

Government Ethics and Conflict of Interest Review Project

Phase II: Report on Gift Laws Part B: Gifts to City Departments

San Francisco Ethics Commission

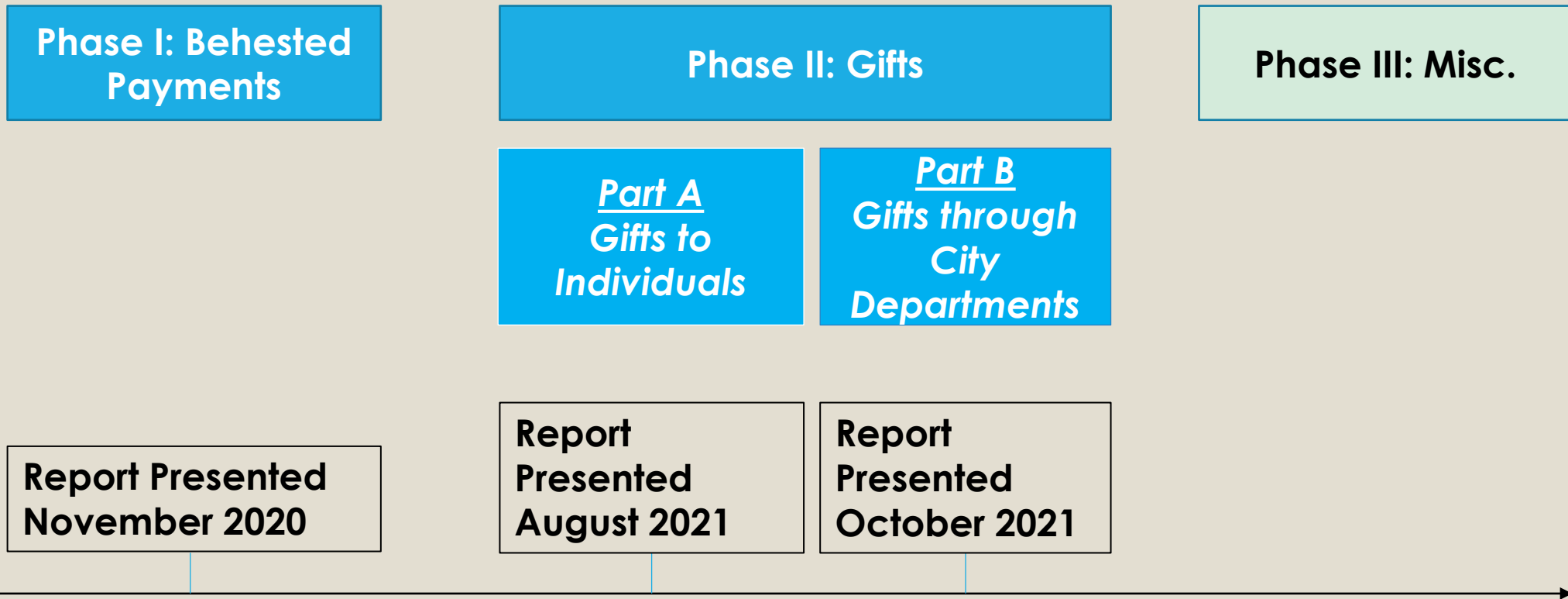
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Government Ethics and Conflict of Interest Review Project Status



(File 201132 Pending)

Background – Federal Investigation

Federal criminal charges: **13** individuals

- **2** City Dept. Heads; **2** City Employee
- Plea Agreements: **8** individuals (**1** City employee)

Local criminal charges: **1** individual (former City employee)

City officers and employees resigned or terminated: **7**

Background – Federal Investigation

Alleged Gifts from Recology to Department of Public Works:

- Holiday parties
- Staff appreciation picnic
- DPW branded apparel and merchandise
- Health fair with massages and acupuncture
- Funeral expenses

Funds were distributed through various non-City organizations before being used by DPW

