

Gayathri Thaikkendiyil
Acting Executive Director

Patrick Ford
Director of Enforcement

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102
(415) 252-3100

BEFORE THE SAN FRANCISCO

ETHICS COMMISSION

In the Matter of	)	SFEC Complaint No. 2021-001/1920-292
	)	
VICTOR MAKRAS,	)	
	)	
	)	
Respondent.	)	STIPULATION, DECISION
	)	AND ORDER
	)	
	)	
	)	
	)	
	)	

THE PARTIES STIPULATE AS FOLLOWS:

1. This Stipulation, Decision, and Order (Stipulation) is made and entered into by and between Victor Makras (Respondent) and the San Francisco Ethics Commission (the Commission).
2. Respondent and the Commission agree to settle and resolve all factual and legal issues in this matter and to reach a final disposition without an administrative hearing. Upon approval of this Stipulation and full performance of the terms outlined in this Stipulation, the Commission will take no future action against Respondent, and this Stipulation shall constitute the complete resolution of all claims by the Commission against Respondent related to the violations of law described in Exhibit A.

Respondent understands and knowingly and voluntarily waives all rights to judicial review of this Stipulation and any action taken by the Commission or its staff on this matter.

3. Respondent acknowledges responsibility for and agrees to pay an administrative penalty as set forth in Exhibit A. Respondent agrees that this penalty is a reasonable administrative penalty.

4. Within ten business days of the Commission's approval of this Stipulation, Respondent shall either pay the penalty set forth in Exhibit A through the City's online payment portal or otherwise deliver to the following address a check or money order made payable to the "City and County of San Francisco":

San Francisco Ethics Commission
Attn: Enforcement & Legal Affairs Division
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102

5. If Respondent fails to comply with the terms of this Stipulation, then the Commission may reopen this matter and prosecute Respondent under Section C3.699-13 of the San Francisco Charter for any available relief.

6. Respondent understands, and hereby knowingly and voluntarily waives, any and all procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission's Enforcement Regulations with respect to this matter. These include, but are not limited to, the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondent's expense, to confront and cross-examine all witnesses testifying at the hearing and to subpoena witnesses to testify at the hearing.

7. Respondent understands and acknowledges that this Stipulation is not binding on any other government agency with the authority to enforce the San Francisco Campaign & Governmental Conduct Code section 1.100 *et seq.*, and does not preclude the Commission or its staff from cooperating

with or assisting any other government agency in its prosecution of Respondent for any allegations set forth in Exhibit A, or any other matters related to those violations of law set forth in Exhibit A.

8. This Stipulation is subject to the Commission's approval. In the event the Commission declines to approve this Stipulation, the Stipulation shall become null and void, except Paragraph 9, which shall survive.

9. In the event the Commission rejects this Stipulation, and further administrative proceedings before the Commission are necessary, Respondent agrees that the Stipulation and all references to it are inadmissible. Respondent moreover agrees not to challenge, dispute, or object to the participation of any member of the Commission or its staff in any necessary administrative proceeding for reasons stemming from his or her prior consideration of this Stipulation.

10. This Stipulation, along with the attached Exhibit A, reflects the entire agreement between the parties hereto and supersedes any and all prior negotiations, understandings, and agreements with respect to the transactions contemplated herein. This Stipulation may not be amended orally. Any amendment or modification to this Stipulation must be in writing duly executed by all parties and approved by the Commission at a regular or special meeting.

11. This Stipulation shall be construed under, and interpreted in accordance with, the laws of the State of California. If any provision of the Stipulation is found to be unenforceable, the remaining provisions shall remain valid and enforceable.

12. The parties hereto may sign different copies of this Stipulation, which will be deemed to have the same effect as though all parties had signed the same document.

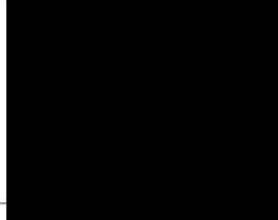
04-21-2023 | 15:42:24 PDT
Dated: _____



STEVEN MASSEY ON BEHALF OF
GAYATHRI THAIKKENDIYIL, ACTING EXECUTIVE DIRECTOR
SAN FRANCISCO ETHICS COMMISSION

Dated: _____

4/20/23



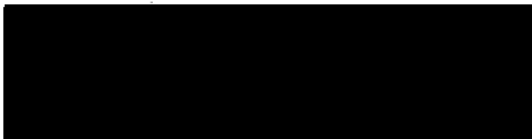
VICTOR MAKRAS

DECISION AND ORDER

The foregoing Stipulation of the parties in the matter of "Victor Makras, SFEC Complaint No. 2021-001," including the attached Exhibit A, is hereby accepted as the final Decision and Order of the San Francisco Ethics Commission, effective upon execution below by the Chairperson.

