



San Francisco Ethics Commission

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Date: November 3, 2023
To: Members of the Ethics Commission
From: Gayathri Thaikkendiyil, Acting Executive Director
Subject: Agenda Item 7 - Discussion and possible action on Ethics Commission Draft Annual Report for the Fiscal Year ending June 30, 2023

Summary and Action Requested

Commission Bylaws require Commission action to approve its annual report. This item has been placed on the Commission's meeting Agenda to allow the Commission to discuss and take possible action on a draft Annual Report for the Fiscal Year ending June 30, 2023.

Draft Annual Report for Fiscal Year Ending June 30, 2023

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. (Bylaws Article IV - Officers, Section 3: Chairperson).

This item has been placed on the November meeting agenda to enable the Commission to review the Annual Report draft text, provide any feedback, and potentially take action to adopt the Annual Report for FY23. The report highlights activities and key accomplishments of the Commission during the period July 1, 2022 – June 30, 2023.

Next Steps

If the Commission wishes to provide any feedback or has any requested revisions, Staff will incorporate changes into a revised draft report for consideration at the next Commission meeting. Alternatively, should the Commission wish to adopt the draft as presented, Staff will finalize the report as adopted to format and publish the report on the Commission's website.



City & County of San Francisco
Ethics Commission

Draft Annual Report

FOR FISCAL YEAR

2022 – 2023

Chair, **Yvonne Lee**

Vice-Chair, **Theis Finlev**

Commissioner **Argemira Flórez Feng**

Commissioner **Yaman Salahi**

Gayathri Thaikkendiyil: Acting Executive Director

Steven Massey: Acting Deputy Director & Chief Operating Officer

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Introduction

Thank you for reviewing the Ethics Commission’s Annual Report for Fiscal Year 2022-2023 (FY23). We are pleased to issue this report to share the highlights of the Commission’s activities, challenges, and accomplishments during this fiscal year.

Established by San Francisco voters with the passage of Proposition K in November 1993, 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. Our mission is to practice and promote the highest standards of integrity in government. We realize this by delivering impactful programs that promote fair, transparent, and accountable governmental decision making for the benefit of all San Franciscans.

In FY23, the Ethics Commission continued to focus on its ongoing strategic priorities to broaden the citywide impact of its Charter-mandated duties to ensure:

- Strong laws that are well implemented with timely and effective oversight and accountability to enhance the impact of core Commission programs;
- Heightened awareness of the laws through organization-wide focus on practical tools and information, essential outreach, and accessible public disclosure to enhance understanding, promote improved compliance, and foster equitable and meaningful public engagement;
- Organizational excellence through continuous improvement, accountability, and equity in the delivery of programs, services, and spending.

The Commission remains committed to leveraging all resources invested in its mission with focus and creativity as it continues its public service to help build and maintain public trust. We invite your ongoing participation in this vital work and welcome your feedback on this Report.

Year at a Glance

91% compliance with Form 700
financial disclosures by City
Officers

95% compliance with Form 700
financial disclosures by
designated employees

93% completion of annual Ethics
and Sunshine training
requirements

\$1.15 million in
public financing funding
disbursed

Oversight & compliance for
262 campaign committees

Oversight & compliance for 51
permit consultants

Oversight & compliance for 18
campaign consultants

Oversight & compliance for 245
lobbyists

159 enforcement matters
resolved

\$98,095 in
enforcement penalties

6 lobbyists audits completed

\$7.1 million annual operating
budget

Mandate & Mission

What We Do

The Ethics Commission provides information, guidance, and training to city officers and employees, candidates for public office, lobbyists, and others to help them understand and comply with their responsibilities under the law. To fulfill its oversight mandate, the Commission is charged with ensuring fair, thorough, and timely investigations and case outcomes that serve as an effective deterrent and promote accountability in government. It also conducts audits of campaign committees and lobbyists to determine whether they have materially complied with applicable requirements of State and local laws. The Commission is also responsible for raising public awareness of relevant laws, analyzing how well current laws are achieving their intended purposes, and formulating new regulatory and legislative approaches to ensure the City’s political reform laws are strong, workable, and enforceable.

The Commission also administers a Public Campaign Financing Program which provides partial public financing for candidates for Mayor and the Board of Supervisors who meet established eligibility criteria. With a sworn responsibility to the public trust, members of the Ethics Commission are pledged to a high standard of excellence in government accountability. Together with staff, the Commission works to effectively implement the laws and programs within its jurisdiction.

Organizational Structure

For the five-member Ethics Commission, Commissioners are appointed by: Mayor (1); City Attorney (1); District Attorney (1); Assessor (1); Board of Supervisors (1). The Commission elects its Chair and Vice-Chair annually. The Commission appoints an Executive Director, who in turn hires staff to assist in the day-to-day work of the Ethics Commission.



Programmatic Updates

Disclosures by Officials & Designated Employees

The Ethics Commission oversees public disclosure filings that support open and impartial City decision-making and public transparency about actions taken by City officials.

Form 700 Filings by Officers & Designated Employees

Public officials and designated employees throughout California who make or influence governmental decisions are required to disclose financial interests on a Statement of Economic Interests (SEI or Form 700).

SEIs provide the public information about an official's personal economic interests, ensuring that officials act in the best interest of the public and not to enhance their own personal finances. Annual SEI filings covering the 2022 calendar year were due by April 3, 2023.

By the April 2023 annual filing deadline, 91 percent of designated employees e-filed their SEI on time, along with 91 percent of City commissioners, board members, department heads, and elected officials. After additional Commission and departmental follow up, as of June 30, 2023, 95 percent of designated employees and 91 percent of City officials had filed their annual SEI.

Annual Ethics and Sunshine Training Declarations

Annual Ethics and Sunshine Ordinance Training and Declarations were required to be fulfilled by elected officials, department heads, and commissioners and board members by April 3, 2023.

