



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

NOREEN AMBROSE
CHAIR

June 7, 2021

YVONNE LEE
VICE-CHAIR

To: Members of the Ethics Commission

DAINA CHIU
COMMISSIONER

From: LeeAnn Pelham, Executive Director
Gayathri Thaikkendiyil, Deputy Director and Chief Operating Officer

LARRY BUSH
COMMISSIONER

Subject: **Agenda Item 8 – Discussion and Possible Action on Ethics Commission
Draft Annual Report for FY21**

JAMES BELL
COMMISSIONER

LEEANN PELHAM
EXECUTIVE DIRECTOR

Summary This item has been placed on the Commission's meeting Agenda to allow the Commission to review and discuss a Draft Annual Report for the Fiscal Year ending June 30, 2021.

Action Requested That the Commission provide comment on the Draft Report and take action to adopt a final Annual Report for FY21 at its July 2021 meeting.

Ethics Commission Bylaws provide that at the end of the Fiscal Year (FY) the Chair, along with the Executive Director, shall submit a written annual report to the Commission for approval, summarizing the activities, accomplishments, and budgetary needs of the Ethics Commission. (See Bylaws Article IV - Officers, Section 3: Chairperson).

The attached Annual Report draft text highlights key accomplishments and activities of the Commission for the FY21 ending June 30, 2021. It provides information about the Commission's mandate, mission, and structure, and also core programmatic updates.

Pursuant to Ethics Commission Bylaws Article IV, Sec. 3 the Chair and Executive Director have placed this item on the June meeting agenda to enable the Commission to review the Annual Report draft text and take action to adopt a final Annual Report for FY21 once the report has been reviewed and is formatted for final adoption at the July meeting.

San Francisco Ethics Commission

FISCAL YEAR 2020-21 DRAFT ANNUAL REPORT

July 1, 2020 – June 30, 2021

Chair, Noreen Ambrose
Vice Chair, Yvonne Lee
Commissioner Daina Chiu
Commissioner Larry Bush
Commissioner James Bell

LeeAnn Pelham
Executive Director

Gayathri Thaikkendiyil
Deputy Director & Chief Operating Officer

June 7, 2021

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102
sfethics.org
Email: ethics.commission@sfgov.org
Telephone: (415) 252-3100

Public service that builds public trust.



The Ethics Commission is pleased to issue this report to provide the Mayor, the Board of Supervisors, and all San Franciscans with highlights of activities, challenges, and key accomplishments of the Ethics Commission from Fiscal Year 2020-21.

Fiscal year 2020-21 witnessed the convergence of a global public health emergency and a nationwide public reckoning over longstanding systemic inequities. Both of these developments have tested the limits of our institutions, including local government. On top of these historic events, San Franciscans have watched a major federal corruption investigation produce allegations against a number of high-level City officials and contractors. Revelations of government corruption destroy the public's trust in government and greatly weaken our ability to address the pressing issues of our day. Without the trust of San Franciscans, the City will struggle to effectively protect public health, promote economic recovery, and achieve social justice. Corruption also perpetuates inequities and results in a system that fails for those in need. For these reasons, public integrity must be a core value that underlies all of our work as a City.

With the mission to practice and promote the highest standards of integrity in government, the Ethics Commission is uniquely situated to instill public integrity in the City. We work to deliver impactful programs that promote fair, transparent, and accountable government for the benefit of all San Franciscans. Public servants whose corrupt actions violate the law must be held publicly accountable for the harm they cause, and the Ethics Commission is committed to impartially and vigorously pursuing administrative enforcement actions against violators.

To ensure that government works only in the public interest and that the public can trust it to do so, oversight systems must be focused, effective, and sustained. In FY21, during the ongoing pandemic and an election year, the Ethics Commission remained sharply focused on its core mandates, operational excellence, and leveraging all available resources to operate efficiently in a fully remote environment to achieve its work on behalf of the public it serves. With three broad operational priorities guiding its work for the year, the Commission sought to **improve program impact** through strong laws that are effective and enforceable in practice, to **heighten awareness of the laws** using practical tools and meaningful public engagement, and **ensure service excellence** through continuous organizational improvement.

Toward that end, the Commission fully embraced all sixteen recommendations of a performance audit issued in August 2020 by the Board of Supervisors' Budget and Legislative Analyst. As an opportunity to conduct a broad internal review of key business processes, that audit informed the Commission's ongoing work to identify improvements to be implemented going forward. In response to the public corruption allegations brought to light in early 2020, the Commission has prioritized work on multiple programmatic fronts to address the specific allegations those investigations have identified and to further strengthen the City's ethics framework and its effectiveness to prevent similar incidents in the future.

The past year has been an unusually challenging year for everyone. The pandemic has underscored the need for effective government and the role it plays in providing valuable services to the public to ensure their safety and well-being. It has pushed government agencies to rethink the way in which services are delivered to meet the needs of the people they serve, and to support and retain the skilled and professional employees who provide those services. At the same time, in San Francisco the corruption allegations that have unfolded over the year have shaken the public's capacity to trust its City

government. At the Commission, these events have together served only to sharpen our focus, intensify our commitment, and strengthen our resolve to deliver effectively on the vital nature of our mission.

The operational changes that the Commission implemented over the last year to seamlessly perform its business functions remotely such as enabling electronic filing, virtual trainings, remote meetings, and online tools, have been well-received by the public and will continue to be a part of our regular business as we resume daily work in the coming year in a fundamentally re-shaped work environment.

Each of us at the Commission has been privileged to work in service to the public through such extraordinary times, and we are proud of the work that Commission staff have accomplished during this unusually challenging year. We particularly acknowledge and appreciate all those Commission staff who responded to the City's emergency needs by serving in Disaster Service Worker deployments. We invite all San Franciscans to engage with us in the year ahead to further advance the critical mission for which City voters established the Ethics Commission and to help advance the highest ethical standards in San Francisco government.

Fiscal Year 2020-21 by the Numbers

Note: Some of the numbers below will be revised to reflect the latest information in the final report.

