ago:

Table 1 - Number and Average Age of Matters in Preliminary Review

Month	September 2019	August 2020	September 2020
Number	47	44	46
Avg. Age (mo.)	6.7	8.7	9.2

Table 2 - Number and Average Age of Matters in Open Investigation

Month	September 2019	August 2020	September 2020
Number	91	65	65
Avg. Age (mo.)	16.3	20.3	20.8

Attachment 1 contains additional data on the type and age of matters under preliminary review. Attachment 2 contains additional data on open investigations.

Referrals to Bureau of Delinquent Revenues

Under San Francisco Charter section C3.699-13(c)(i)(3), the Ethics Commission must refer to the Bureau of Delinquent Revenue penalties—including late fees—that the Commission has assessed but which

remain unpaid after a specified period of time. The table below summarizes the status of accounts that the Bureau is handling on behalf of the Ethics Commission, as last updated August 10, 2020.

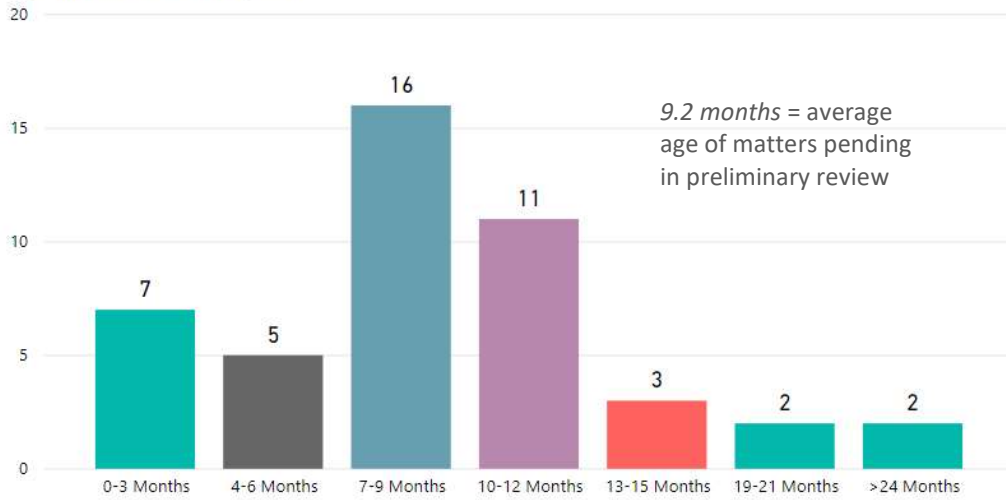
Committee/ Filer	Origin	Treasurer/ Responsible Officer	Referral Date	Original Amount Referred	Current Balance	General Status	Status
Chris Jackson for Community College Board 2012	Campaign finance late fees	Chris Jackson	7/12/13	\$6,601	\$5,101	Judgment	No record of employment. Order of Examination continuance filed until 11/23/2020 per court closure.
Chris Jackson	Enforcement penalty: on stipulation, failure to file semiannual and preelection campaign statements and associated recordkeeping violations	Chris Jackson	9/26/16	\$6,100	\$6,100	Judgment	No record of employment. Order of Examination continuance filed until 11/23/2020 per court closure.
Committee to Elect Norman for Supervisor	Enforcement penalty: after hearing on the merits, found six counts of failure to file required semiannual campaign statements	Jacqueline Norman	5/1/15	\$9,000	\$9,000	Judgment	No record of employment. Order of Examination continuance filed until 11/23/2020 per court closure.
Isabel Urbano	Lobbyist late fees	Isabel Urbano	3/23/16	\$7,000	\$6,850	Agency Assignment	Requested TCA recall and abandonment per account past statute of limitation to legally collect.
Lynette Sweet	Enforcement penalty: after hearing on the merits, recordkeeping violation in publicly financed race for supervisor	Lynette Sweet	12/29/16	\$74,408	\$74,408	Bankruptcy	Pending for Ethics Commission sign off for re-payment agreement.
SF Latino Democratic Club	Campaign finance late fees	Sarah Souza	6/21/19	\$10,979	\$10,979	Promise to pay	Emailed attorney for payment status.
San Franciscans for Democracy, Yes on D Committee	Campaign finance late fees	Jeremy Pollock	6/21/19	\$1,625	\$1,625	No response from Debtor	No record of employment. Small Claims suit filed. Hearing date continuance until