IT IS SO ORDERED.

Dated: 5/5/23



YVONNE LEE, CHAIRPERSON

SAN FRANCISCO ETHICS COMMISSION

Exhibit A

I. Introduction

Respondent Victor Makras (Respondent) is a former member of the San Francisco Port Commission who served on that Commission from 2018 to 2020. Since 1988 and prior to serving on the Port Commission, Respondent served on numerous City boards and commission, including the Board of Permit Appeals, Retirement Board, Police Commission, Fire Commission, and Public Utilities Commission. Respondent assumed office on May 4, 2018 as a Commissioner of the San Francisco Port Commission appointed by Mayor Mark Farrell. Respondent remained on the Port Commission until July 1, 2020, when his term ended. Respondent is also a real estate agent and real estate investor who owns, among other properties, five condominium units located at 188 King Street, San Francisco, California.

While a Port Commissioner, Respondent violated the San Francisco Campaign and Governmental Conduct Code ("C&GCC") by making, participating in making, or by otherwise seeking to influence governmental decisions regarding the Mission Rock Development, a 28-acre mixed-use development project near 188 King Street. Because it was reasonably foreseeable that the Mission Rock Development would have a material financial effect on 188 King Street, Respondent was prohibited from making or participating in making any governmental decisions regarding the project.

Respondent also failed to disclose reportable income in violation of the C&GCC and the California Political Reform Act. The income was in the form of repayment of a \$70,000 loan that Respondent had made to two other City officials and was required to be reported on Respondent's Form 700 Statement of Economic Interests.

II. Applicable Law

Personal Financial Disclosures (Form 700)

SF C&GCC section 3.1-102(a)(1) requires City officers and many City employees to file a Form 700 Statement of Economic Interests. Such officials must file within 30 days of assuming or leaving office and must also file annually by April 1st to report financial interests during the previous calendar year. SF C&GCC section 3.1-102(a); 2 CCR 18730.

Members of the Retirement Board must file the Form 700 with the Commission and are designated as Category 1 filers, meaning that they must "disclose income (including gifts) from any source, interests in real property, investments, and all business positions in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management." SF C&GCC §§ 3.1-103(a)(1), 3.1-107, 3.1-345, 3.1-410. "Income" is defined as "a payment received, including, but not limited to, any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, [and] forgiveness or payment of indebtedness received by the filer...." Gov't Code § 82030. Thus, such officials must report when they receive a payment that constitutes the repayment of a loan they had made to someone else. Income is only reportable if the

source is located in or is doing business in (or is planning to do business in or has in the last two years done business in) the filer's jurisdiction. *Id.* If income is received by a filer through a business entity, the actual source of the income must still be reported if the filer received \$10,000 or more from that source in a calendar year. *Id.* at § 87207(b)(2).

Conflicts of Interest

The C&GCC incorporates provisions of the California Political Reform Act ("PRA") and provides that "[n]o officer or employee of the City and County shall make, participate in making, or seek to influence a decision of the City and County in which the officer or employee has a financial interest within the meaning of California Government Code Section 87100 *et seq.* and any subsequent amendments to these Sections." SF C&GCC § 3.206(a) (incorporating Gov't Code § 87100).

Making or Participating in Making a Decision

A governmental decision is any action taken by a government agency that has a financial effect on any person other than the governmental agency making the decision. 2 CCR §18700(c)(4). A public official "makes" a governmental decision if the official authorizes or directs any action, votes, appoints a person, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency. 2 CCR § 18704(a). A public official "participates in" a governmental decision if the official provides information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review. 2 CCR § 18704(b).

