

**From:** [Pelham, Leeann \(ETH\)](#)  
**To:** [MYR-ALL Department Heads](#)  
**Cc:** [MYR-All Department Head Assistant](#)  
**Subject:** Ethics Form 700 E-Filing Project – Planning Update for Department Heads  
**Date:** Tuesday, June 1, 2021 3:04:52 PM  
**Attachments:** [Fact Sheet Form 700 E-Filing Expansion Filing Officers FINAL.pdf](#)  
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June 1, 2021

Dear Department Head Colleagues,

As all City departments look ahead to the start of a new fiscal year and continue to adapt our operations and processes to promote business continuity, program accountability, and the public trust, I want to take this opportunity to be in touch today to 1) update you on several important developments regarding a priority initiative now underway at the Ethics Commission to launch electronic filing of Form 700 for the City's more than 3,000 designated filers beginning in 2022, and 2) to ask for your help to ensure the enhanced transparency and oversight designed to be achieved through this core public disclosure project is implemented effectively in your department.

### **Form 700 E-Filing Expansion to Launch January 1, 2022**

As you know, public officials and employees who make or influence government decisions are required under California law to file a Statement of Economic Interests, or Form 700, to publicly identify the kinds of financial interests that could be affected by their governmental duties. These public disclosure filings serve as a tool to help us detect and avoid potential conflicts of interests and promote public confidence that actions on governmental decisions are made without any regard to personal gain.

The law requires all public agencies to identify positions, known as designated positions, that [make or participate in making governmental decisions](#). Designated positions are identified in the jurisdiction's [Conflict of Interest Code](#), which is required to be updated no less than every two years, most commonly through a Biennial Code Review process.

Effective January 1, 2022, employees occupying designated positions ("designed filers") identified in Sections 3.1-103(d) and 3.1-108 of [the City's Conflict of Interest Code](#) will be required to file their Form 700 statements in electronic format. Beginning with that launch, all designated filers will use the same online system that has been used by Department Heads, elected officials, and board and commission members to file their statements since 2014, the Ethics Commission's internet-based NetFile e-filing system. As with current electronic filings, redacted Form 700 filings by the city's designated filers will also be available online to the public immediately after they are submitted. The current paper-based filing process will be eliminated, making it easier for filers to submit filings online, increase filing efficiency for departments, and improve public access to reportable information once the filer's disclosure statement is submitted.

### **Key Milestones to Date**

To date, several key milestones initially identified by the Commission have now been met. Necessary regulations were updated, including a successful meet and confer process in collaboration with the Department of Human Resources and the City's labor partners. With support of the Mayor's Office

and Board of Supervisors, funding was secured in the Commission's FY21 budget to bring on board a new position to provide dedicated filer support for the Form 700 e-filing expansion project, and that position was filled in early April 2021. New filer materials and resources for both Filing Officers and Designated Filers are actively being developed and will be made available beginning this Fall and into the winter.

### Your Help is Needed

Department Heads have a unique ethical obligation to uphold transparency and accountability in service to the public in addition to the duty the City Charter vests in all City employees to exercise our public duties in a manner consistent with the public trust. One way that obligation is expressed in practical terms is through a statutory obligation in current City law that assigns to Department Heads the duty to ensure accountability for their department's Statement of Economic Interests filing process and ensure required public transparency to those disclosure statements. Specifically, under City law each Department Head or the Executive Director of the City department/agency is the official Filing Officer for positions designated in the Conflict of Interest Code sections 3.1-103(d) or 3.1-108. In practice, many Filing Officer responsibilities are delegated to department staff.

To help ensure the Form 700 e-filing roll out and implementation proceeds effectively, we ask you to:

- **Review the attached *Filing Officer FAQ* and your current designation of Filing Officer duties.** Filing Officers will have new and expanded online tools for managing their departmental Form 700 filings in the Ethics Commission's Netfile system.
  - Training to administer filings through use of the NetFile system will be provided by Ethics Commission Staff and will be a mandatory requirement before a Filing Officer is granted access to the NetFile system.
- **Confirm your Filing Officer designation for FY22.** This will be important to enable our office to communicate with the appropriate individual(s) you have authorized with responsibility to perform these duties on your department's behalf and will help ensure training and information can be rolled out effectively. Ethics Commission Staff will be reaching out to departments in early July to confirm filing officer designees.
- **Share news of the Form 700 E-Filing launch with your designated filers.** Additional materials will be shared with departments in the coming months to help prepare designated Form 700 filers for the January 2022 e-filing launch. We ask that you forward that news to your department's filers and we invite their questions and feedback. In addition, I am happy to be available to provide an overview of the project and answer questions your designated filers may have about it, including by a Teams meeting or via a brief Q&A at a division or work unit staff meeting. Please be in touch with me if I can be of assistance in this way.

We understand that you and your staff may have questions going forward. Please feel free to contact me directly if you have questions about the project or its implementation.

Thank you in advance for your ongoing leadership and for your partnership in the coming year as we work together in public service that builds public trust.

Sincerely,

LeeAnn

**LeeAnn Pelham**

Executive Director

San Francisco Ethics Commission

415-252-3100 | [sfethics.org](http://sfethics.org)

[leeann.pelham@sfgov.org](mailto:leeann.pelham@sfgov.org)