Over 78 percent of these City officials (including 100 percent of elected officers) completed their annual training requirement by the deadline. As of June 30, 2023, 93 percent of City officials had completed their annual Ethics and Sunshine Ordinance Training Declaration.

Commission staff performed filing officer responsibilities and provided compliance support to City officials during the annual filing season to promote timely compliance of Form 700 and Ethics and Sunshine Ordinance Training and Declaration. Staff engaged in these same efforts to assist filers with completing their assuming or leaving office filing requirements. Commission Staff provided informal advice and compliance guidance, training, disseminated filing notices, administered filer e-filing accounts and filing obligations, tracked filer compliance, and conducted late filer procedures, where applicable. Staff also provided advice and guidance to assist individual departments with administering Form 700 program requirements for designated employees and consultants.

As in past years, the Commission made the information disclosed in Form 700 filings accessible online on its [website](#) and City's open data portal, [DataSF](#).

Members of Boards and Commissions who do not file their annual SEI or Ethics & Sunshine Ordinance Training and Declaration are ineligible to participate in their body's meetings until they comply with

their filing requirements. To improve compliance, staff proactively contacted bodies with meetings scheduled immediately following the deadline.

Staff also maintained a list of officers and designated employees who had not fulfilled their SEI or Ethics & Sunshine Ordinance Training and Declaration requirements by the deadline. The list was [published online](#) and highlighted in social media posts.

Conflict of Interest Updates

Continuing Ethics Reforms

The Ethics Commission reviews the City's ethics rules to ensure that they are effectively serving their intended purposes and to assess whether changes to the law are required to better promote government ethics and protect the public's trust in San Francisco government. In FY21, the Commission set a comprehensive Government Ethics and Conflict of Interest Review project as its top policy priority.

The purpose of the project was to evaluate whether current law adequately identifies and prohibits conduct that could give rise to a conflict of interest or undermine fair and objective governmental decision making. This project has been a cornerstone of the Commission's response to the recent public corruption scandals involving allegations of bribery and the giving and receiving of gifts to gain favorable treatment from City officials.

As part of the Commission's ethics and conflict-of-interest review project, three comprehensive reports were presented to the Commission and the public in FY22.

- The [first staff report](#), published in August 2021, focused on City rules regarding gifts to individual City officials and how identified weaknesses in the rules could be addressed.
- The [second report](#) was published in September and centered around gifts made to City departments.
- The [third report](#) was issued in December 2021 and covered a variety of essential ethics provisions, including recommendations to strengthen the City's bribery rule and expand ethics training requirements for City officials.

These reports led the Commission to draft proposals in the form of an ordinance to be placed before the voters. Its development included meetings with advocates, good government groups, members of the regulated community, and outreach to peer ethics agencies to examine best practices and identify improvements in San Francisco's laws.

The Commission intended to place these important reforms before voters in 2022, but this was not possible due to a continuing "meet and confer" process. Under state law, that process must be completed with affected public employee bargaining units prior to undertaking certain actions that would impact those employees.

The Department of Human Resources and City Attorney's Office advised the Commission that the Commission could not act on the proposed ballot measure and regulation amendments because meet and confer had not yet been concluded with the bargaining unit representing City managers by the

deadlines for submitting a measure for either the June or November ballots in 2022. Commission efforts to continue and successfully conclude the meet and confer process have continued to be a priority throughout FY23, so that voters may have the opportunity to consider these important reforms as soon as possible.

Following 21 months of engagement in the meet and confer process with MEA, on July 26, 2023, DHR sent out a 'close out' notice to MEA, which notified MEA that the City now considers the meet and confer on this matter closed, since the parties had reached agreement. Because this process has been successfully concluded, the Commission was able to vote at its August 18, 2023 meeting on placing the reform ordinance before voters and approve the associated regulations. The Commission voted unanimously (4-0), to present the reforms to voters during the March 5, 2024 election and to approve the associated regulations that will help implement the reforms, if approved by voters.

Behested Payments Changes

The first phase of the Commission's Government Ethics and Conflict of Interest Review project resulted in legislation developed to prohibit City officials and specified City employees from soliciting behested payments from persons defined in the law as "interested parties." This legislation went into effect in January of 2022.

At the Commission's December 2022 meeting, the Commission approved new regulations regarding the City's behested payment rules at the December meeting. On December 12, staff referred the approved regulations to the Board of Supervisors, where the Board has a 60-day period in which they can veto the regulations with a two-thirds vote. The regulations became effective at the end of the 60-days on February 7, 2023.

The regulations fulfill the Code's requirement that the Commission enact regulations clarifying the City's behested payment rules and address numerous matters that have been raised by stakeholders throughout the year.

Staff updated the Commission's website to reflect the new regulations on February 7, 2023 and sent out notice through the Interested Persons List to notify the public of the changes.

Biennial Code Review

On January 31, 2023, the Board of Supervisors passed an Ordinance to amend the City's Conflict of Interest (COI) Code following the 2022 biennial review process required by state law.

This Ordinance amends the Campaign and Governmental Conduct Code to update the COI Code's Form 700 filing requirements by adding, deleting, and changing titles of certain designated officials and employees to reflect organizational and staffing changes, and by refining disclosure requirements for certain designated officials and employees. Amendments add, delete, and change departmental designated filer listings since the Code was last amended in 2020.

State law requires the COI Codes of every public agency to be reviewed and updated every other year. COI Codes identify positions designated to file regular public financial disclosure forms (Form 700), because they make or participate in making or influencing governmental decisions.

For all City departments, the list of designated positions appears in Chapter 1 of Article III of the San Francisco Campaign and Governmental Conduct Code (SFC&GCC) sections 3.1-100 – 3.1-510. Those sections also show the disclosure categories that departments have assigned to their designated positions. Each department is responsible for keeping its list of positions and disclosure categories current.