Committee/ Filer	Origin	Treasurer/ Responsible Officer	Referral Date	Original Amount Referred	Current Balance	General Status	Status
							12/14/2020 per court closure.
Arlo Smith For Democratic County Central Committee	Campaign finance late fees	Arlo Smith	4/30/2019	\$1,750	\$1,750	Refuse to Pay	No record of employment. Small Claims suit filed. Hearing date continuance until 10/21/2020 per court closure.
Jeffrey Ubben	Campaign finance late fees	Jeffrey Ubben	1/28/2020	\$4,975	\$4,975	No response from Debtor	Pend to mail small claims final demand letter.
Joshua Arce for SFDCCC Member 2016	Campaign finance late fees	Andrew Sinn	1/28/2020	\$425	\$425	No response from Debtor	Pend to mail small claims final demand letter.
Richard Matthews	Enforcement penalty: on stipulation, three counts in violation of the prohibition on knowingly attempting to influence a governmental decision involving his own appointment for employment	Richard Matthews	1/28/2020	\$9,000	\$9,000	No response from Debtor	Pend to mail small claims final demand letter.
Yes on U, Working Families Fighting to Stay in San Francisco	Campaign finance late fees	Matthew Alvarez	1/28/2020	\$675	\$700	Promise to Pay	Emailed attorney for payment status.
Yes on P, Competitive Bidding for City Contracts with Funding	Campaign finance late fees	Matthew Alvarez	1/28/2020	\$675	\$700	Promise to Pay	Emailed attorney for payment status.
Total:							\$131,613

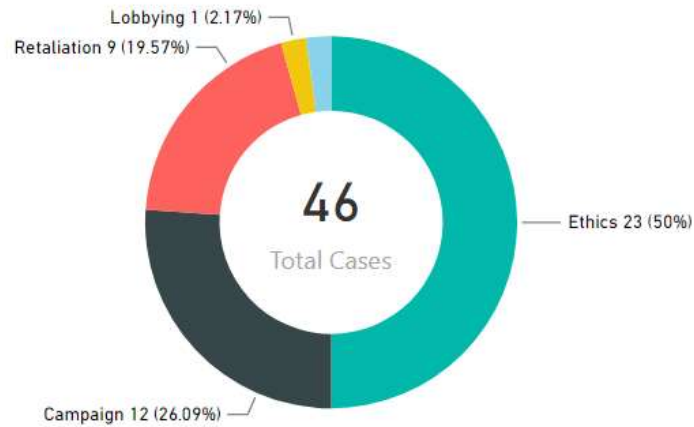
I look forward to answering any questions you might have at the upcoming Commission meeting.