Filer activity & Compliance support

- 94 percent of City officials who filed Annual Statement of Economic Interests (Form 700) electronically submitted their filings by April 1 deadline
- 47 candidates and 30 committees primarily-formed to support/oppose a measure were assisted during the November 2020 election
- 193 lobbyists registered with the Ethics Commission
- 62 permit consultants registered with the Ethics Commission
- 28 campaign consultants registered with the Ethics Commission
- Over 3,000 disclosure statements and reports were received
- Over 1,100 requests for advice, guidance, and filer support were fulfilled
- Over 460 pre and post compliance notices were sent to filers

Public Financing

- 62 percent, or 16 of the 26 supervisorial candidates who qualified to appear on the November 2020 election ballot were certified as eligible to receive public financing
- Eligible candidates together received over \$3.45 million in public financing
- Candidates received an average of \$215,949 in public funds for their 2020 election campaign

Audits

- Completed audits of 23 campaign committees from the 2018 elections that together reported over \$31 million in campaign expenditures

Enforcement

- 36 open investigative matters resolved, including nine settlements establishing liability and assessing financial penalties, in the areas of campaign finance, permit consulting, and government ethics
- 37: average number of complaints undergoing intake and preliminary analysis at any given time during the year
- 58: average number of investigations underway at any given time during the year

Administrative

- Annual FY21 operating budget of \$4.72 million with authority for 25 staff positions
- 36: Public Records Act/Sunshine Ordinance requests fulfilled

Mandate and Mission

The Ethics Commission has responsibility for the impartial administration and enforcement of San Francisco laws relating to the provisions of the Charter, statutes and ordinances concerning campaign finance, lobbying, and governmental ethics. Established by San Francisco voters in November 1993, the Ethics Commission serves the citizens of San Francisco, candidates for City office, and City employees, elected and appointed officials through education and compliance guidance, by independently enforcing the laws, and by serving as a repository for public disclosures to support transparency and accountability in City elections and local government decision making.

The Commission acts as filing officer for over 80 different types of public disclosure statements and reports related to governmental ethics, campaign finance, and lobbying activities that are filed by City officials, local candidates, political committees, lobbyists, permit consultants, campaign consultants, major developers and major donors; audits statements for compliance with state and local laws; investigates complaints alleging ethics and political reform law violations; raises public awareness of these laws; researches and proposes legislative changes; and provides guidance and advice about the applicability of the City’s political reform laws to City candidates, officeholders, officers, employees and the general public.

With its sworn responsibility to the public trust, members of the Ethics Commission are pledged to a high standard of excellence in government accountability. Together with its staff, the Commission works to effectively implement the laws within its jurisdiction, and to ensure those laws are strong, workable in practice, and enforceable.

Organizational Structure



Summary of Key Highlights

The following are key highlights of the Ethics Commission from fiscal year 2020-21:

- Elected Chair Noreen Ambrose to a second term as chair of the Commission, and elected Vice-Chair Yvonne Lee to a second term as the vice-chair. The Commission welcomed its newest Commissioner, James Bell, who was appointed by the District Attorney on February 1, 2021.
- Continued its regular business in a fully remote environment throughout the fiscal year under City's COVID-19 shelter-in-place public health orders to seamlessly provide its services to those served by its operations and programs.
- Initiated use of video conferencing technology that allowed the Commission to resume its regular Commission monthly meetings online in July 2020 and enabled remote public participation, in collaboration with SFGovTV.
- Initiated and completed its FY21 Hiring Plan as a departmental priority by filling five staff vacancies across all divisions and onboarded new staff members in April 2021 while all operations continued in a remote work environment.
- Fully agreed with and began implementing the 16 work process enhancements recommended by the Budget and Legislative Analyst (BLA) in its performance audit of the Commission, which had been initiated in February 2020 at the request of the Board of Supervisors.
- Recommended legislation to prohibit appointed City officials and high-level City employees from soliciting behested payments from persons who have business before them in response to investigative findings that emerged from the federal corruption probe to prevent corrupting influences from occurring in the future.
- Provided advice, filer support, guidance, and training to 47 local candidates running for office and 30 committees primarily-formed to support/oppose a measure in the November 3, 2020 election.
- Released a new online tool to enable the public to more easily search and visualize campaign finance data using the City's open data portal to summarize and explore candidate and ballot measure campaign contributions in November 3, 2020 election.
- Completed a multi-year project to implement significant enhancements to the lobbyist electronic filing application and public access portal. It included the development of lobbyist data application programming interface (API) which will enable the Commission to provide lobbyist data to the public on the City's open data portal, DataSF, after the systems are integrated.
- Certified 62 percent of the 26 supervisorial candidates who qualified to appear on the November 2020 election ballot as eligible to receive public financing, and disbursed over \$3.45 million in public funding with an average of \$215,949 per participating candidate.
- Provided filer guidance, online trainings, and compliance resources to City officials and employees to help comply with their annual Statement of Economic Interests filing and Ethics and Sunshine

training requirements by the April 1 deadline, supporting an over 94 percent on-time filing rate by the City's 500+ filers who are required to submit their statements online with the Ethics Commission.

- Collaborated with the City Attorney's Office, the Clerk of the Board of Supervisors, and the Department of Human Resources (DHR) to coordinate the biennial Conflict of Interests Code review process designed for departments to ensure their list of positions designated to file Statement of Economic Interests (Form 700) reflects their current organizational structure and all positions that make or participate in shaping government decisions.
- Secured necessary project resources and resumed its priority Form 700 'e-filing for all' project to enable over 3,000 departmental Form 700 filers to submit their required Form 700s in an electronic format beginning in January 2022.
- Completed campaign audits of 23 committees that together reported over \$31 million in campaign expenditures in the 2018 election, including audits of 14 candidates whose committees received more than \$3.45 million in public financing and for which the Commission collaborated with the Controller's Office to secure external auditing resources to assist in reducing the Commission's backlog of pending audits.
- Resolved 36 investigative matters including 9 enforcement cases that found violations of law with \$20,170 in total fines levied across a range of campaign finance, lobbying, permit consulting, and government ethics cases.
- Expanded its Fixed Penalty Policy and implemented a new Streamlined Administrative Resolution Program to standardize processes for resolving an expanded range of enforcement matters through use of a streamlined stipulated settlement process with the Commission. Now in operation, the program produced its first streamlined settlements in June 2021 and allows a larger share of the Commission's investigative and enforcement resources to be focused on broader scope investigations of greater severity, complexity, and breadth.
- Was authorized by the Mayor and Board of Supervisors for an annual FY21 operating budget of \$4.72 million with authority for 25 staff positions.
- Directly supported the City's COVID-19 emergency response needs through both short-term and extended Disaster Service Work staff assignments, with 36 percent of the Commission's 25-member staff having fulfilled DSW duty assignments since the start of the shelter in place public health order in March 2020, collectively totaling over 4,500 hours or more than 570 work days of emergency DSW coverage, with three employees serving extended deployments during FY21.
- Adopted an [Ethics Commission Racial Equity Action Plan](#) in December 2020 to identify specific departmental strategies that reflect the City's comprehensive racial equity framework to promote racial equity and to create and sustain a work environment that reflects and engages the diversity of our communities.

Program Operations & Accomplishments

Implementing the BLA Audit

In August 2020, the performance audit of the Ethics Commission conducted by the Budget and Legislative Analyst (BLA) at the request of the Board of Supervisors was completed. The audit assessed a range of Commission functions to look for opportunities to improve the effectiveness and efficiency of those operations. The Department fully agreed with the report's 16 recommendations and noted in its response to the final audit report issued on August 10, 2020 that it had taken steps to begin implementing work process enhancements informed by the audit's findings. The Commission reviewed and discussed the report and its recommendations in its August 14 meeting as [Agenda Item 6](#). The Board of Supervisors' Government Audit and Oversight Committee discussed the audit on November 19, 2020 under Committee Agenda Item 10 ([BOS File No. 201158](#)) and filed the report without taking further action. In January 2021, [Commission Staff reported to the Commission](#) that two of the 16 recommendations had been completed; six others were underway, and eight were planned for further action in the coming months.