Changes to a COI Code may be needed when agencies restructure, or when positions that make decisions, or participate in making or influencing decisions change. The biennial COI Code review requirement helps ensure agencies periodically review their list of designated filers and ensure the disclosures required by those filers are appropriately tailored to the nature and scope of work they perform.

SB 1439: New State Law to Address “Pay to Play”

On January 1, 2023, a new state law (SB 1439) took effect that is designed to extend longstanding state “pay-to-play” restrictions to local elected officials who make contracting and certain permitting and land use decisions as a member of a local elected body. This legislation:

- 1) Limits the solicitation or acceptance of campaign contributions from parties, participants, or their agents involved in certain proceedings pending before the agency or that had recently been before for the agency, and
- 2) Prohibits officials from voting on certain items if the official recently received a campaign contribution from a party, participant, or their agents involved in the item.

This law expands the Levine Act, first adopted in 1982, to local elected officials (the Levine Act had applied only to appointed officials such as commissioners and department heads). Ethics Commission staff, along with the City Attorney’s Office, collaborated on an informational notice detailing the impact of SB 1439.

Staff circulated this [notice](#) to the Clerk of the Board of Supervisors for dissemination to members of the Board of Supervisors and their staff on December 28, 2022.

Annual Reminders on Departments’ Statement of Incompatible Activities

Departments’ Statements of Incompatible Activities (SIA) are a tool to help inform all City officers and employees about activities that the City deems incompatible with their public duties. Statements identify those outside activities (including self-employment) incompatible with 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. SIA prohibitions can apply to these activities whether they are compensated or uncompensated.

To aid officials and employees in becoming increasingly familiar with their department’s SIAs, City law requires them to be distributed to all employees each year by April 1. The Commission provided the 2023 [annual SIA reminder notice](#) on March 14 to all City departments to facilitate their distribution.

Staff also worked with several departments to revise their SIAs to ensure that all the department’s officers and employees were covered by their SIA. The Commission subsequently approved revised SIAs for:

- The Department of Homelessness,
- Supportive Housing and the Homelessness Oversight Commission,
- The San Francisco Department of Early Childhood,
- The Children and Families Commission, and
- The Sheriff’s Department Oversight Board (SDOB) and Office of the Inspector General (OIG).

Additionally, staff worked to revise the SIA for the Public Works Department, Public Works Commission, and Sanitation and Streets Commission, for consideration at a future Commission meeting.

BLA Citywide Performance Audit on Management of Conflicts of Interest

On November 29, 2022, the Board of Supervisors unanimously approved an expansion of the audit work plan for its Budget and Legislative Analyst (BLA) to include a performance audit of how conflicts of interest are managed citywide. The Board directed the BLA to assess the City’s approach to minimizing conflicts of interest among public officials, staff, and contractors including a review of Statements of Economic Interests (Form 700), a review of departmental-level controls, and a survey of other jurisdictions. BLA Auditors held an entrance meeting with Commission staff on December 19, 2022 to discuss the scope and planned timeline for the citywide audit and conducted interviews with Commission staff to gather background and documents. Staff have been meeting with City auditors and providing requested materials.

Proactive Education & Communications - Ethics@Work Program Launch

The Ethics@Work program – a proactive educational program long-sought by the San Francisco Ethics Commission – was launched during this year. As a new division within the Ethics Commission, the fiscal year started with the hiring of the first members of the program team. The program was fully staffed by January, 2023. The Ethics Commission was [briefed](#) on the program’s activities at their regular meeting in June 2023.

The Division first prioritized the building of a workplan to determine how to best structure content development and dissemination. The Division also tackled the development of branding standards to facilitate consistent design across materials and shorter production schedules.

Material Development

Ethics@Work materials include both instructional and advanced content. This is to balance general exposure of the relevant rules, guidelines, and systems with more detailed support.

Eight summary documents covering basic programs were produced and translated into Chinese, Spanish, and Filipino. Additionally, four videos (currently available on the [Ethics Commission's YouTube page](#)) were published. Multiple e-learning courses and an online library are also well under production.

Production of materials will continue through the next fiscal year. Prioritization will be informed by feedback from the departments Ethics@Work engages with.

Departmental Outreach

To encourage the dissemination of materials throughout departments, Ethics@Work committed to contacting every City department before the end of the fiscal year and this goal was met.

Following the initial engagement, each department is asked to designate a liaison(s) to steer the discussions. Next, Ethics@Work staff meet with the liaison(s) to discuss what issues are most relevant to educate their staff on. With this information, the Ethics@Work staff develops a plan unique to that agency. The plan details what materials will be sent to which staff, their formatting, and how they will be distributed. This plan is shared with the liaison(s) for approval by the respective department. Thereafter, Ethics@Work engages with the individual department to execute the plan.

Status of Departmental Engagement as of June 30, 2023:

Department Name	Status
Public Health	Plan Approved
Public Utilities Commission	Plan under departmental review
Municipal Transportation Agency	Plan under departmental review
Airport Commission	Plan Approved
Human Services	Plan Approved
Police	Plan under departmental review
Homelessness & Supportive Housing	Non-responsive
General Services Agency - City Admin	Plan under departmental review
Fire Department	Plan Approved
Department of Early Childhood	Ethics@Work developing plan
Department of Children Youth & Their Families	Department Meeting in Planning
Sheriff	Plan Under Development
Recreation & Park Commission	Plan Under Development
Public Works	Plan Under Development
Public Library	Plan Under Development
Mayor	Declined to participate
Port of San Francisco	Plan Under Development

In addition, staff initiated communication with the following departments:

- | | |
|----------------------------------|-------------------------|
| Human Resources | Sheriff Accountability |
| Emergency Management | Arts Commission |
| Economic & Workforce Development | Environment |
| City Attorney | Fine Arts Museum |
| District Attorney | Board of Supervisors |
| Building Inspection | Human Rights Commission |

Controller
City Planning
Adult Probation
Public Defender
Treasurer/Tax Collector
Juvenile Probation
Retirement System
Assessor/Recorder
Superior Court
Elections
War Memorial

Rent Arbitration Board
Status of Women
Health Service System
Child Support Services
Asian Art Museum
Department of Police Accountability
Academy of Sciences
Law Library
Civil Service Commission
Board of Appeals

Campaigns Finance Updates

Elections Filings Overview

In FY23, Commission staff fulfilled filing officer responsibilities and compliance support for 45 candidate committees, 23 primarily-formed committees, and 106 Major Donors or Independent Expenditure Committees.