Background

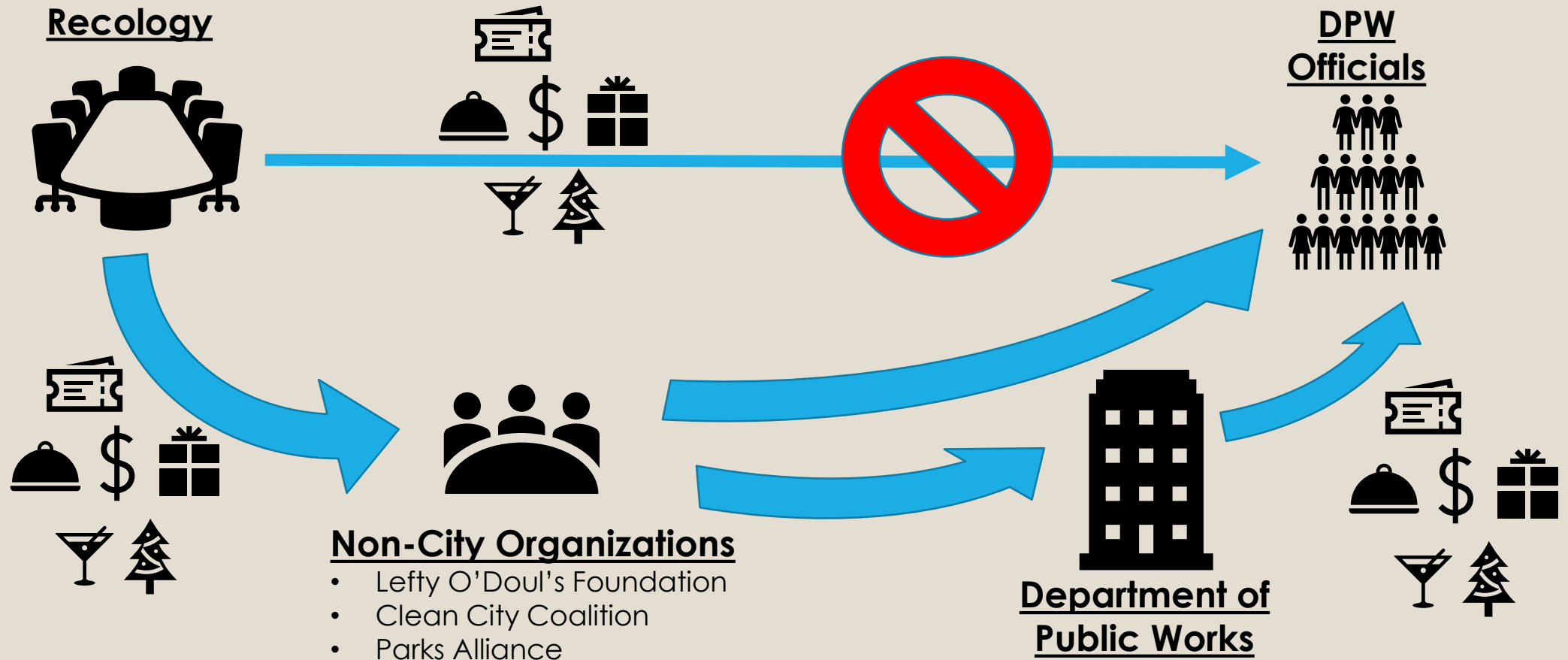
Restricted Source Rule: *City officers and employees cannot accept gifts from restricted sources*

- *Persons doing or seeking to do business with their department*
- *Persons who have sought to influence the officer or employee in the last 12 months*