Financial Interests

A public official cannot make or participate in making a governmental decision if it is reasonably foreseeable that the decision will materially financially affect any of the official's personal financial interests. Gov't Code § 87103. A public official's financial interests include any "real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more." *Id.* at § 87103(b). An indirect interest includes property held by a spouse and property held by a business entity in which the official or the official's spouse own a 10 percent or greater interest. *Id.* at § 87103. A public official's financial interests also include any "business entity in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more," and "any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management." *Id.* at § 87103(a), (d).

Reasonably Foreseeable Financial Effect

The financial effect of a governmental decision on a financial interest is reasonably foreseeable when the financial interest is explicitly involved in a governmental decision before the official or the official's agency. 2 CCR § 18701(a). Even if a financial interest is not explicitly involved in the decision, a financial effect on that interest is still foreseeable if the "effect can be recognized as a realistic possibility and more than hypothetical or theoretical." 2 CCR § 18701(b).

Material Financial Effect

In order for an official to be prohibited from making or participating in making a governmental decision, it must be reasonably foreseeable that the financial effects the decision will have on the official's financial interest will be material. Different materiality standards apply depending on the type of financial interest at issue.

i. *Real Property*

If a governmental decision involves real property that is located more than 500 feet but within 1,000 feet from another parcel of real property in which an official has a financial interest, the decision is deemed to have a material financial effect on the official's parcel of real property if the decision would "change the parcel's development potential, income producing potential, highest and best use," or market value, or if the decision would alter the parcel's "character by substantially altering traffic levels, intensity of use, parking, view, privacy, noise levels, or air quality...." *Id.* § 18702.2(a)(8)(A)–(E).

ii. *Business Interest*

The version of Regulation 18702.1 operative at the times relevant to this case provided that a governmental decision's effect on an official's interest in a privately held business entity is material "if a prudent person with sufficient information would find it is reasonably foreseeable that the decision's financial effect would contribute to a change in ... the value of [the] privately-held business entity." 2 CCR § 18702.1(b) (2019). The regulation provides examples of such decisions. One example is a decision that "would [m]ake improvements in the surrounding neighborhood such as redevelopment projects, traffic/road improvements, or parking changes that may affect, either temporarily or permanently, the amount of business the entity receives." *Id.* at § 18702.1(b)(4). Another example is a decision that would "[d]ecide the location of a major development, entertainment facility, or other project that would increase or decrease the amount of business the entity draws from the location of the project." *Id.* at § 18702.1(b)(5).

Recusal Procedures and Notification

Any member of a City commission who has a conflict of interest must recuse from any consideration of the matter that gives rise to the conflict. Such officers must follow a prescribed procedure for the recusal, which requires them to:

1. publicly identify the circumstances that give rise to the conflict of interest in detail sufficient to be understood by the public, provided that disclosure of the exact street address of a residence is not required;
2. recuse himself or herself from discussing or acting on the matter; and
3. leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on and remains on the consent calendar.

SF C&GCC § 3.209(a).

Additionally, each time the officer recuses, the officer must file a recusal notification form, along with a copy of the meeting agenda containing the item involving the conflict of interest, with the Ethics Commission within 15 calendar days after the date of the meeting at which the recusal occurred. *Id.* § 3.209(b).

III. Material Facts and Analysis

Failure to Disclose Loan Principal Repayment Income (Form 700)

On December 2, 2013, Respondent made a \$70,000 loan to Harlan and Naomi Kelly, then the General Manager of the San Francisco Public Utilities Commission and the San Francisco City Administrator, respectively. Respondent did this by issuing four checks from a bank account belonging

to Victor G. Makras, Inc. /dba Makras Real Estate. Each check was paid toward a separate credit card, one belonging to Harlan Kelly and three belonging to Naomi Kelly. The payments totaled \$70,000.. In October 2014, the Kellys repaid the \$70,000 loan to Respondent.

As a member of the Retirement Board, Respondent was required to file a Statement of Economic Interests (Form 700) by April 1, 2015, to report personal financial interests during the previous calendar year (2014). Respondent filed a Form 700 for this period, but he did not report any income received from Harlan Kelly or Naomi Kelly.