The Commission continues to prioritize the implementation of these recommendations to deepen the impact of its programs and plans a fiscal year-end status report on the implementation of the BLA recommendations at the Commission's July 2021 meeting.

Government Ethics and Conflict of Interest Policy Project

Promoting government ethics and conflict-of-interest laws in San Francisco that are strong and effective is vital to preventing unethical behavior by City officials and employees and to ensuring that City government operates only in the public's interest. During FY21, the Commission prioritized a review and strengthening of government ethics provisions of City law as its top policy project for the year.

The allegations described in the federal and local investigations signal an alarming harm to the public trust when government officials place their own self-interest above that of the public and misuse their public positions for their own private gain. In January 2020, the FBI announced a federal corruption case against Mohammed Nuru, then the Director of the Department of Public Works, and Nick Bovis, a local businessman. The City Attorney subsequently sent a report to the Mayor detailing allegations that the Director of the Department of Building Inspection, Tom Hui, also violated state and local ethics laws. Hui subsequently resigned. The FBI later charged nine additional individuals with public corruption crimes: Harlan Kelly general manager of the Public Utilities Commission; Sandra Zuniga, director of the Mayor's Office of Neighborhood Services; Walter Wong, a City contractor and permit expeditor; Paul Giusti and John Porter, executives at Recology; and four additional City contractors. Some of the conduct for which these individuals have been investigated and charged include attempting to bribe a public official, giving and receiving gifts in exchange for favorable treatment by the City, and laundering gifts to disguise their source and nature.

As one of its primary areas of focus for the Ethics Commission, reviewing the City's ethics rules from time to time ensures that they are effectively serving their intended purposes and can be closely evaluated to assess whether changes to the law are required. In FY21, the comprehensive review of the City's ethics and conflict-of-interest laws undertaken by the Commission has sought to evaluate whether current law adequately identifies and prohibits conduct that could give rise to a conflict of interest or

otherwise serve to undermine fair and objective governmental decision making. This review includes direct engagement with stakeholders through interested persons meetings held remotely in October 2020 -- including advocates, good government groups, members of the regulated community -- and outreach to peer ethics agencies to benchmark best practices and identify improvements in the laws.

A [comprehensive report](#) was presented at the Commission's November 2020 meeting discussing the ethical problems associated with behested payments, which are payments made at the behest of a government official or employee and directly responded to some of the most troubling allegations to emerge from the federal probe. In light of the report's findings, the Commission approved legislation that will prohibit most City officials and high-level City employees from soliciting behested payments from persons who have business before them. To assist City officials and employees in understanding the new requirements, staff also developed and disseminated a [fact sheet](#) summarizing behested payments reporting requirements in December 2020.

Because improper gifts to City officers have been an issue in the present allegations, the Commission is examining the City's gift rules to identify and close any loopholes that undermine those important laws. Two additional interested persons meetings were held remotely by Commission staff in April 2021 to seek guidance and feedback from stakeholders to strengthen San Francisco's gift laws. Attendees included representatives of national and statewide good government groups, representatives of the regulated community, and City stakeholders.

Additionally, over the course of FY21 the Controller's Office has issued a series of preliminary assessments in the wake of the City Attorney's investigation stemming from alleged wrongdoing by former Public Works Director Mohammed Nuru. Those reports have been conducted in consultation with the City Attorney's Office to evaluate the adequacy of City policies and procedures in preventing abuse and fraud. Findings and recommendations contained in the reports that address areas of the Commission's jurisdiction are being folded into the Commission's ongoing ethics and conflict-of-interest policy project and other work, including recommendations of the following Controller assessment reports issued to date: [San Francisco Public Works Contracting \(June 29, 2020\)](#) regarding conflicts of interest and governmental ethics laws and potential vulnerabilities in the City's contracting and procurement processes; [Gifts to Departments Through Non-City Organizations Lack Transparency and Create "Pay-to-Play" Risk \(September 24, 2020\)](#) summarizing gifts and support benefitting city departments from city contractors and building permit applicants and holders through non-city organizations, including what are known as "Friends of" organizations; and [Ethical Standards for Contract Award Processes of the Airport Commission and Other Commissions and Boards \(January 11, 2021\)](#), in part recommending annual training on incompatible activities, strengthened laws against selective assistance in contracting, and codifying prohibited incompatible activities to better support consistency and visibility into those restrictions. For each report it issued, the Controller's Office was invited to present its findings and recommendations to the Ethics Commission during its monthly meetings and staff continue to be in close communication with the Controller's City Services Auditor Division to support their report assessment process through subject matter expertise and additional background about the operation of state and local ethics laws in practice, fact patterns regarding violations of those laws, weaknesses in the oversight regimes that bad actors have exploited, and information related to compliance or enforcement practices.

[Engaging in the City's Biennial Conflict of Interest Code Review Process](#)

The Statement of Economic Interests (Form 700) is a cornerstone of government accountability in the State of California. The form is used by thousands of public officials and employees statewide to fulfill the legal obligation to disclose certain personal financial interests that could be affected by government actions. By making these interests public, the Form 700 serves to deter conflicts of interest and to provide transparency to the public.

Local jurisdictions must specify in their local law which officials and employees make or participate in making government decisions under the law and therefore, are required to file a Form 700. State law requires that every two years local jurisdictions review which of their officials and employees are required to file the Form 700 and make any necessary updates based on changes in the duties associated with the positions and to add any new positions that have been created. This process took place during FY21.

In this process, Ethics Commission staff played a central role, collaborating with the City Attorney's Office, the Clerk of the Board of Supervisors, and the City's Department of Human Resources (DHR) to coordinate the review. To help broadly inform departmental staff and filers about the legal requirements associated with the review and the process by which filer designations must be made, staff developed a review guide for use in this year's biennial review process and helped lead the meet-and-confer process to discuss the proposed changes with affected City employee bargaining units. The process culminated in an ordinance updating City law to incorporate changes based on this year's biennial review that was approved by the Board of Supervisors and Mayor and became operative on February 21, 2021.

Supporting Core Transparency and Accountability through Administration of the Annual Statement of Economic Interests (Form 700) and Ethics and Sunshine Ordinance Training Certification Filings

Along with requirement that public officials and employees throughout California who make or influence government decisions are required to submit a Statement of Economic Interests (Form 700) by April 1 each year, certain City officials also must certify completion of Annual Ethics and Sunshine Ordinance training by April 1. In 2021, of the 500+ elected officials, commissioners, board members, and department heads who were required to submit these public disclosure filings electronically with the Ethics Commission, over 94 percent of these filers submitted their filings by the deadline. More than 3,000 other employees designated under the City's Conflict of Interest Code were required to file their disclosure statements on paper with their departments.