As of June 30, 2023, there were 262 active campaign committees including 115 local candidates, and 54 primarily-formed committees who filed with SF Ethics between July 1, 2022 through June 30, 2023.

In other areas of campaign activities regulated by the Commission, 18 campaign consultants were registered with the Ethics Commission as of June 30, 2023, of which 2 were new registrants. 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. They are required to submit quarterly reports with the Ethics Commission.

Public Financing

The San Francisco Ethics Commission administers a public campaign financing program for qualifying candidates running for Mayor or Supervisor. The San Francisco Campaign and Governmental Conduct Code requires that “following each election at which the Mayor or members of the Board of Supervisors are elected, the Ethics Commission shall submit a report to the Mayor and Board of Supervisors” that provides certain information about the use of the public financing program in that election. Staff presented a [summary of the programs activities](#) at the May 2023 regular Commission meeting.

For the November 2022 election, five of the 11 Supervisorial candidates who qualified to appear on the ballot (45%) applied for and were approved to receive public financing. Together, those candidates received over \$1.15 million under the public financing program.

All 5 District Supervisor races featured an incumbent candidate. However, the incumbent candidate in District 2 ran unopposed and therefore was not eligible to receive public financing. A candidate in the District 4 race applied for public financing but was disqualified from appearing on the ballot before their application was reviewed.

Of the 5 Supervisorial candidates certified as eligible to receive matching funds, 4, or 80%, qualified to receive the maximum amount of public financing allowed. On average, candidates were approved to receive approximately 91% of the maximum amount of public financing allowed. Overall, in these 5 District Supervisor elections, public financing represented approximately 45% of these Supervisorial candidates' total campaign funds for the November 2022 election.

For the November 2022 election, Ethics Commission staff determined that a total of 20 adjustments to candidate spending limits were required. Four of the five candidates certified eligible to receive public financing had their individual expenditure ceilings (IEC) limit raised.

Third-party committees (including general purpose and primarily formed independent expenditure committees) and individuals not affiliated with candidates reported spending a total of \$577,238 on the November 2022 election. This includes amounts disclosed in new and amended forms and statements that were filed after the election and were not factored into determining candidate IEC adjustments. Of this third-party spending, \$457,690, or 79%, was spent in support of a candidate, while \$119,547, or 21%, was in opposition to a candidate. Third-party spending in the November 2022 Supervisorial races affected five candidates in three races. All 5 candidates received supportive spending, while three candidates were also the object of opposition spending.

Disclosures Regarding City Contractors

Certain [public disclosures](#) required to be filed with the Commission aid elected officials in complying with restrictions on contributions from City contractors and help campaigns determine who may be prohibited from contributing to them. During FY23, 961 Notification of Contract Approval forms (Form SFEC-126f4) were submitted by City officials. Additionally, 96 Notification of Submission of Proposal filings (Form SFEC-126f2) were submitted by City departments.

Amendments to Campaign Finance Disclaimer Requirements Approved

On December 9, the Commission voted to approve changes to the City's campaign finance disclaimer requirements to comply with a court order. The legislation (File #221161) was referred back to the Board of Supervisors and is still pending action with the Board.

Compliance Programs

Throughout the year, Commission staff helped lobbyists, permit consultants, and major developers with timely compliance with their respective registration and reporting requirements. In this capacity, staff disseminated pre- and post-filing notices, reviewed filed disclosure reports, administered filer accounts and requirements, tracked filer compliance, executed late filer procedures, terminated inactive filers, and provided other guidance.

Lobbying

The City's Lobbyist Ordinance requires persons defined as lobbyists under the law to register and file public reports disclosing their lobbying activities with the Ethics Commission.

In calendar year 2022, 241 contact lobbyists were registered with the Ethics Commission, of which 52 were new registrants. These contact lobbyists together reported representing 381 clients, of which 292 had contacts with city officials made on their behalf. The total economic consideration reported in 2022 was \$13,131,155. In addition, 4 expenditure lobbyists also registered in calendar year 2022.

Permit Consultants

City laws impose registrations and reporting requirements on permit consultants. These are entities paid to contact certain departments (including 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. They have been required to register and file quarterly reports with the Commission since 2015. They disclose client information, compensation, City officers and employees contacted, the relevant permits, and some information on contributions.

In calendar year 2022, 51 permit consultants disclosed reportable activity with the Ethics Commission, of which 2 were new registrants. Combined, they represented 445 clients.

Major Developers

Major Developers, defined as entities that sponsor any “major” real estate development project located in the City and County of San Francisco. These developments must have an estimated construction cost of more than one million dollars.

In calendar year 2022, no Major Developers were active or filed reports. Noting no reporting, staff reached out to the San Francisco Planning Department to solicit contact information for additional developers that have not properly filed with the Ethics Commission. In June, 2023, the Engagement & Compliance division emailed project sponsors that might have qualifying projects. Improving compliance will be a continued focus area in the upcoming fiscal year.

Audits

At the beginning of the fiscal year, the Audit Division had a backlog of 18 mandatory audits of publicly financed campaign committees to complete from the 2019 and 2020 elections. Following the November 2022 election, five additional mandatory audits were added to the backlog. During the year, the Audit Division continued work on two mandatory campaign audits of publicly financed candidates from the 2019 election, and initiated work on four mandatory campaign audits from the 2020 election.

