



# San Francisco Ethics Commission

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September 23, 2024

To: Members of the Ethics Commission

From: J. Olabisi Matthews, Director of Enforcement

Subject: **AGENDA ITEM 7: Discussion and Possible Action Regarding Proposed Stipulation, Decision and Order *In the Matter of Neighbors for a Better San Francisco Advocacy and Jay Cheng* (SFEC Complaint No. 23-484).**

## Summary

This memorandum provides information regarding the Proposed Stipulation appearing in this agenda item and what the Commission may do next regarding this Proposed Stipulation.

### *Liability*

The attached proposed stipulation includes eight counts against both Neighbors for a Better San Francisco Advocacy and Jay Cheng, in his capacity as Executive Director of Neighbors for a Better San Francisco Advocacy. Because the same facts – including actions taken by Cheng – underlie the causes of action against both Cheng and Neighbors for a Better San Francisco Advocacy, the two Respondents are joined in one Stipulation. Per San Francisco Campaign & Governmental Conduct Code Section 1.170(h), when two parties are both responsible for violations of law, they shall be jointly and severally liable. In this case, that means both respondents are responsible for up to the entire penalty amount included in the proposed stipulation.

### Action Requested

The Commission may approve the Proposed Stipulation by majority vote, or it may provide guidance to Commission Staff regarding the Proposed Stipulation.

### Regulatory Background

Pursuant to the Commission's Enforcement Regulations, the Executive Director may enter negotiations with a respondent at any time to resolve the factual and legal allegations in a complaint by way of a stipulated order (*i.e.* a negotiated settlement). Enf. Reg. § 12(A). The Regulations require that the stipulated order set forth the pertinent facts and may include an agreement as to anything that could be ordered by the Commission under its authority pursuant to Charter section C3.699-13. *Id.*

Immediately after the Executive Director enters a stipulated order with a respondent, the Executive Director must inform the Commission of the proposed stipulation. Enf. Reg. § 12(E).

Per the request of the Commission that all Proposed Stipulations be placed on the Regular Calendar for possible discussion, this Stipulation appears on the Regular Calendar for possible

discussion and action. The Commission may approve the stipulation by majority vote, or it may provide guidance to Commission Staff regarding the Proposed Stipulation. Enf. Reg. § 12(F).