In preparation for administering the 2021 annual filing season, Commission staff implemented program improvements, including initiating use of electronic forms to enable departmental filing officers to inform the Commission about the status of e-filers and when online accounts needed to be established. To help inform filers and filing officers about the annual Form 700 and applicable Ethics and Sunshine training requirements, in January 2021 staff launched [updated compliance pages](#) for filers on the Commission's website, and disseminated annual filing reminder notices to filers and departmental filing officers. Staff also expanded the online Form 700 filing officers and department head [directory](#) to include updated department contact information and a direct link to each departments' list of designated positions to make this information more accessible both to filers and the public.

With most physical City offices still operating under the City’s shelter-in-place public health order, Commission staff held four remote information sessions for departmental Filing Officers and filers in February and March to enhance their understanding of the annual filing requirements. An unprecedented number of attendees participated in the sessions and provided positive feedback that demonstrated the virtual format of the sessions was well-received. Recordings of the sessions were also posted on the Commission’s website to make them available to those who were unable to join the live sessions. During the filing period, staff continued to provide one-on-one assistance to filers and Filing Officers as needed through emails and calls to support their compliance needs.

Following the April 1 annual filing deadline, to help heighten public awareness of the Form 700 requirements and financial disclosure filings, on April 2 staff updated the Commission’s website to direct the public to [new context and links](#) that were designed to facilitate improved understanding and access to the latest filings. Also on April 2, staff sent individual notices to the 23 City Commissioners and Board Members who appeared to have unfulfilled annual filing requirements at that time, with copies to their appointing authorities and respective Department Heads, to inform them of their pending filing obligations and resulting disqualification from participating in agenda items before their Board or Commission until such time that their filings were complete. As of June 4, 2021, 99 percent of all electronic filers had submitted their required filings, with two Form 700s outstanding, and one annual Ethics and Sunshine Training Certification not yet filed. Commission staff continue to be in communication with filers regarding their overdue filings, including any subsequent corrective action that may be warranted as provided for under the law.

Other Public Disclosure Requirements for City Officials and Departments

The Ethics Commission also administers a number of public disclosure filings that support open and fair City decision making and transparency to the public about actions taken by City officials.

- Certain public disclosure requirements in the law help support compliance by elected officials with restrictions on contributions from City contractors and help political campaigns determine who may be prohibited from contributing to candidate campaigns. City departments filed 39 Notification of Submission of Proposal (Form SFEC-126f2) reports with the Commission, and City officials filed 952 Notification of Contract Approval (Form SFEC-126f4) reports with the Commission from July 1, 2020 to June 30, 2021.
- Officials may be required to recuse themselves from acting on matters before them, and may be required to publicly state that recusal and the basis for it. City officials filed 41 Notifications of Recusal (Form SFEC-3209b) reports with the Commission from July 1, 2020 to June 30, 2021.
- Public disclosure reports are required in certain circumstances when City officials ask, or “behest,” a payment to a third party principally for legislative, governmental, or charitable purposes rather than for campaign or personal purposes. City officials filed 12 Behested Payments by City Officials (Form SFEC-3610b) reports with the Commission from July 1, 2020 to June 30, 2021.
- Elected City officers are required to publicly disclose certain gifts of travel, lodging or subsistence under specified circumstances when those gifts are paid for in part or in whole

by a person other than the City and County of San Francisco. City officers filed 2 Gifts of Travel (Form SFEC-3216b) reports with the Commission from July 1, 2020 to June 30, 2021.

Ethics Outreach

Equipping the City's workforce with practical tools and information necessary to constructively deal with ethical issues that can emerge in their work is essential to shape an organizational culture that promotes highest standards of integrity in city government. As part of that effort the Commission provides assistance and support to City departments and leaders in helping them understand and comply with City's laws. Commission staff provided an introductory briefing remotely for the City's Digital Services team in February 2021, on the City's framework of ethics laws and how those laws serve to uphold public service and build public trust. Pursuant to the City's contract with the Municipal Executives Association (MEA), which represents City managers, an in-person ethics information session for MEA members is required to be provided at least once a year. Staff conducted an online information session in March 2021 for MEA members in collaboration with the Deputy City Attorney. The session was designed to refresh their awareness of key provisions of the law and highlighted various resources and tools available to promote their compliance with ethics provisions that apply to them.

Consistent with the recommendation in the August 2020 Budget and Legislative Analyst Performance Audit of the Ethics Commission, Commission staff also developed a new [Ethics Training Plan](#) to identify the scope and types of ethics training it envisions as essential going forward for City officials, employees, and contractors. The plan specifies training goals, stakeholders to be engaged and over what time horizon with available resources, training topics, training methods, and how to track and evaluate progress. The plan is designed to be an evolving one that can be adapted as needed based on additional developments as may be warranted, including findings that may be reported in future public integrity review reports issued by the Controller's Office. The Ethics Commission continues to believe this work is of vital importance and will be an essential priority in the year ahead to help build a citywide culture of integrity and public trust.

Statement of Incompatible Activities Annual Reminder

Departmental Statements of Incompatible Activities (SIA) are essential tools that support all City officers and employees in understanding the kinds of activities that the City has deemed incompatible with their public duties. Statements identify the kinds of outside activities, including self-employment, that are incompatible with the mission of their department and are therefore restricted. These activities can include those that conflict with official duties, have excessive time demands, or are subject to the review of the department, and SIA prohibitions can apply to these activities whether they are compensated or uncompensated. To ensure all officials and employees know where to access their department's Statement of Incompatible Activities and are able to familiarize themselves with its provisions, City law requires SIAs to be distributed to all employees each year by April 1. The Commission provided the 2021 [annual Statement of Incompatibility reminder notice](#) on March 4 to all City departments to facilitate distribution of departmental SIAs to their officers and employees.

Expansion of Electronic Filing for all Form 700 Designated Filers

With key staffing vacancies filled during this fiscal year, the Commission was able to resume priority work early 2021 on the Commission's Form 700 'e-filing for all' project. This project will enable City's over 3,000 designated departmental filers to submit their Form 700 in an electronic format beginning in January 2022. Electronic filing will require City employees to cease filing Form 700s on paper with their department's filing officer and to begin using the same electronic system that is already being used by elected officials, board and commission members, and department heads. While easing and making the filing process more efficient for filers, the electronic filing of these forms will also support improved transparency for the public. To support this transition, departmental filing officers will be using the e-filing system to create new filer accounts and assigning and monitoring filing requirements for employees.