At its December 6, 2022 meeting, the Board of Supervisors (BOS) introduced [Resolution No. 528-22 \(File No. 221211\)](#). It urged the Ethics Commission to:

- Create the core components of a long term, sustainable, and timely auditing function with ongoing audit plans to be reviewed by the Ethics Commission and promptly implemented; and
- Immediately seek and obtain external auditing services or auditing services from the City Controller to substantially shorten the projected time frames for the outstanding audit backlog for mandatory campaign and lobbyist audits.

Following the passage of this resolution, the Audit Division obtained assistance from the Office of Contract Administration (OCA) to establish a contract with an external vendor to reduce the outstanding audit backlog by completing mandatory audits of 2020 and 2022 publicly financed campaign committees. By the end of the fiscal year, the contract proposal had received approval of the Civil Service Commission, a critical step in the overall City contracting process. A fully executed contract with an external auditing service was expected to be in place in the upcoming fiscal year.

In FY23, the Audit Division completed audits of six randomly selected registered lobbyists that filed registration and/or monthly disclosures covering the period January 1, 2021 through December 31, 2021.

In the upcoming fiscal year, staff plans to review audit workplans and timelines to ensure campaign finance audits are conducted in a timely manner.

Enforcement

During FY23, the Enforcement Division undertook several initiatives to increase the Commission's enforcement capacity and refine and standardize its processes. This work was done to better conduct thorough, high-quality investigative work, develop more high-impact cases, and achieve more efficient case resolutions. The main initiatives undertaken were:

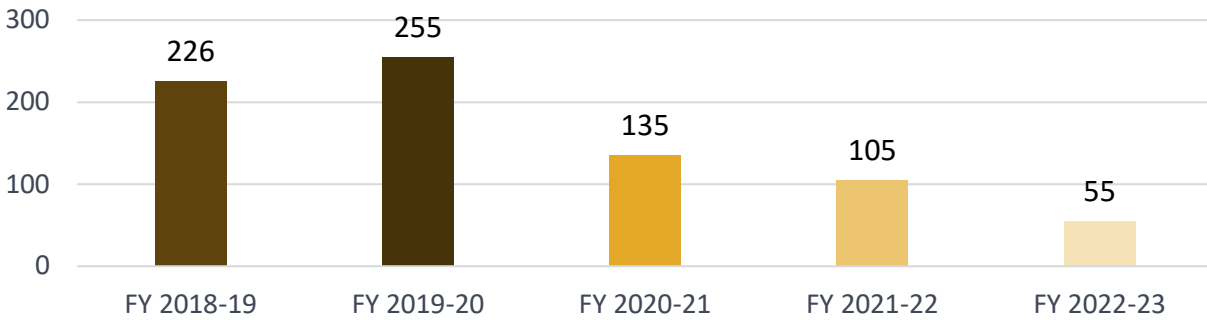
Launch of New Case Management System

The new case management system, custom built by Ethics Commission staff, launched on February 24, 2023. The system provides for significantly expanded case data tracking, allowing for faster and more thorough communication between investigators who are collaborating on a case and provide a more detailed picture of the status of each case.

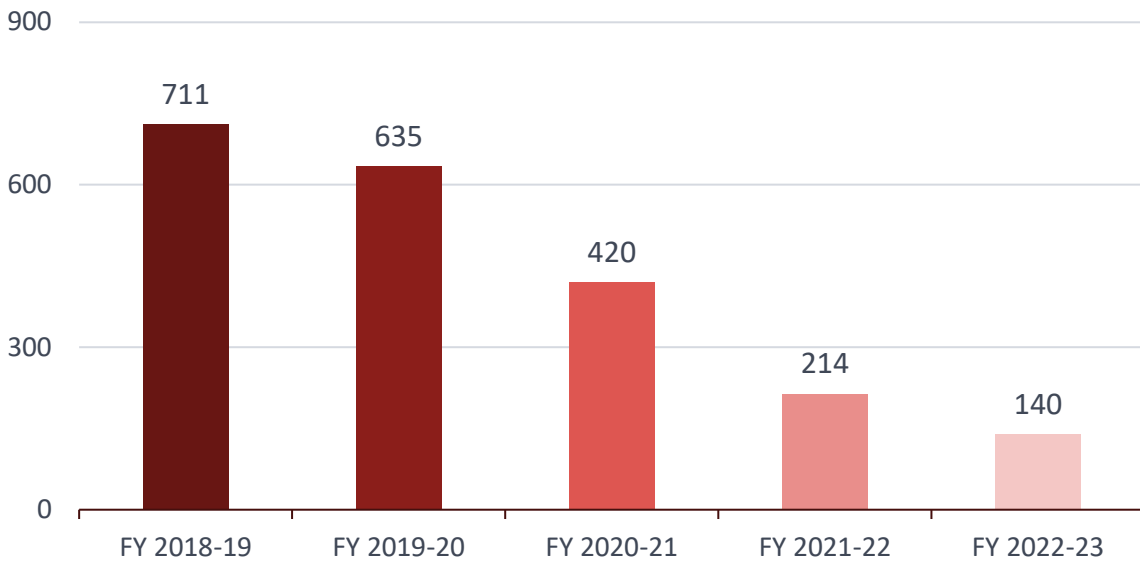
Streamlining Preliminary Review and Investigation

The Enforcement Division made preliminary reviews and investigations more efficient and timelier by establishing benchmarks for each stage of a case, using case tracking data to better monitor the status of cases and balance investigator workloads, and by prioritizing more complex and important cases that will require more time to complete. Another significant factor in reducing case resolution time has been increased staffing during the last two fiscal years. The Division has been able to significantly reduce the amount of time taken on average to complete preliminary reviews and investigations.