** Report on Gifts Part A: Gifts to Individuals* recommended that the exceptions to the rule be reformed.

Findings

Alleged Gifts from Recology to Department of Public Works

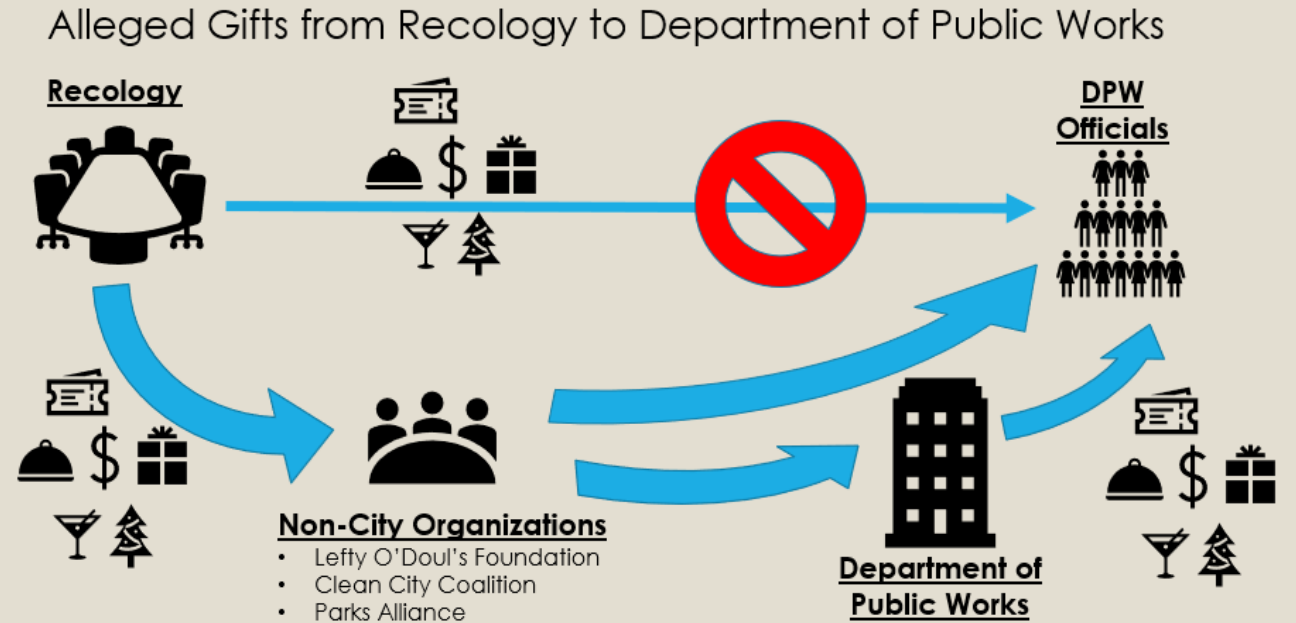


Findings

Alleged Gifts from Recology to Department of Public Works

DPW's practices undermined the restricted source rule

Created danger and appearance of pay-to-play and undue influence



Findings – Departmental Disclosures

Other San Francisco City departments accept gifts from likely restricted sources, such as:

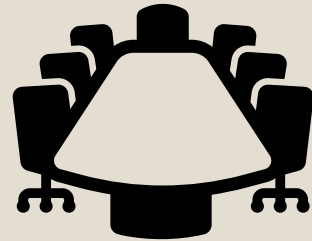
❖ Contractors

❖ Tenants

❖ Permit Applicants/holders

❖ Lobbyists & Permit

Consultants



These gifts confer personal benefits on City officers and employees, such as:

❖ Party Attendance

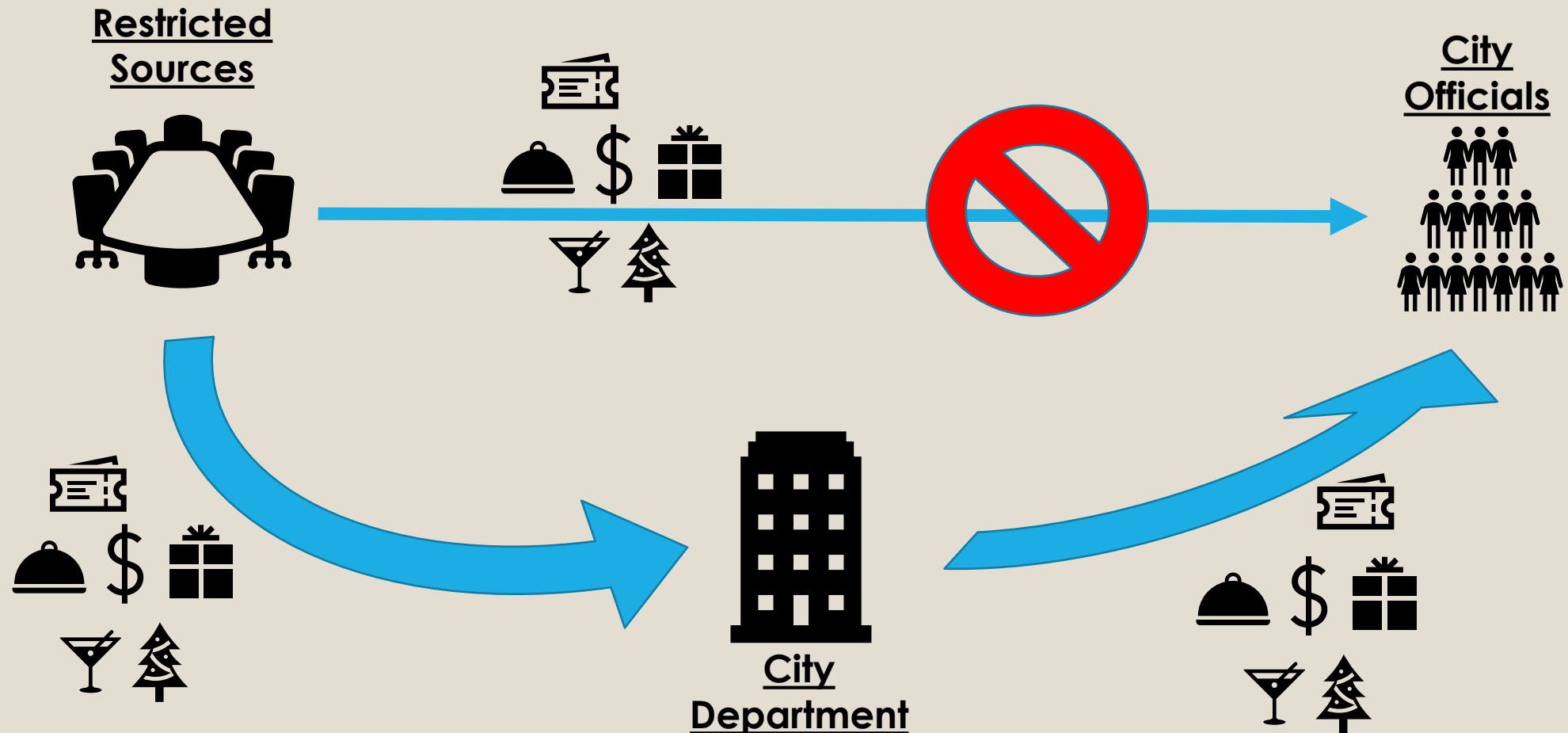
❖ Food

❖ Drinks

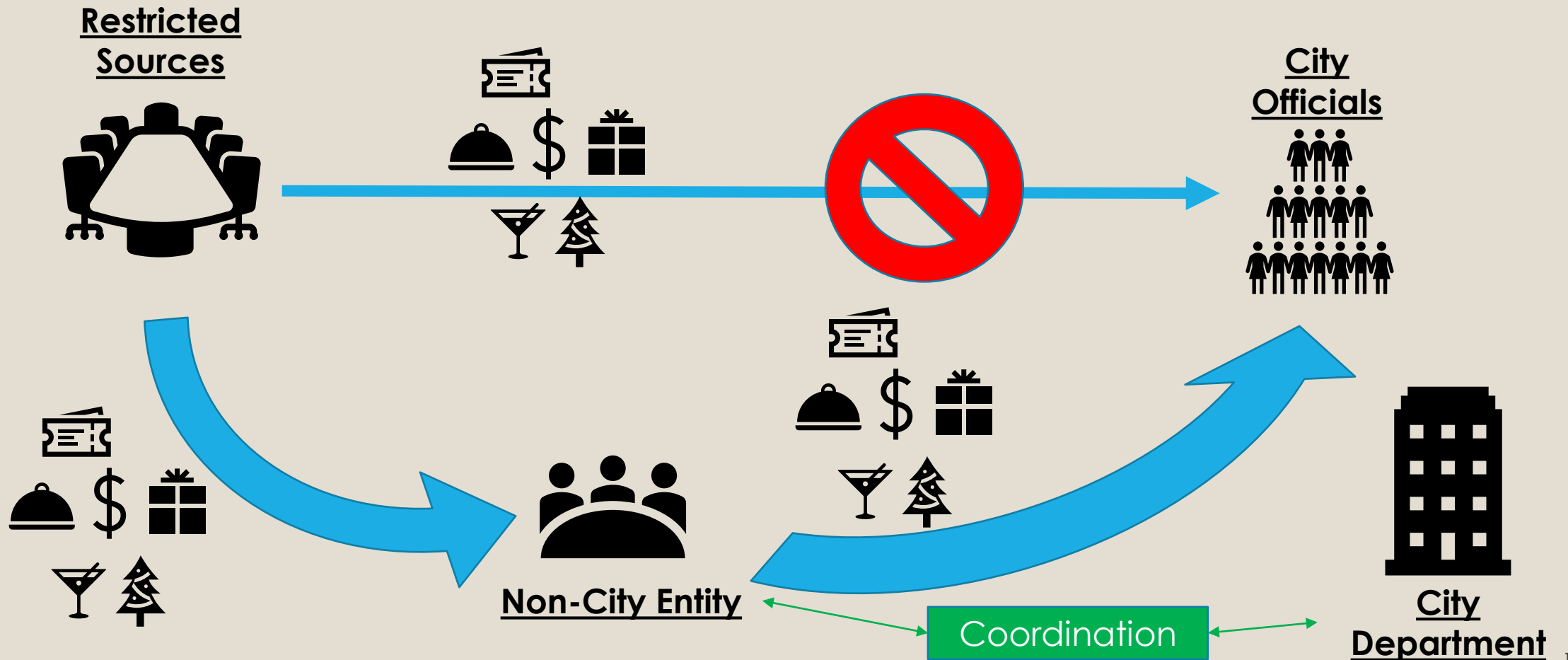
❖ Event Tickets



Findings – Gifts Through Departments



Findings – Gifts Through Non-City Entities



Findings



These practices undermine the restricted source rule

Create danger and appearance of pay-to-play and undue influence



These are not necessarily violations of current law.

Findings

These features do not address ethics problems

- ❖ Some of the gifts are received through statutory gift funds
- ❖ Some gifts are enshrined in City contracts
- ❖ Some events are also attended by non-City individuals
- ❖ Some of these practices are long-standing

Findings - Tickets

- ❖ Free tickets should be subject to the restricted source rule, like other gifts
- ❖ City duties can largely be carried out without free tickets - access to spaces is available
- ❖ If tickets from a restricted source are necessary, the City should purchase them

Findings – Ineffective Disclosures

Three local laws require disclosure of gifts to City departments – each fails to provide sufficient transparency

Website Disclosure	Controller Disclosure	Annual Report to Board of Supervisors
<p>Action: Gift must be disclosed on department’s website.</p>	<p>Action: Gift must be disclosed to the Controller.</p>	<p>Action: Gift must be included in an annual report to the Board of Supervisors.</p>
<p>Problems:</p> <ul style="list-style-type: none"> • Decentralization/poor accessibility • Lack of standardization and uniformity • Often incomplete 	<p>Problems:</p> <ul style="list-style-type: none"> • Not administered as a public disclosure 	<p>Problems:</p> <ul style="list-style-type: none"> • Poor Accessibility • Lack of standardization and uniformity • Often incomplete