In April 2021, Commission staff onboarded and trained new staff members who will support the implementation and roll-out of this project. As part of the project planning, staff also identified key deliverables and milestones, formalized the project timeline, and developed a training and outreach plan to support departmental filing officers and filers with this transition. This plan will help ensure that filers and filing officers have the time and resources to successfully commence electronic filing and will be designed to minimize any difficulties that may be experienced by new users during the transitional process. In June 2021, the Commission initiated its departmental communications plan for this project with an [outreach to department heads](#). The communication included an [overview fact sheet](#) of the role departments will play in the transition to electronic filing and information about the work the Commission will be doing to support them throughout the project.

In addition, as recommended in the Controller's June 2020 preliminary assessment, [San Francisco Public Works Contracting](#) the Commission has identified conducting an annual compliance review of these filings as an operational priority. After designated City employees are required to file the form electronically using the Commission's filing system, staff will have access to all filings to proactively monitor compliance and strengthen the oversight of economic interest filings. This work is critical to enable systemic reviews that promote transparency and accountability to prevent the very issues that are being surfaced through the ongoing corruption allegations. Development of a Form 700 post-filing compliance review process will occur in parallel to the expansion of e-filing for all designated filers slated for launch in January 2022 and has been identified as a priority project for the Audit Division's FY22 workplan.

November 2020 Election Support

Local candidate and ballot measure campaigns, general purpose committees, and major donors are regulated by the City's Campaign Finance Reform Ordinance, which incorporates state campaign finance law and imposes additional reporting requirements and limitations. During this fiscal year, Commission staff continued to provide filer support and compliance guidance in a fully remote environment under shelter-in-place public health order to 47 local candidates running for office on the November 3, 2020 election ballot and to 30 ballot measure committees active in that election. Staff also reviewed changes to state laws and updated compliance materials and web content to help ensure that campaigns have the information they need to comply with disclosure laws. Staff provided compliance assistance in response to over 369 requests from campaign committees and reviewed over 1,943 filed campaign statements. Staff also conducted a live virtual training for candidates and committee treasurers to

inform them about campaign finance rules and regulations. The session was recorded and posted to the Commission's website for those who were unable to join the live, instructor-led session.

In the lead up to the November 3, 2020 election, Commission staff also collaborated with colleagues at DataSF to release a new campaign finance search and data visualization tool that is integrated into the City's open data portal. This tool allowed the public to visually explore contributions to candidate and ballot measure campaigns in San Francisco using an intuitive and easy to use interface. Via the internet, anyone could use the tool to search candidate and ballot measure names and see aggregated contributions, top contributors, fundraising totals, a map view of contribution locations, a graph of fundraising totals over time, and public financing data. This new application was made possible because the Commission maintains campaign finance disclosure records as open data on the City's open data portal.

During the election period, staff also assisted members of the press to ensure that they were able to access and understand campaign disclosures, dashboards, and other information available on the Commission's website to provide effective reporting to the public.

In other areas of campaign activities regulated by the Commission, 28 campaign consultants were registered with the Ethics Commission during the year. A campaign consultant is a person or entity that receives or is promised \$1,000 or more in a calendar year for providing either campaign management services or campaign strategy services. Campaign consultants are required to submit quarterly reports with the Commission in which they must disclose details of their activity including client payments, campaign contributions, gifts to City officeholders, payments to or from vendors, the names of clients who are City officeholders or employees, and City contracts obtained by the consultant that are approved by an officeholder client.

Public Financing Qualification and Disbursements

The City's public campaign financing program seeks to ensure that candidates with a demonstrated level of community support can secure sufficient resources to mount a viable campaign. In doing so, public financing reduces candidates' dependence on large private contributions, which lessens the potential for and appearance of undue influence by contributors and serves to improve the public's trust in local government. Public financing also seeks to enable candidates to spend less time fundraising and more time interacting with voters and engaging in discussions on important issues. By supporting candidates who have community support, public financing can also lead to more competitive races, which is important in ensuring quality representation of constituents.

In the November 2020 general election, all odd-numbered supervisorial districts appeared on the ballot, and candidates running in those races could apply to receive funds under the public financing program. Sixteen of the 26 supervisorial candidates who qualified to appear on the ballot (roughly 62 percent) applied for public financing by filing a qualifying request and were certified as eligible to receive public financing – the highest rate of candidate participation in a regular election since the program's inception in 2000. Together, those candidates received over \$3.45 million under the program with an average of \$215,949 per participating candidate. Of the 16 candidates certified as eligible to receive public funds, eight (50 percent) qualified to receive the maximum amount of public financing allowed. On average, candidates qualified to receive approximately 85 percent of the maximum amount of public financing allowed.

From 2018 to 2019, the Ethics Commission undertook a comprehensive review of the public financing program. The review project was undertaken by the Commission through a year-long review process that examined all aspects of the program to strengthen its impact while also reducing unnecessary administrative burdens for participating candidates. The review project resulted in two ordinances, three sets of regulation amendments, and various improvements to the Commission's written compliance materials regarding public financing. The project also improved the candidate application process. The November 2020 election was the first election in which all of the changes instituted by the project were in place.

Following each election cycle in which public financing is used by candidates, the Ethics Commission is required to present a report on the program for the Mayor and Board of Supervisors. The report provides important details about the program that allow the public and policymakers to evaluate its increasingly important role in San Francisco elections. This [report for the November 2020 election](#) was presented at the May 2021 Commission meeting.

Lobbying and Permit Consultant Program Updates

The City's Lobbyist Ordinance requires persons defined as lobbyists under the law to register and file public reports disclosing their lobbying activities. As of June 3, 2021, 189 contact lobbyists were registered with the Commission, while just four expenditure lobbyists were registered. City laws also impose registration and reporting requirements on permit consultants, who are paid to contact the Department of Building Inspection, the Entertainment Commission, the Planning Department, or the Department of Public Works to facilitate the approval of certain City permits. These permit consultants have been required to register and file quarterly reports with the Commission since 2015 disclosing client information, compensation, City officers and employees contacted, the relevant permits, and certain contribution information. As of June 3, 2021, 62 permit consultants had registered with the Ethics Commission.

Throughout the year staff assisted these filers to timely complete their registration requirements and file required disclosure reports. Staff provided compliance support by addressing filers' questions, managing filer accounts in the e-filing system, sending out reminder notices to filers with pending requirements, providing technical assistance to filers to submit their reports, tracking registration fee payments, and terminating inactive filers. This year staff also designed and launched a brand new [Permit Consultants Dashboard](#) on the Commission's website which provides an easy and user-friendly way for the public to search for information regarding payments promised to permit consultants by their clients and the campaign contributions made by permit consultants and their employees.

Staff also completed a multi-year project to implement significant enhancements to the lobbyist electronic filing application and public access portal. In addition, the project to develop a lobbyist data application programming interface (API) that will enable the Commission to provide lobbyist data to the public on the City's open data portal, DataSF, is complete. Staff is in the process of integrating the API with the DataSF portal.

