



San Francisco Ethics Commission

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June 10, 2024

To: Members of the Ethics Commission
From: Olabisi Matthews, Director of Enforcement
Subject: **Agenda Item 5: Quarterly Enforcement Report**

Summary and Action Requested

This report provides general programmatic updates and data about the cases handled by the Commission's Enforcement Division.

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

Cases Resolved

Fiscal Year 2024

So far in Fiscal Year 2024 (July 1, 2023 – June 4, 2024), the Enforcement Division has concluded a total of 145 enforcement matters. Six of these matters resulted in stipulated settlements approved by the Commission. In total, these settlements represented penalties of \$74,525. Four additional proposed stipulations are presented as Items 6 to 9 on this month's Commission meeting agenda.

Cases In Progress

So far in FY24, 164 enforcement matters have been initiated. Half of these (82) began from complaints that the Commission received from the public, but this also includes 75 matters that the Division initiated based on media reports, observations in public disclosures, independent research, findings from audit reports, and interactions with regulated persons. Seven matters were initiated based on referrals from the Controller's Whistleblower Program. Some of these matters initiated in FY24 remain in progress while others have already been resolved.

In total, 41 matters are currently in progress, including matters that were initiated during FY24 and matters that were initiated in prior fiscal years. Of these matters, 21 are in preliminary review, and 20 are open investigations.

The current cases in progress are broken down by program area in Charts 1 and 2 below.



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Chart 1 – Matters in Preliminary Review by Program Area: 21

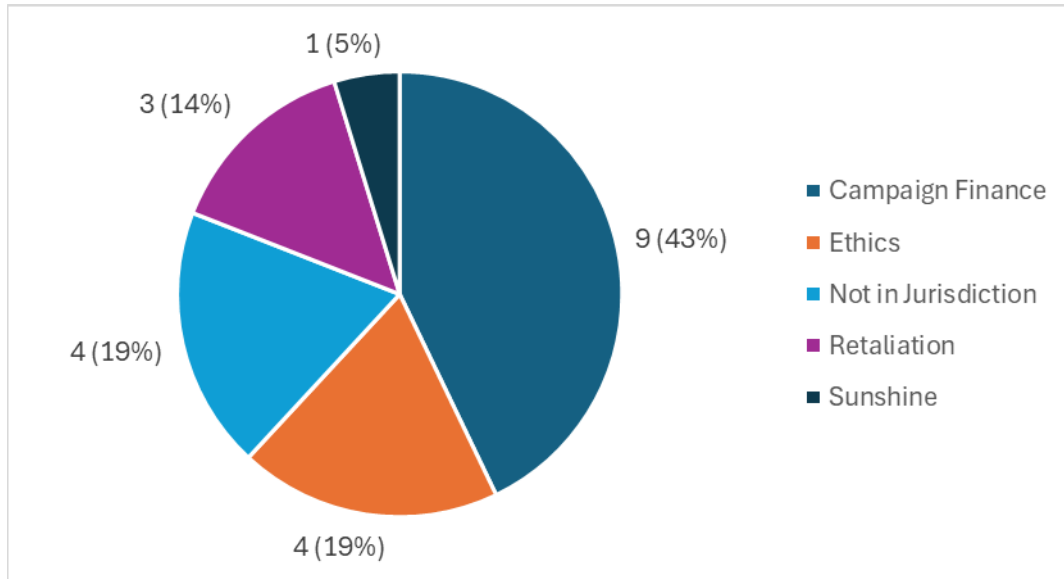
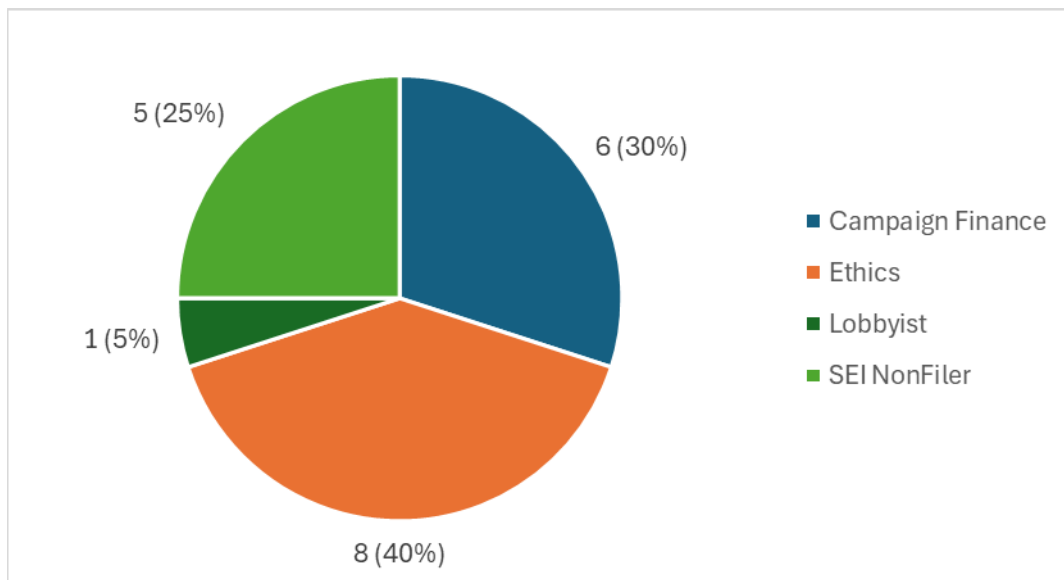