Preliminary Review: Average Days to Complete



Investigations: Average Days Open



Probable Cause Proceedings and Administrative Hearings

To more fully provide for the effective resolution of enforcement matters, the Division created the [Enforcement Hearing Guidebook](#) that summarizes the laws governing the Commission’s probable cause process and hearings on the merits. The purpose of the resource is to assist the Commission and the public in understanding the legal processes in place for the Commission to consider the evidence in a case and determine whether a violation has occurred.

These processes are core features of the Commission’s role as an administrative enforcement body, a role that was established in the City Charter when the Commission was first formed. The guidebook,

which was published to the commission’s website on May 1, 2023, will help guide the administration of hearings moving forward.

Developing Investigator Specializations

A major focus of the Enforcement Division’s work this year has been developing specializations within the team. This is true of both program areas and functions. Investigators have developed expertise in the specific areas of law administered by the Commission through case work and training. Due to increased staffing, cases can now be assigned in many instances to an investigator that has handled similar cases in the past and who has expertise in the laws at issue. Additionally, investigators now team up on cases, with one investigator leading the investigative work and one leading the steps involved in pursuing liability in the case, such as settlement negotiations, probable cause, and hearings on the merits. This approach has allowed for further skill specialization and more efficient case resolution.

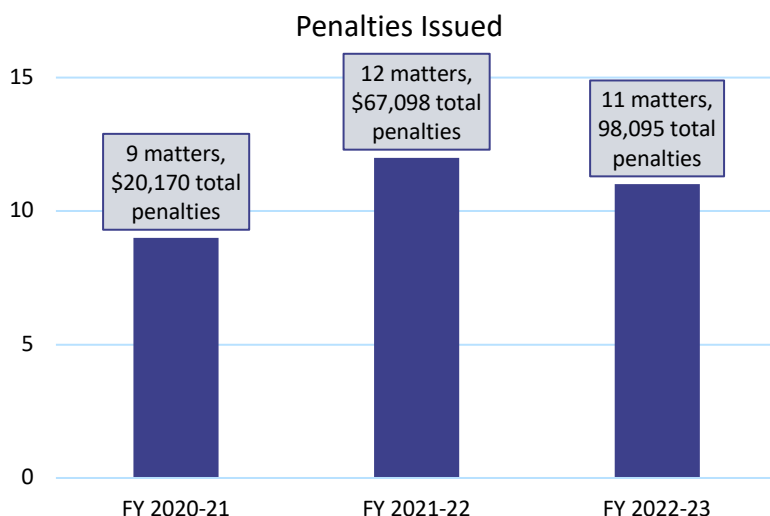
Proactive Enforcement

The Enforcement Division has begun to increase its proactive enforcement work, which is when investigators initiate enforcement matters without receiving a complaint. The Charter provides for this proactive work to take place, and it is an important way to ensure that violations that are apparent from disclosure filings, public records, or media reports are investigated appropriately. Refining, standardizing, and expanding proactive enforcement will be a major focus of FY24.

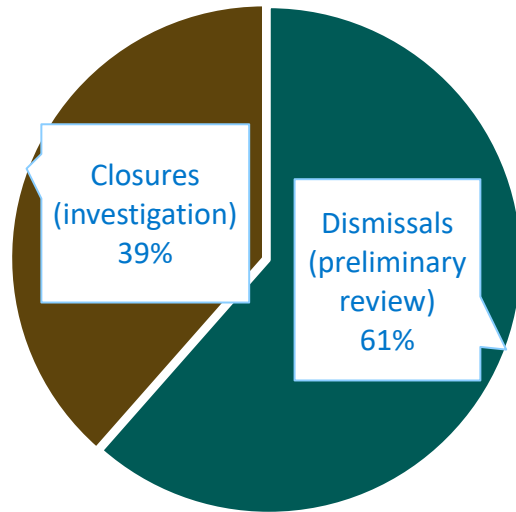
Refining and Documenting Investigative Protocols

The Enforcement Division has been refining and documenting the protocols followed by the Division when investigating cases. Although the Division has always followed protocols, the process of refining and documenting them more thoroughly has allowed the expanded team to effectively collaborate and conduct their work in a standardized way.

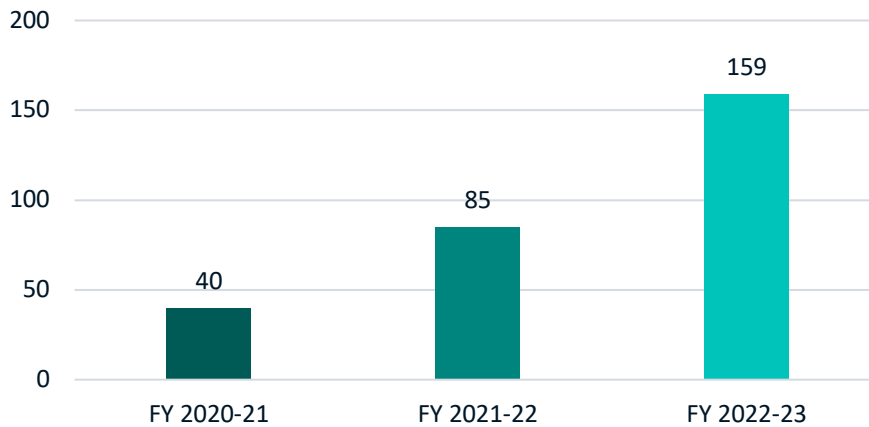
Enforcement Matter Statistics



Closures & Dismissals



Enforcement Matters Resolved



SARP Program Recognized by Campaign Legal Center

The Ethics Commission’s Streamlined Administrative Resolution Program (SARP) is among the [“Top Ten Enforcement Upgrades for Ethics Commissions”](#) profiled for 2022 in a study issued in December 2022 by the nonpartisan Campaign Legal Center (CLC). According to the CLC, the purpose of this study is “to provide state and local ethics commissions with innovative enforcement upgrades to improve how they effectively implement their ethics programs.”