As also discussed in this report section on Audits, as the fiscal year came to a close, steps to implement recommendations of the BLA audit to conduct a lobbying audit were being operationalized, including

development of a lobbying audit workplan and procedures for Audit Division staffing levels to resume to their prior full capacity in FY22.

Compliance Operations Enhancements

As part of enhancing its ongoing program operations, Commission staff continued to identify and implement several improvements to its online resources and internal business processes during the year to strengthen the Commission's compliance support and post-compliance procedures. This included revising the information on the ['Get Guidance' quick-access webpage](#) on the Commission's website to present the Commission's most sought-after services and information such that they are easily accessible to filers and the public. New 'Training & Resources' webpages are also in development to enhance the visibility and accessibility to Commission's trainings, educational and guidance materials, reports, and notices and memoranda. In addition, staff is in the process of building a new interactive search tool to enable filers to easily locate disclosure forms they need to meet their specific filing requirements. These changes have been identified based on the feedback from filers and will help improve their ability to find compliance information on the Commission's website.

Staff also formalized post-compliance business processes across all program areas to establish a consistent framework for notifying late filers using standardized communication templates and trackers to enable timely follow up with those who have filings and amendments pending with the Commission. Staff also developed a protocol to refer non-responsive filers to the Enforcement Division for further follow up. These changes help ensure that filers are informed of their filing requirements and provided the tools to fulfill their compliance obligations. Implementing such consistent business processes also aid in achieving operational efficiency and support organizational benchmarking activities for continuous improvement.

Audits

The Commission serves as the filing officer for campaign statements filed by San Francisco candidates and other committees that support or oppose local ballot measures or candidates. Under the law, the Commission is also required to conduct mandatory audits of all publicly funded candidates and can select other candidate and non-candidate controlled committees for discretionary audits using objective standards, to determine whether a committee materially complied with applicable requirements of state and local laws. The Commission's Audit Division is responsible for the campaign audit program, as well as for lobbying audits as provided for in the City's lobbying ordinance.

During FY21, the Audit Division faced significant staff resource constraints with the Audit and Compliance Review Manager position under recruitment, the extended deployment of one of the Commission's three Auditors for Disaster Service Work duty following the onset of the COVID-19 public health emergency through mid-June 2021, and a vacancy in another Audit position in early Spring 2021. At the same time, during the November 2020 election, the division was responsible for conducting candidate qualification and disbursement reviews as part of the Commission's administration of the City's public campaign financing program, which saw a record level of candidate participation in the 2020 election and public funding disbursements totaling more than \$3.45 million.

Against this backdrop, the Audit Program concluded its work on campaign audits from the November 2018 election cycle, issuing a total of 23 campaign audits by May 2021. Fourteen of the audits were mandatory audits of publicly financed candidates from the 2018 election, while another nine were of non-candidate committees that had been selected in May 2019 for discretionary campaign audits according to an objective criteria standard from a pool of roughly 180 committees that also were active in the 2018 election.

Audits of the publicly financed candidates from the 2018 cycle were conducted with support from the Controller's Office and engaged external auditors to perform those audits. Another nine audits of ballot measure and general purpose committees were completed by Audit Division staff. Two other non-candidate committees originally selected in May 2019 for discretionary audits were administratively closed by the Executive Director in May 2021 owing to ongoing resource constraints noted above. Together, the 23 completed audits from the 2018 cycle accounted for over \$31 million in reported campaign expenditures, or roughly 56 percent of the \$56.4 million in overall reported campaign expenditures for the 2018 election.

In mid-April, the Commission hired its new Audit and Compliance Review Manager to lead the Audit Division, and in June the Commission began circulating the job announcement for the vacant Auditor position. With the Division Manager position filled as the fiscal year came to a close, audit process reviews had been initiated and steps to implement BLA program enhancement recommendations were being operationalized, including development of a lobbying audit workplan and Form 700 post-compliance review process as top operational prioritization as Auditor staffing levels resume to their prior full capacity in FY22.

Enforcement Program Highlights

During FY21, the Commission continued to make headway on core program and business process improvements in the Enforcement Division. Like the Audit Division, the Enforcement Division also faced significant staff resource constraints during the year, as one of its investigator positions was requisitioned for extended Disaster Service Worker deployment throughout the fiscal year and through the time the position then became vacant in February 2021. With another investigator position also vacant since the beginning of the fiscal year and filled in April 2021, the Division operated at roughly half-capacity for much of the fiscal year.

Continued operationalization of the discretionary factors adopted in August 2019 that govern the Enforcement Division's review of complaints and prioritization of investigative resources remained a Division priority in FY21. Also, as recommended in the BLA Audit, the Division adopted an [FY21 Case Closure Plan](#) in December 2020. That Plan identifies the Division's processes and considerations to (a) increase the Division's case closure rate relative to the number of investigations opened, (b) resolve investigations that are more than two years old, and (c) establish goals for resolving whistleblower protection matters.

Overall, during FY21 (as of June 1, 2021), the Commission resolved substantially more investigations than it opened, closing 36 and initiating 15. That trend is consistent with practices established during the prior fiscal year, during which the Commission resolved 48 investigative matters and initiated 20 new investigations. As of early June 2021, 28 matters were undergoing preliminary review to determine

whether they should be converted into formal investigations, referred to another agency's jurisdiction, or otherwise be dismissed. Another 46 matters remained at various stages of formal investigation.

To help deepen the Division's investigative capacity, Division staff participated in the following live trainings that were offered remotely with a variety of providers:

- Money Laundering Investigations (Fair Political Practices Commission)
- Money Laundering Overview and Methods (U.S. Department of Justice, Money Laundering and Asset Recovery Section)
- Election Crimes (National Association of Attorneys General Training & Research Institute)
- Evidence Collection for Auditors (Controller's Office)
- Effective Communication for Fraud Investigation Reporting (Controller's Office)
- Whistleblower Program Department Liaison Training: Jurisdictional Considerations and Investigative Best Practices (Controller's Office, City Attorney's Office, and Ethics Commission)

Streamlined Administrative Resolution Program

To provide improved accountability for various common violations of City law while reducing the amount of time and resources necessary to resolve those matters, in February 2021 the Ethics Commission unanimously adopted a significantly expanded version of its existing Fixed Penalty Policy for implementation as part of a new Streamlined Administrative Resolution Program. The [Revised Fixed Penalty and Streamlined Administrative Resolution Program](#) will operate initially as a pilot program with staff to subsequently report on the program's experience and any proposed program enhancements that might be indicated at that time.

