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November 7, 2025

To: Members of the Ethics Commission

From: Eric Willett, Snr. Investigator; Olabisi Matthews, Director of Enforcement

Subject: AGENDA ITEM 7: Proposed Stipulation, Decision and Order In the Matter of Mark

Kelleher (SFEC Complaint No. 25-883).

## 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. This matter was previously presented to the Commission at the April 11, 2025, meeting. At the time, the Enforcement Division presented a proposed Stipulation with a recommended penalty amount of \$2,500. The Commission rejected that proposed Stipulation because the Commission believed the recommended penalty amount should have been higher based on the high dollar value of the grants contained in the votes in which Commissioner Kelleher participated. Upon further review, the Enforcement Division has now clarified that the high dollar value grants which Respondent "voted to approve" were already in fact fully approved by the Department and did not require Commission approval to be executed. The matters appeared before the Human Rights Commission's consent calendar for informational purposes only, and Commissioner Kelleher's participation in the vote resulted in minimal public harm. The newly recommended penalty amount of \$1,500 is, therefore, more appropriate and is comparable to prior approved Stipulations.

## **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). Thereafter, any member of the Commission may request that the stipulated order be reviewed in public session by the full panel of the Commission during its next meeting. *Id.* 

As of today, no Commissioner had requested review of the attached stipulated order in public session by the full panel of the Commission. Nevertheless, following the request of the Commission that all

Proposed Stipulations be placed on the discussion 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).

Members of the public may comment on the Proposed Stipulation, noting that the Commission receives public comment once for all consent items collectively.