

San Francisco Ethics Commission

Subject:	Agenda Item 4 – Executive Director's Report
From:	Patrick Ford, Executive Director
То:	Members of the Ethics Commission
Date:	April 7, 2025

Summary and Action Requested

This report provides various programmatic and operational highlights since the last report. No action is required by the Commission, as this item is for informational purposes only.

Budget and Legislative Analyst Report

On March 24th, the Board of Supervisors' Budget and Legislative Analyst (BLA) released its report on conflicts of interest. The report analyzes certain aspects of how the City prevents and detects conflicts of interest, especially in connection with City contracts and grants. Commission staff worked extensively with BLA auditors over the course of the last two years to provide information about the Ethics Commission's laws and programs.

The report, which is attached as Attachment A, contains both operational and legislative recommendations for the Ethics Commission. Regarding the operational recommendations, which constitute the majority of the report, the Commission is largely already accomplishing the actions that the BLA recommends. Some of these recommendations are to merely continue existing practices. Other recommendations identify new practices, and staff were able to begin implementing them before the report was published. The recommendations the Commission is already performing are:

- Working with DHR to ensure employees receive information about ethics rules and additional employment requests (a DHR program);
- Providing guidance to departmental Form 700 filing officers, including how to perform basic reviews of Form 700 filings;
- Ensuring annual ethics training (Proposition D requires this for all Form 700 filers);
- Working with the City Attorney's Office and DHR to provide clear information about ethics training requirements;
- Tracking non-compliance with the Form 700 filing requirement;
- Making all Form 700 disclosures available online and publicly post a list of non-filers; and
- Providing annual ethics training to the Municipal Executives Association (this training was missed in one year, 2022).

All of these operations are described in further detail in Agenda Item 5, the quarterly Engagement and Compliance Report.

The only operational recommendation in the BLA's report that the Commission is not undertaking at this time is to shift Form 700 enforcement work from the Enforcement Division to the Audits Division. The most important task for the Audits Division at this time is to develop a sustainable campaign finance audits program and to complete all of the 2024 audits. That work is well under way, as reported under Agenda Item 4 at the Commission's February 7th meeting. However, it is important to fully complete this core work of the Audits Division before evaluating whether to reassign Form 700 enforcement work to the Audits Division when that is already being completed by another staff division.

As for the legislative recommendations in the report, any proposed amendments to the Campaign and Governmental Conduct Code should go through the Commission's standard policy evaluation and stakeholder engagement process, possibly including meet and confer with affected employee bargaining units. The Commission's budget and ongoing staffing levels will be a big factor in how much staff time the Commission can devote to pursuing these legislative concepts. The BLA's legislative recommendations are to amend the Campaign and Governmental Conduct Code to:

- require signed conflicts attestations by employees participating in awarding contracts;
- require conflicts screening for all contract processes; and
- extend the period during which City employees may not be employed by a City contractor.

Staff delivered a full written response to the BLA's report, which addresses each recommendation in detail. That response begins on page 88 of the attached report. If a committee of the Board of Supervisors calls for a hearing on the report, staff will appear to provide information and answer questions.

Proposition E Commission Streamlining Task Force

In the November 2024 election, San Francisco voters approved <u>Proposition E</u>. Prop E "create[s] a Commission Streamlining Task Force (Task Force) to review the structure of the City's commissions and recommend to the Mayor and the Board by February 1, 2026, how the City could change, eliminate or consolidate commissions to improve the administration of City government." The <u>Commission</u> <u>Streamlining Task Force</u> consists of five appointed members, and the Task Force has begun holding regular public meetings.

Prop E requires the BLA to assist the Task Force by "prepar[ing] a report on how much it costs the City to support each current commission, and how much it would save if certain commissions were eliminated or consolidated." The Task Force sent an introductory email to City departments on March 26 announcing that the BLA's financial and operational review process would begin in April. Staff will work with the BLA to support their review by providing detailed information about the Commission's operations and the essential oversight functions that the department performs.

Inspector General

In the November 2024 election, San Francisco voters also approved <u>Proposition C</u>. Prop C created an inspector general within the Controller's Office "to review and investigate complaints of fraud, waste and abuse" throughout the City. As reported in <u>staff reports</u> last year, staff engaged extensively with Proposition C sponsor Supervisor Aaron Peskin, as well as the Rules Committee of the Board of Supervisors, to provide feedback on the measure with the goal of effectively integrating the inspector general into the City's existing accountability units.

The Controller's Office is currently in the process of setting up the inspector general unit and recruiting the inspector general. Staff had an initial consultation with the Controller's Office on March 31st to provide information about the Commission's enforcement processes and discuss possible ways that the Commission and inspector general unit could work together effectively. Staff anticipate further similar discussions and look forward to working collaboratively with the inspector general once the position is filled.