Recommendations

Recommendation 1: Prohibit any City officer or employee from acting as an intermediary for a restricted source gift

- Would apply if official knows or has reason to know that the source is a restricted source for the recipient

Recommendations

Recommendation 2: Prohibit any City officer or employee from accepting a gift from a City department or non-City organization that originates from a restricted source

- Would apply if official knows or has reason to know that the original source is a restricted source

Recommendations

Recommendation 3: Prohibit restricted sources from passing a gift through an intermediary

- Would apply if source knows or has reason to know that the gift will personally benefit a City official for whom the source is a restricted source

Recommendations

Recommendation 4: Prohibit non-City organizations and individuals from acting as an intermediary for a restricted source gift

- Would apply if intermediary knows or has reason to know that the source is a restricted source for the City officials that receive it

Recommendations

Recommendation 5: The Ethics Commission should administer a single, standardized disclosure of gifts to City departments

- Would provide more complete information about gifts to departments in a single, readily available location

Recommendations

Recommendation 6: Require departments to disclose the name of every City officer or employee who personally benefits from a gift to a City department

- Currently, this information is often omitted from disclosures

“Government decisions of officers and employees of the City and County should be, and should appear to be, made on a fair and impartial basis.”

*San Francisco Government Ethics Ordinance
Findings and Purpose (§ 3.200)*