By establishing standardized methods, timeframes, and penalty formulas for resolving an expanded range of matters across the range of laws in the Commission's jurisdiction through streamlined stipulated settlement process, the new Program enables more routine violations to be resolved more quickly and requiring fewer investigative resources, and thereby reserves a larger share of investigative resources for broader scope investigations of greater severity, complexity, and breadth. As with all Stipulated Settlements considered by the Ethics Commission, those issued under the streamlined program also require action by the Commission in a publicly noticed meeting and an acknowledgment of responsibility by the Respondent for the violations identified. As FY21 ended, the Enforcement Division had 19 matters actively underway in the Streamlined Administrative Resolution Program.

Whistleblower Protection

Article IV of the San Francisco Campaign & Governmental Conduct Code assigns responsibility to both the Controller's Office and the Ethics Commission in administering the City's Whistleblower Protection Ordinance. The Ordinance charges the Controller's Office with administering a whistleblower program for citizens and employees to report the misuse of City funds, improper government activities by City officers and employees, deficiencies in the quality and delivery of government services, and wasteful and inefficient City government practices. The Ordinance charges the Ethics Commission with investigating complaints of retaliation against a whistleblower for having engaged in protected whistleblowing activity.

Over the course of the past fiscal year, the Commission received seven complaints alleging retaliation, nearly one in every five complaints the Commission added to its docket in FY21, and resolved 11 complaints alleging retaliation. As of the date of publication of this Annual Report, the Commission had nine retaliation matters under preliminary review and two matters under formal investigation.

Of the 11 matters resolved in FY21, seven were dismissed (with one referred to DHR) and four closed after investigation. Among the four closed, three findings that probable cause did not exist to establish liability were ratified by the Commission, and the fourth investigation was discontinued on the basis of administrative discretion. Based on these findings, the Commission imposed no administrative penalties in retaliation matters during FY21. Given that the Commission did not substantiate retaliation on any matters in FY21, information about disciplinary actions that may have been taken by the departments as a result of those complaints was not solicited.

During FY21, the adverse employment actions employees who identified themselves as whistleblowers alleged were taken against them by an employer included the following:

- Employer declined to award the employee leave time under the Family Medical Leave Act (FMLA);
- Employer caused or acquiesced to a hostile work environment, sexual harassment, and other adverse conduct affecting the employee;
- Employer indicated intention to change an employee's schedule;
- Employer medically separated employee;
- Employer issued negative feedback to and engaged in unprofessional communication with employee;
- Employer micromanaged employee and created a hostile work environment;
- Employer issued a written reprimand to employee.

The most common basis for a whistleblower case dismissal during FY21 was that the complainant had not engaged in protected activity as defined by the Whistleblower Protection Ordinance. Most commonly the underlying complaint alleged workplace discrimination or other personnel management issues, in which cases the Ethics Commission must refer the matter to the jurisdiction of the Equal Employment Opportunity (EEO) division of DHR. Similarly, the Ordinance does not treat communications with the media as whistleblowing, even though a complainant may have a civil cause of action for adverse employment actions taken in retaliation of their First Amendment activity.

The most common basis for closing a retaliation investigation without a finding of liability is that substantial evidence demonstrated good cause, meaning the evidence demonstrated that performance issues or conduct issues pre-dated the complainant's whistleblowing activity and persisted after that whistleblowing activity.

Over the past four fiscal years, of the 42 retaliation complaints received by the Commission, nearly 40 percent involved the Department of Public Health (DPH), 20 percent involved the Municipal Transportation Agency (MTA), and the remaining 40 percent involved 12 other departments.

Under a new requirement of the Ordinance that took effect in January 2020, all departmental supervisors must take a web-based training in whistleblower protection awareness developed in 2019 through the collaboration of the Controller, Department of Human Resources, and the Ethics

Commission. That training highlights the duty that supervisors have under the law to retain the confidentiality of retaliation complaints and to refer retaliation complainants to the Ethics Commission. Supervisors access the training through DHR's employee learning management system, SF Learning Portal. During FY21, under 15 percent of the whistleblower complaints received by the Commission came from a supervisor who had completed the training in supervisors' duties and properly fulfilling their supervisorial responsibilities.

DHR data reflects that while 11,350 City officers and employees were required in 2021 to take this training, as of May 26, 2021, fewer than half of those – around 5,000, or approximately 45 percent – appeared to have completed the training. The Whistleblower Protection Ordinance provides that an appointing authority may impose discipline on a supervisor who fails to maintain confidentiality or to assist an employee in filing a retaliation complaint, however the current Ordinance does not identify penalties for failure to complete the required training.

Additional collaboration with DHR in FY22 will be necessary to help ensure the importance of departmental supervisors' whistleblower training is broadly conveyed, so that full compliance with that training requirement can be achieved in 2022 as envisioned by the Ordinance and that whistleblower retaliation matters are fully and timely investigated and resolved.

Administrative Operations & Accomplishments

Commission Leadership and Membership Changes

During this fiscal year, Members of the Ethics Commission elected Chair Noreen Ambrose to a second term as chair of the Commission and Vice-Chair Yvonne Lee to a second term as the vice-chair. The Commission welcomed Commissioner Larry Bush to his first meeting in July 2020, which also was the Commission's first meeting held, and in a remote format, since the City's shelter-in-place public health order was announced in March 2020. The Commission also welcomed its newest Commissioner, James Bell, who was appointed by the District Attorney on February 1 to fill the seat vacated on February 1 by Commissioner Fern Smith.

Business Continuity during COVID-19

During FY21, the ongoing COVID-19 public health crisis continued to have an unprecedented impact on the operations of government at all levels. During what was a highly challenging year across all sectors, ensuring the continuity of government services and operations was paramount. The Ethics Commission was able to pivot immediately to fully remote operations and continued its regular daily business operations following the announcement of the first COVID-19 shelter-in-place public health order. As additional remote technology became available to City Boards and Commissions, the Commission resumed its regular monthly meetings in July 2020. The Commission and staff were able to work seamlessly, and during an election year, in a remote environment through its automated filing systems and online filing requirements, and by continuing to enhance its web site content and functionality throughout the year to better enable the public to access Commission services.

The Commission also used remote meeting technology to conduct interested persons meetings to gather public feedback on policy proposals, conduct and participate in online training sessions, and ensure the continuity of required trainings for candidates, committees, City officials, and employees. As a part of enhancing the Commission's operational infrastructure, staff also implemented new remote telephone service, computer management and software deployment, and cybersecurity improvements during the year.

Commission's Support for the City's Emergency Response

The services of Ethics Commission staff members continued to be requisitioned for the City's emergency response to COVID-19 through the Disaster Service Worker (DSW) program throughout FY21. DSW assignments are a responsibility of public service with the City and County of San Francisco and help ensure the City has the capacity it needs to address the impacts of a local emergency. All DSW needs are identified through a centralized City emergency operations center and requests are coordinated through DHR. Since the start of the shelter-in-place public health order in March 2020, 36 percent of the Ethics Commission's current 25-member staff have fulfilled DSW duty. These individuals have collectively provided more than 570 days of DSW service coverage, or over 4,500 hours, with three employees deployed on extended assignments in FY21.