The \$70,000 payment from the Kellys to Respondent to repay the loan constituted reportable income. The payment meets the definition of income provided in state law because it was a "payment received" by Respondent. Also, it was a "payment of indebtedness received by the filer," which is one of the examples of *income* listed in state law. Gov't Code § 82030. At the time of the payment, sources of the income, Harlan Kelly and Naomi Kelly, both lived in San Francisco and were both employees of the City. This payment to Respondent was thus reportable income. The fact that this repayment was received through Makras Real Estate did not shield Respondent from disclosing the source of the funds, which was the Kellys. Because Respondent received over \$10,000 from the Kellys, he was required to report them as a source of income, even though the repayment from them passed through a business entity. Gov't Code § 87207(a)(1). Where the Form 700 specifically instructs the filer to disclose sources of income of \$10,000 or more received through a business entity, Respondent checked the box for "none."

By failing to report this income as required, Respondent violated C&GCC section 3.1-102(a).

Conflicts of Interest

The Mission Rock Development ("the Project") is a large-scale real estate development project being developed on Port property. According to the Port, the Project "will be a new mixed-used neighborhood consisting of 8 acres of new parks and open space" The Port Commission gave initial approval for the Project in January of 2018, and in 2015 an exception to the City's waterfront building height limits had been approved by City voters (Proposition D), both of which were prior to Respondent being appointed a Port Commissioner in May of 2018. While a member of the Port Commission, Respondent made and participated in making governmental decisions regarding the implementation of the Project. Respondent was prohibited from doing so because of his financial interest in five properties located within 1,000 feet of the Project. It was reasonably foreseeable that the Project would have a material financial effect on Respondent's financial interests, and thus a conflict of interest existed.

Financial Interests

At the times relevant to this case, Respondent reported on the Form 700 that he had an ownership interest of over \$1,000,000 in each of five rental properties located at 188 King Street. Four are held by the Victor G Makras, Inc. and one is held by Respondent and Respondent's spouse. This ownership is confirmed by property records. Both forms of ownership constitute a financial interest in the properties for Respondent. Because Respondent's interest in these properties is worth over two thousand dollars, Respondent has a financial interest in the properties.

Reasonably Foreseeable Financial Effect

It is reasonably foreseeable that a governmental decision will have a financial effect on an official's financial interest, even if the interest is not explicitly involved in the decision, if an "effect can be recognized as a realistic possibility and more than hypothetical or theoretical." Here, Respondent's five rental properties were located close to the Project, which had been approved prior to Respondent's appointment to the Port Commission to convert the parking lot at Seawall Lot 337 and the narrow band of existing China Basin Park into a new full-scale neighborhood with 1,600 units of housing and 1.4 million square feet of new commercial and office space. The Project also includes space for small-scale manufacturing, retail, and neighborhood services, waterfront parks, and other public infrastructure. Given the proximity of Respondent's properties to the Project and the major changes that the project would bring to the surrounding area, it is a realistic possibility that the Project would have financial effects on the properties.

Material Financial Effect

Respondent's properties located at 188 King Street are within 1,000 feet of the Project. This is confirmed by both Google Maps and a radius map provided to Respondent by the City Attorney's office in connection with the Project, both of which indicate the properties are between 900 and 1,000 feet apart. This proximity triggers the rule in Regulation 18702.2(a)(8). This rule establishes a conflict of interest if it is reasonably foreseeable that the official's real property would experience a change in development potential, income producing potential, highest and best use, character (a substantial alteration in traffic levels, intensity of use, parking, view, privacy, noise levels, or air quality), or market value because of a governmental decision.

Because of its nature and scope, it was reasonably foreseeable that the Project would have such effects on Respondent's properties at 188 King Street. According to the Mission Rock Project Development Agreement, the Project's features and associated public benefits, all approved prior to Respondent being appointed to the Port Commission, include "approximately 8 acres of major new and expanded parks, pedestrian plazas and rehabilitated public piers and wharves," "a dynamic range of space for shops, restaurants, cafes, neighborhood-serving retail uses, such as a grocery store, and community spaces, as well as commercial/office and light industrial space," and "development of the under-utilized Project Site." Phase 1 of the Project includes 537 residential units, approximately 600,000 square feet of office space, and approximately 8 acres of open spaces. It was reasonably foreseeable that these improvements to the area are likely to affect the income producing potential and market value of rental units at 188 King Street because of the significant increase in amenities that are within a short walking distance, the new office space that will drive demand for housing in the area, and the new housing units that will affect the housing market in the immediate area. The Project will also alter the character of the 188 King Street properties by changing the amount of traffic, noise, and intensity of use in the immediate vicinity, with thousands of additional people utilizing the streets surrounding 188 King Street to access the developed Project site, which could impact the value of Respondent's condominium, positively or negatively.