Chart 2 – Open Investigations by Program Area: 20





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Staffing Update within the Enforcement Division

As of May 28, 2024, I assumed the role of Director of Enforcement, taking over from Jeffery Zumwalt, who has served in that role in an acting capacity since Director Patrick Ford's selection as the Ethics Commission's Executive Director. The Enforcement Division thanks Jeffery Zumwalt for all of his hard work and the support he provided to the team during the transition period and as he returns to his Senior Investigator role.

The Division will continue to focus on achieving any outstanding goals and initiatives outlined for FY24 as well as pursue additional initiatives in FY25 to improve the operations and processes of the Division. The Division will also need to fill the role which I formerly occupied. Contingent upon budget approval, that recruitment is slated to take place during the first half of FY25.

FY24 Initiatives

During FY2023-24, the Division was able to accomplish many of its set goals, including developing and executing initiatives that were put in place over the past two fiscal years to help increase the Commission's enforcement capacity and to refine and standardize our investigative processes. Some of the progress the Division achieved as a result of those initiatives include refining and documenting investigative protocols that allowed the team to conduct its work in a more standardized way across the different program areas; developing and clarifying the Commission's administrative hearing process including the publication of the [Enforcement Hearing Guidebook](#) that summarizes the laws governing the Commission's probable cause and hearings on the merits processes; conducting one complete hearing on the merits, building protocols to enhance proactive case work; and developing the Division's first Performance and Appraisal Reports since the COVID-19 pandemic. The upcoming Annual Report will contain data on the goals accomplished in FY24.

FY25 Initiatives

As I settle into my new role as Director of Enforcement, my plan, along with the rest of the Division, is to build on the progress the Division has been able to achieve, especially in FY2022-23 and FY2023-24, as well as work to develop and refine other areas necessary for the continued growth and success of the Division. The Division has already identified a number of additional initiatives we plan to undertake in FY25 that will further expand the Commission's enforcement capacity to conduct our investigations effectively and efficiently and allow us to continue to increase the variety, complexity, and volume of cases handled by the Division. These initiatives include:

- Seek out avenues to build and utilize tools to enable the automation of searches of certain datasets such as campaign finance datasets and statement of economic interest disclosures in order to enhance our investigative and proactive case work;
- Develop a structured process for more efficient cross-functional collaboration between the Enforcement and Audit Divisions to allow the Enforcement Division to provide as-needed



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support to the Audit Division and develop processes that will yield timely and more accurate referral of potential investigative matters to the Enforcement Division to ensure effective case outcomes;

- Examine the Commission's Streamlined Administrative Review Program to identify areas for potential changes and improvement and initiate a process for a revision of the current program.
- Review the Commission's Enforcement Regulations and work to update them as necessary to improve the Commission's enforcement operations from the initiation of cases to resolution.
- The Division will also prioritize filling the vacant role which I formerly occupied to ensure that the Division continues to have the proper staffing resources to fulfill our goals for FY25.

With all of these initiatives in place, the Division will continue to ensure quality investigations, reduced case resolution times and improved case outcomes.

We welcome the Commission's input on priorities and targeted goals for the Enforcement Division in FY25. The Commission may share these priorities and goals at a Commission meeting or may also send them directly to me. I am also available to meet with individual commissioners to discuss goals for FY25. The Enforcement Division is grateful for the Commission's support in FY24 and looks forward to continuing the Commission's important work in FY25.