Agenda Item 7, Attachment 1

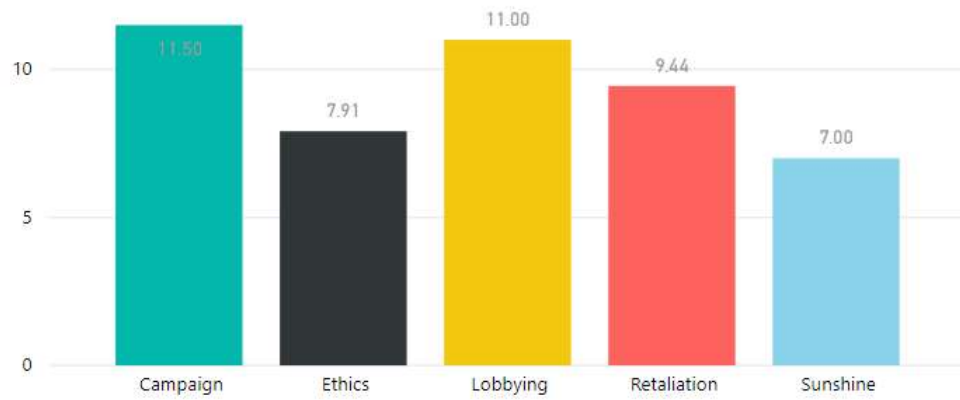
Age of Matters in Preliminary Review



Matters in Preliminary Review by Type

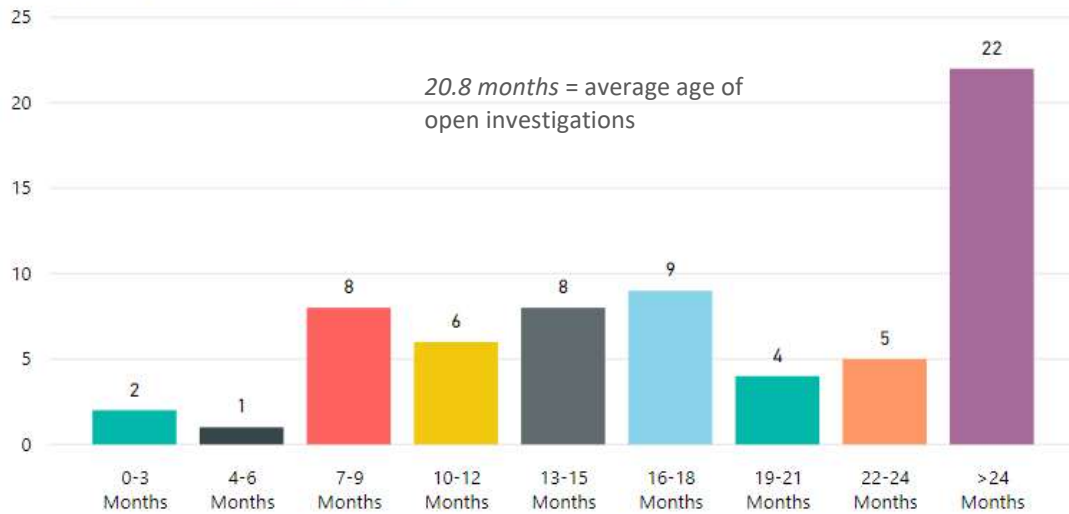


Average Age of Matters in Preliminary Review by Type

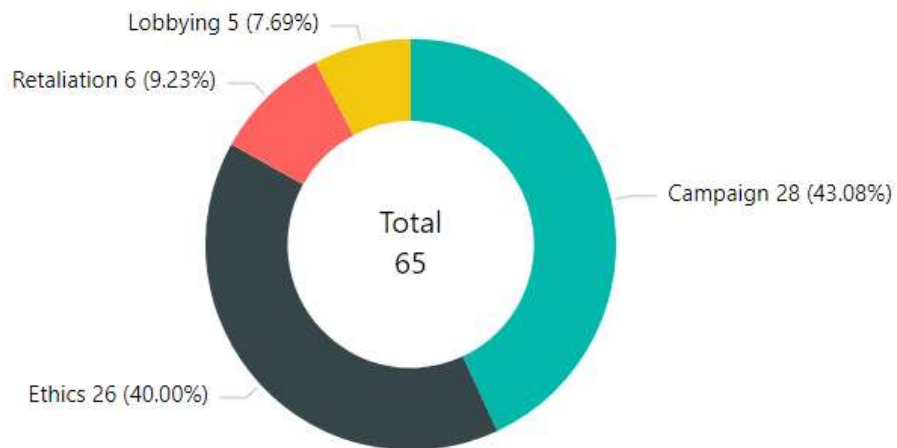


Agenda Item 7, Attachment 2

Age of Matters under Open Investigation



Open Investigations by Type



Average Age of Matters under Open Investigation by Type