Making and Participating in Making Governmental Decisions

It was reasonably foreseeable that the Project would have a material financial effect on Respondent's financial interests, and Respondent was thus prohibited from making or participating in making governmental decisions regarding the Project. However, Respondent made or participated in making decisions regarding the project on four occasions.

On June 11, 2019, during a regular meeting of the Port Commission, Commissioners voted to hold a closed session in conference with legal counsel and the Port's real property negotiator to discuss negotiations with a third party for the lease and development of the Mission Rock property. Respondent attended the meeting, voted in favor of the closed session, and participated in the closed session.

On July 9, 2019, during a regular meeting of the Port Commission, Commissioners heard an informational presentation on Phase 1 of the development of the Mission Rock property, after which Respondent asked questions of Port senior and executive management. He inquired about the composition of the streets that would be turned over to the City to maintain after two years and expressed concern that the new technology employed might lead to potential street maintenance problems that could cost the City to repair. Respondent requested that staff track where else in the City and in the world this street composition was employed, to determine the costs to maintain it over a 60-year period and compare those costs to other composition types that might be used.

On August 13, 2019, during a regular meeting of the Port Commission, Commissioners again voted to hold a closed session in conference with legal counsel and the Port's real property negotiator to discuss negotiations with a third party for the lease and development of the Mission Rock property. Again, Respondent attended the meeting, voted in favor of the closed session, and participated in the closed session.

On September 24, 2019, during a regular meeting of the Port Commission, Commissioners voted to approve two resolutions before the Port Commission relating to the Project. The first was a resolution to approve Phase 1 of the development of the Project and the Project's Parks Plan. The second was a resolution to approve the formation of a non-profit entity to provide recycled water and thermal energy to Mission Rock residents and commercial tenants. Respondent voted in favor of approval of both resolutions.

Respondent thus made or participated in making a governmental decision relating to the Project on four occasions, three times by participating in agenda items regarding the Project and once by voting to approve two resolutions regarding the Project. Each instance constituted a violation of C&GCC section 3.206(a).

Recusal Procedures and Notification

When a governmental decision regarding the Project was made by the Port Commission at its January 14, 2020, meeting, although absent from this meeting, Respondent was still required to file a recusal notification with the Ethics Commission within 15 calendar days after the date of the meeting because he would have been legally required to recuse himself from a matter during the meeting. Respondent failed to file the recusal notification and thereby violated C&GCC section 3.209(b).

IV. Violations of Law

Count 1: Disclosure of Loan Repayment Income (Form 700)

Count 1: By failing to report income received from a reportable source on the Form 700 covering calendar year 2014, Respondent violated C&GCC section 3.1-102(a).

Counts 2 through 5: Making or participating in making governmental decisions in which Respondent had a financial interest in violation of C&GCC section 3.206(a).

Count 2: By voting on June 11, 2019, to hold a closed session, and by participating in that closed session, to discuss negotiations with a third party for the lease and development of the Mission Rock property, Respondent violated SF C&GCC section 3.206(a) and Government Code section 87100.

Count 3: During an agenda item on July 9, 2019 concerning Phase 1 of the Mission Rock Development, by asking questions of Port Staff about the Port of San Francisco's Phase 1 budget, and by directing Port Staff to take actions related to the Mission Rock Development, Respondent violated C&GCC section 3.206(a) and Government Code section 87100.

Count 4: By voting on August 13, 2019, to hold a closed session, and by participating in that closed session to discuss negotiations for the development of the property located at Mission Rock, Respondent violated SF C&GCC section 3.206(a) and Government Code section 87100.

Count 5: By voting on September 24, 2019 on a resolution approving Phase 1 of the Mission Rock Development and the Project parks plan, and by voting on a resolution to approve the formation of a non-profit entity to provide recycled water and thermal energy to Mission Rock residents and commercial tenants, Respondent violated C&GCC section 3.206(a) and Government Code section 87100.

Count 6: Failure to File Recusal Notification

Count 6: By failing to file the required recusal notification following the January 14, 2020 Port Commission meeting during which a governmental decision was made regarding the project in which Respondent had a financial interest, Respondent violated C&GCC section 3.209(b).