Whistleblower Retaliation

Article IV of the San Francisco Campaign & Governmental Conduct Code assigns responsibility for administering the City's Whistleblower Protection Ordinance to both the Controller's Office and the Ethics Commission.

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 City officer, employee, or contractor for having engaged in protected whistleblowing activity.

Below is a summary of the Ethics Commission's Whistleblower Retaliation activities:

- In FY23, the Commission resolved 19 enforcement matters concerning alleged retaliation.
 - Two complaints were closed after investigation
 - 17 complaints were dismissed in preliminary review
- The Commission received a total of 21 retaliation complaints in FY23
 - This number reflects one of every five complaints received by the Commission
 - Additionally, investigators engaged in informal consultations with an additional 7 individuals regarding potential retaliation allegations.
 - These matters did not result in formal complaints being filed because they were either anonymous or outside of the Commission's jurisdiction.

The Commission imposed no administrative penalties in retaliation matters during FY23. Given that the Commission's investigations did not find retaliation violations in FY23, information about disciplinary actions that may have been taken by the departments as a result of those complaints was not solicited. The Enforcement Division referred 3 matters that arose out of retaliation complaints to DHR; these involved reasonable accommodations and EEO.

During FY23, the adverse employment actions alleged to have been taken against employees identifying themselves as whistleblowers included:

- Employee being reported to HR for not wearing a mask
- General lack of career advancement opportunities
- Employee being the subject of a complaint by a City vendor
- City employee being terminated
- Employee being placed on administrative leave during an internal investigation
- Employees receiving negative performance reviews, warnings, or being placed on a performance improvement plan
- Employee's request for reasonable accommodation being denied
- Employee being ordered to take a chemical test after being involved in a collision while driving a City vehicle
- Employee being terminated after a physical altercation with a member of the public

- Employee of a City vendor being terminated

The most common bases for a whistleblower case being dismissed during FY23 were that the complainant was not the subject of an adverse employment action or had not engaged in protected activity as defined by the Whistleblower Protection Ordinance. Many of the adverse actions reported by complainants are not adverse employment actions under the law that can constitute retaliation. Likewise, the kinds of alleged reporting activity that complainants cited as protected activity often concerned vaccination requirements, EEO complaints, interpersonal workplace conflicts, issues of workload disagreements, office protocol, or other personnel management issues, which are not protected activities under the law.

There is a limited scope of reporting activity that constitutes protected whistleblower activity: only those who report improper government activity, misuse of City funds, deficiencies in the quality and delivery of government services, wasteful and inefficient government practices, or unlawful activity by a City contractor are protected against retaliation under the law.

Another common basis for closing a retaliation investigation without a finding of liability was that, even if the complainant had engaged in a protected whistleblowing activity, substantial evidence demonstrated that any adverse employment action concerning the employee was not connected to the employee's whistleblowing activity. In these cases, the evidence demonstrated that any adverse employment actions were applied consistently to other employees who had not filed complaints, were warranted by documented employee performance issues, or happened before any protected whistleblowing activity on the part of the employee.

Expanding Accessibility and Digital Engagement

New Website & Style Guide for Greater Multimedia Accessibility

On December 14, 2022, staff launched a redesigned Ethics Commission website at sfethics.org. Led by Electronic Disclosure & Data Analysis Division (EDDA), the website's updates focus on enhancements based on feedback received from users and improved support for mobile devices.

The new website also modernizes the technical underpinnings of the site to enable additional improvements to be made over the course of the next two years. In November 2021, the Committee on Information Technology passed the [Digital Accessibility and Inclusion Standard](#) (DAIS), which defines accessibility and language access requirements for City web sites. This includes meeting Level AA of the most recent [Web Content Accessibility Guidelines](#), providing vital information to the public at a 5th grade level, and delivering human translation of vital information in the threshold languages defined by the [Language Access Ordinance](#). The new site incorporates new branding, developed by the Ethics@Work division, that provides a fresh, new design for Commission content and complies with accessibility standards.

In addition, the DAIS calls for equitable design standards that focus on affordability by minimizing data consumption, meeting the [City's Cybersecurity Policy](#), and prioritizing users on mobile devices. The technical improvements to the site are the first steps in the process for the Commission to comply with the DAIS by the implementation due date in May 2024.

Language Access, Digital Accessibility, and Inclusion Standards

During FY23, the Ethics Commission made significant progress to increase language access and improve accessibility in alignment with the goals and requirements of the citywide Language Access Ordinance (LAO), the Digital Accessibility and Inclusion Standards, and the Americans with Disabilities Act (ADA). Accomplishments include:

- Designated a staff member as both LAO Liaison and ADA Coordinator to streamline implementation and find synergies between both programs.
- Included in the Ethics Commission meeting agendas information in Chinese, Spanish, and Filipino detailing the availability of language services.
- Staff received training on the LAO and on how to contact and work with spoken and sign language interpreters.
- Identified the written content on our website that provides vital information to the public about our programs and should be prioritized for translation as per the LAO.
 - Identified key educational materials to translate.
 - Translated information on:
 - How to file a complaint,
 - How to participate in our meetings
 - Explanations of our core programs and outreach materials

Digital Engagement

To make the work of the San Francisco Ethics Commission more visible to the public, the Ethics@Work division undertook revamping the department's social media presences.

Staff has been posting educational materials to the Ethics Commission's [YouTube Channel](#) to expand the reach of the content. Staff also began regularly posting on social media. This is to generally promote awareness regarding the department's activities and important announcements as well as better disseminate educational materials. Staff collaborated with the Department of Human Resources to build a LinkedIn profile which is affiliated with the larger profile for the City & County of San Francisco. This will be yet another avenue to share education materials and important notices, as well as specifically targeting employees and officers in a way outside of the capacities of other social media accounts.