Budget

In 2020, the emergence of the COVID-19 pandemic introduced significant uncertainty into the City's budgeting process due to the ongoing healthcare and financial impacts in the City. In late March 2020, the Mayor announced a revised timeline for fiscal year 2020-21 budgeting process and issued new budget instructions to all City departments requiring revised budgets to be submitted by June 12, 2020. On July 31, 2020, the Mayor released a proposed Citywide budget for FY2020-21 and FY2021-22. On October 1, 2020, the Board of Supervisors voted to give final passage of the budget.

The Ethics Commission's budget is comprised of two main components - an operating budget, and the Election Campaign Fund. The Commission's annual approved operating budget for FY21 was \$4.72 million with authority for 25 staff positions. This budget provided the Commission the authority to fill all vacant positions and add a new position to support the Form 700 e-filing project as part of its priority FY21 Hiring Plan. It also included funds to support a work order with DHR to enable expedited recruitment for all vacant positions and a work order with the Controller's Office to support the department's procurement functions. The Election Campaign Fund is established in the City's Campaign Finance Reform Ordinance Sec. 1.138 and provides a dedicated source of funding for use in providing qualified candidates for the offices of Mayor or Board of Supervisors with a limited amount of public financing for their election campaigns, as described previously in this report.

Departmental budget submissions for the fiscal year that begins on July 1, 2021, were due to the Mayor's Office on February 22, 2021. As part of a City Ordinance that took effect in 2020, departments are required to hold two public meetings concerning departmental budget priorities at which members of the public may provide input prior to the department finalizing a proposed budget. The Commission held its first public hearing at a special meeting of the Commission on January 21, 2021 and its second hearing at its regular meeting on February 12, 2021. In developing its budget proposal, the Commission prioritized core services that are aligned with its strategic goals and those that are necessary to implement recommendations of the Controller's Office public integrity reports, and BLA's performance audit report of the Ethics Commission. Those independent assessments underscore the critical significance of the Commission's mission, the importance of investing fully in its mandate, and the urgent nature of its critical work. On February 22, 2021, the Commission submitted its [FY22 Ethics Commission Budget request](#) to the Mayor's Office, which called for a 28 percent increase in the Commission's operating budget to strengthen enforcement and institute practical ethics training for city employees and contractors. On June 1, 2021, the Mayor released her [proposed City budget](#) for FY22. As recommended by the Mayor, the budget proposes to fund the full set of budget recommendations put forward by the Ethics Commission. These include:

- Retention of its existing organizational capacity without targeted cuts that were requested in the Mayor's FY22 budget instructions;
- Funding for Ethics@Work program as proposed which includes four new positions to establish a dedicated ethics training and outreach team;
- Funding for three new investigator positions and an enforcement case management system as proposed to help reduce case resolution times and increase the number, proportion, and severity of cases investigated; and
- Funding for one new Program Performance and Reporting Analyst as proposed for the development and implementation of core performance reporting.

The City's FY22 budget will be considered by the Board of Supervisors in July. The Commission's budget proposals and related documents are available on its [website](#).

Hiring Update

With the approval from the Mayor's office to proceed filling staff vacancies, and recruitment support from DHR through a work order, the Ethics Commission initiated and completed key components of its FY21 Hiring Plan as a departmental priority in mid-April. Due to remote operations, staff had to adapt the Commission's hiring processes to enable remote interviews and support fully online recruitment procedures. In April 2021, the Commission welcomed five new staff members across all divisions. Two unplanned staff vacancies also arose in February and March, 2021, and recruitments to fill those positions – a Senior Investigative and Legal Analyst in the Enforcement Division, and an Auditor in the Audit Division - were initiated with job postings in collaboration with DHR beginning in May.

As a part of these recruitment efforts, the Commission is participating in the City's pilot program to launch its new hiring platform, *SmartRecruiters*, which is more user-friendly and expected to be more effective in attracting a wider pool of candidates for job postings than the City's existing job application system.

Racial Equity Plan

With the 2019 creation of the City's Office of Racial Equity (ORE) in response to the City's growing racial disparities and as a means to address the history of structural and institutional racism in San Francisco's delivery of services to the public and its own internal practices and systems, each City Department was required to develop a Racial Equity Action Plan to specify the steps it would take in a shared citywide commitment to ensuring equitable and inclusive outcomes in San Francisco. This plan is designed to provide a blueprint for advancing racial equity in all aspects of the department's work over three years and were required to be submitted to ORE by December 30, 2020.

Like its programs that promote fair and equitable participation in governmental processes broadly, as a department of City government the Ethics Commission honors and values diversity, inclusion, and engagement in its own operations. The Commission is committed to promoting racial equity and to creating and sustaining a work environment that reflects and engages the diversity of our communities, and in December 2020, it unanimously adopted an [Ethics Commission Racial Equity Action Plan](#) and submitted it to ORE pursuant to [Ordinance No 188-19](#).

The Commission's Plan highlights specific departmental strategies that reflect the City's comprehensive racial equity framework to "build a culture, space, and workplace that is accessible and welcoming to all current and future employees, and to actively build an environment in which all people, regardless of background, identity, or ability, can be equal participants." Staff continue to participate in monthly meetings conducted by ORE for City departments to engage in the discussions regarding racial equity as the Commission continues to work on its departmental strategies. The Commission anticipates that its Plan will be a living document that expands and evolves to reflect the full breadth of its commitments, experiences, aspirations, and practices as a Commission and staff team.

The approaching closure of the fiscal year is also a time to assess priorities for the new fiscal year ahead. To effectively meet its programmatic and operational demands of its broad Citywide mandates in the upcoming year, the Commission plans to remain focused on three core strategic priorities:

- **Program Impact:** strong laws, well implemented, with timely and effective oversight to strengthen the impact of core Commission programs. Organization-wide focus will continue to strengthen essential outreach, oversight, and accountability mandates by designing and implementing program and business process improvements that deepen the impact of those mandates in practice.
- **Broadened Understanding:** heightened awareness of the laws, including through broadly accessible public disclosure that promotes meaningful public engagement. Practical tools and information for City officials and others that enhance both understanding of the laws and compliance. Creatively meeting the information and engagement needs of stakeholders and the public, including by continuing to leverage effective remote technologies, will be essential.
- **Service Excellence** through continuous improvement, transparency, and accountability for our work. As San Francisco emerges from the pandemic and the City puts forth its re-opening plan for departments and the public, the Commission will re-assess and re-calibrate its services to ensure the continuity of effective business process improvements and incorporation of organizational insights into its daily operations going forward that have been gained from both the successes and challenges of the prior year.

These priorities provide a lens through which the allocation of departmental resources will be prioritized and managed to further advance the Commission's mandates established by San Franciscans. The Commission remains committed to leveraging all resources invested in its vital mission with focus, flexibility, and creativity as it continues its public service to help build public trust.