V. Penalty Assessment

This matter consists of six counts for conduct in violation of the C&GCC. The San Francisco Charter authorizes the Commission to assess a monetary penalty for each violation of up to five thousand dollars or three times the amount which the person failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater. SF Charter § C3.699-13(c).

Pursuant to its Enforcement Regulations, when determining penalties the Ethics Commission considers all of the relevant circumstances surrounding the case, including but not limited to: (1) the severity of the violation; (2) the presence or absence of any intention to conceal, deceive, or mislead; (3) whether the violation was willful; (4) whether the violation was an isolated incident or part of a pattern; (5) whether the respondent has a prior record of violations of law; (6) the degree to which the respondent cooperated with the investigation and demonstrated a willingness to remedy any violations; and (7) the respondent's ability to pay. SF Ethics Commission Enforcement Regulations § 9(D).

Form 700 Violation

Respondent's failure to report the \$70,000 payment from the Kellys on the Form 700 is a serious violation. Form 700 disclosure is a fundamental tool to detect and avoid conflicts of interest or any other financial activity that is unlawful or problematic for a public official. The failure to disclose reportable income on the Form 700 deprives the public and regulators of the ability to identify potential violations. Thus, Respondent's failure to report the payment from the Kellys warrants a penalty of \$7,000, which

equates to 10% of the payment that was not reported and reflects the gravity of the context of the violation.

Conflict of Interest Violations

Financial conflicts of interest are significant ethics violations. Conflicts create the danger or the appearance that an official can use their public office for their own personal gain, potentially undermining public trust in City government. Conflict of interest laws are designed to ensure that public officials and employees undertake their actions fairly and with regard only to the public interest and not to any private gain or advantage. As a member of the Port Commission, Respondent made or participated in making governmental decisions regarding a large development project that was within 1,000 feet of real property he owned and that would significantly alter the immediate area surrounding the project. In addition, Respondent had a financial interest in not one, but five properties located at 188 King Street, increasing the potential financial effects that decisions on the Project might have on Respondent's financial interests. Respondent's conflict of interest violations took place across four Port Commission meetings over the course of four months, indicating that Respondent had the opportunity to look into any potential conflict and to recuse himself. Respondent explained that he incorrectly calculated his properties to be located more than 1,000 feet away from the Project and, therefore, inadvertently failed to recuse from the matter. However, it is not clear that Respondent engaged in due diligence efforts to determine the distance or to seek guidance about whether he was required to recuse himself from decisions regarding the Project because of his ownership of nearby properties. Also, even properties located more than 1,000 feet from a property subject to a governmental decision can give rise to a conflict of interest; distance is not the only factor that must be considered.

Additionally, since 1988, Respondent served on various City boards and commissions. Based on Commission records, Respondent certified that he completed an annual ethics training at least as far back as 2013 and during each of the years from 2018 through 2020 while he was a member of the Port Commission. Respondent therefore should have been familiar with state and local conflict of interest rules and taken precautions to avoid them. Respondent's actions that violated conflict of interest laws warrant a total penalty of \$7,000: \$1,000 for each of the three Port Commission meetings in which Respondent participated in a governmental decision and \$4,000 for the Port Commission meeting in which Respondent made governmental decisions by voting on two resolutions.

Recusal Procedures Violation

Failure to properly comply with recusal notification requirements is a less severe violation because the officer has not actually participated in a governmental decision. However, the recusal procedures were created to give the public information about the basis for a recusal and the existence of a potential conflict. Failure to follow this procedure undermines that purpose, and should carry a consequence. The appropriate penalty for Respondent's failure to follow recusal procedures or file a recusal notice with the Commission is \$500.

In balancing the above facts and considering the penalty factors and prior analogous enforcement cases resolved by the Ethics Commission, and to promote a future deterrent effect, Staff proposes, and Respondent agrees to, the following penalties for the above listed violations of City law:

Count One (Failure to Disclose Loan Principal Repayment): \$7,000

Count Two (Conflict of Interest - June 11, 2019 Meeting): \$1,000

Count Three (Conflict of Interest July 9, 2019 Meeting): \$1,000

Count Four (Conflict of Interest August 13, 2019 Meeting): \$1,000

Count Five (Conflict of Interest September 24, 2019 Meeting): \$4,000

Count Six (Recusal Notification January 14, 2020): \$500

TOTAL PENALTIES: \$14,500