To compliment this expansion of digital engagement, staff developed a [social medial policy for the department](#).

Departmental Operations

Commission Leadership & Membership Changes

The Commissioners reelected Yvonne Lee as their Chair and Larry Bush as Vice-Chair in February 2023.

There were a few changes to the Commission's membership during this fiscal year. First, upon the expiration of Commissioner Larry Bush's term, Commissioner Yaman Salahi was appointed by the Board of Supervisors for a six-year term beginning May 19, 2023. In addition, Commissioner Michael Romano, resigned his position effective May 30, 2023. This position remained vacant through the end of this fiscal year.

Departmental Budget

The Ethics Commission's budget is comprised of two main components - an operating budget, and the Election Campaign Fund.

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.

The Commission's annual approved operating budget for FY23 was \$7.1 million with 34 authorized staff positions. This budget included the following changes that were approved by the Mayor and Board of Supervisors:

- New 1454 Executive Secretary position to support the operations of the five-member Ethics Commission.
- Reclassification of three positions including the:
 - 1042 IS Engineer position to 1043 Senior IS Engineer position;
 - 1823 Senior Policy and Legislative Affairs Counsel position to 1824 Policy and Legislative Affairs Manager position; and
 - 1822 Policy Analyst position to 1823 Senior Policy Analyst position
- Funding for essential technology and professional services such as software licenses, systems consulting services, and technology equipment to maintain core business functions.

Departmental budget submissions for the fiscal year beginning July 1, 2023 (FY24) were due to the Mayor's Office on February 21, 2023. The Mayor's FY24 budget instructions required departments to propose cuts of 5% in FY24 and 8% (an additional 3%) in FY25 from their General Fund budgets. The Mayor's target cut amounts for the Ethics Commission were \$339,597 in FY24 to meet 5% and \$543,355 in FY25 to meet 8%.

The Ethics Commission held a special meeting on January 20, 2023 to receive public input on its budget priorities. A second hearing to allow public input on the Commission's budget proposal was held at its February 10 regular monthly meeting.

On February 21, 2023, the Commission submitted to the Mayor's Office its [FY24-FY25 Ethics Commission Budget request](#), which called for a 7.5 percent increase in the Commission's operating budget in FY24 and 38.8 percent increase in FY25 to ensure the continuity of core transparency, compliance, and oversight functions.

The proposed FY24-FY25 City budget issued by the Mayor on May 31, 2023, recommended cutting the Ethics Commission's operating budget by 33% and reducing the agency's staff by 47% by FY25. On June 14, 2023 the Board of Supervisors' Budget and Appropriations Committee heard a [presentation on the Ethics Commission's FY24-FY25 departmental budget](#). During the presentation, the Committee discussed the Commission's budget needs and shared concerns regarding the funding gaps in the Mayor's proposed budget. Following the presentation, Staff continued to work with the Committee to provide additional information regarding the Commission's operational needs.

On June 28, 2023 the Budget and Appropriation Committee held its final deliberations regarding the City's FY24-FY25 budget and approved a [revised budget](#) which was forwarded to the full Board for its action. The Committee's proposal included additional funding of \$310,000 in FY24 and \$1.99 million in FY25 for the Commission's budget to restore funding for ten staff positions. The budget proposal was approved by the full Board and the Mayor the following month.

The Commission's budget proposals and related documents are available on its [website](#).

Hiring Plan

In FY23, the Commission continued to focus on hiring as a top priority to fill vacancies in an expedited manner with recruitment support from DHR through an annual work order.

The Commission welcomed five new staff members in FY23. Five staff vacancies also arose during the year, including the Executive Director position. However, recruitment for most of those vacancies could not be initiated during this year as there were funding uncertainties due to the FY24 budgeting process which was in progress during the second half of FY23. At the end of the fiscal year ten positions remained vacant.

Implementing the Budget & Legislative Analyst Audit

During FY23, the Commission continued to implement the recommendations contained in the August 2020 Budget and Legislative Analyst (BLA) performance audit of the Commission's operations. This audit was conducted at the request of the Board of Supervisors to assess a range of Commission functions for the effectiveness and efficiency of those operations. The Commission reviewed and discussed the [audit and its recommendations](#) in its August 2020 meeting under [Agenda Item 6](#).

The Ethics Commission fully agreed with the report's 16 recommendations. In its response to the final audit report, the Ethics Commission noted the steps taken to begin implementing work process enhancements informed by the audit's findings. The Board of Supervisors' Government Audit and Oversight Committee discussed the audit at its November 19, 2020 meeting ([BOS File No. 201158](#)) and filed the report without taking further action.

In April 2022, [staff reported to the Commission](#) that implementation of 14 of the 16 recommendations had been completed. The remaining two were underway. As of June 30, 2022, 15 of the 16 recommendations were completed, with the last remaining recommendation, conducting lobbyists audit, in progress. On February 6, 2023, the Commission issued six lobbyist audit reports, thus completing implementation of all recommendations by the BLA.

Racial Equity Action Plan

City departments are required to develop and maintain Racial Equity Action Plans to capture information regarding their racial equity goals such as actions planned, resources committed, indicators of progress, and timelines. Departments are also required to submit progress reports annually to the [City's Office of Racial Equity \(ORE\)](#) on their racial equity efforts.

During FY23, the Ethics Commission updated its [Racial Equity Action Plan](#) on May 31, 2023 and submitted a [Progress Report](#) to ORE on June 1, 2023. The Commission's Racial Equity Action Plan will continue to expand and evolve to reflect the full breadth of our departmental commitments to racial equity.

With a commitment to developing a diverse and equitable leadership team that will foster a culture of inclusion and belonging, the Commission in its Racial Equity Action Plan identified an action to incorporate its senior leadership's demographics in the department's annual report. In alignment with that goal, the current demographic information is provided below.

