

Patrick Ford
Executive Director

Olabisi Matthews
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 Case No. 23-604
)	
JOANNE LEE,)	
)	
)	
Respondent.)	STIPULATION, DECISION
)	AND ORDER
)	
)	
)	
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THE PARTIES STIPULATE AS FOLLOWS:

1. This Stipulation, Decision, and Order (Stipulation) is made and entered into by and between Joanne Lee (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.

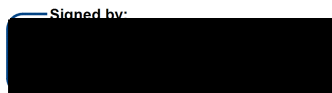
12. The parties hereto may sign different copies of this Stipulation, which will be deemed to have the same effect as though all parties had signed the same document.

Dated: _____



GAYATHRI THAIKKENDIYIL ON BEHALF OF
PATRICK FORD, EXECUTIVE DIRECTOR
SAN FRANCISCO ETHICS COMMISSION

Dated: _____



JOANNE LEE
RESPONDENT

DECISION AND ORDER

The foregoing Stipulation of the parties in the matter of "Joanne Lee, SFEC Case No. 23-604," 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: 10-11-24

A large black rectangular redaction box covers the signature area. A handwritten checkmark is visible to the left of the box, and a handwritten mark resembling a '1' is visible to the right.

THEIS FINLEV, CHAIRPERSON
SAN FRANCISCO ETHICS COMMISSION

Exhibit A

I. Introduction

Joanne Lee (“Respondent”) was the Deputy Director of Programs with the San Francisco Arts Commission (“SFAC”) from September 2019 to August 2023. Since August 2023, Respondent has been the Executive Director of Edge on the Square, a project of the nonprofit organization Chinatown Media and Arts Collaborative (“CMAC”). Respondent applied to her current CMAC position and conducted interviews with CMAC during the period January to April 2023. Concurrently, during the period January to March 2023, Respondent participated in developing an SFAC grant. Among other contributions to the grant process, Respondent evaluated and made recommendations concerning the applications of prospective grantees. CMAC was one such applicant and was ultimately awarded a grant. By participating in a government decision involving CMAC, an entity with which Respondent was engaged in discussions regarding future employment and in the process of interviewing for future employment, Respondent violated the City’s future employment provisions.

II. Applicable Law

Future Employment

The San Francisco Campaign and Governmental Conduct Code (“SF C&GCC”) prohibits City officers and employees from making, participating in making, or otherwise seeking to influence a governmental decision, affecting a person or entity with whom the officer or employee is “discussing or negotiating an agreement concerning future employment.” SF C&GCC § 3.206(c).

III. Material Facts and Analysis

Background

Respondent was the Deputy Director of Programs with SFAC from September 2019 to August 2023. Among other duties, Respondent had a role in SFAC’s grantmaking process, which Respondent described to investigators as primarily policy related. For example, Respondent reviewed outreach efforts and applicant pools, developed timelines, and ensured budget alignment. Other grantmaking activities such as releasing calls for applicants, convening review panels, and responding to proposals were typically handled by the Director of Community Investments, who reported to Respondent.

Following winter rainstorms in December 2022 and January 2023, SFAC developed a Flood Damage Assistance Grant (“Flood Grant”) to provide assistance to local artists or nonprofit arts organizations that experienced physical property damage from flooding. Respondent developed the Flood Grant program along with the SFAC Director of Community Investments and the Director of Grants for the Arts (“GFTA”). Respondent’s contribution included participating in setting eligibility terms, creating the grant application, and performing an initial eligibility review of the applicants. SFAC ultimately received 44 eligible applicants.

The Flood Grant award process was not competitive, and all eligible applicants were awarded a grant. SFAC originally intended to award arts organizations up to \$5,000, but because too many applicants qualified for the available funding, the maximum award for arts organizations was decreased to \$3,750. All applicants that requested the maximum \$5,000 were awarded the adjusted maximum of

\$3,750. Grants to each eligible grantee were executed with the nonprofit organization Intersection for the Arts, which had an existing contract with Grants for the Arts. SFAC did not directly enter into any grant with the Flood Grant grantees.

Between January and April 2023, Respondent applied and interviewed for a position with CMAC as the Executive Director of Edge on the Square. Respondent ultimately began employment in that role in August 2023. Respondent later clarified to investigators that CMAC does not have a separate Executive Director, and that Edge on the Square is the first and presently only project of CMAC. Respondent stated that she is essentially also the Executive Director of CMAC and that she reports directly to the CMAC Board of Directors.

Chronology and Future Employment

By January 13, 2023, Respondent, in collaboration with the GFTA Director and the Director of Community Investments, had identified a pool of funding for the Flood Grant and developed initial eligibility requirements.

Also on January 13, 2023, Respondent attended the grand opening of Edge on the Square, which here refers to the physical building in Chinatown that shares a name with the CMAC project. Respondent was invited to this event by email on January 6, 2023. Respondent told investigators that this was when she first heard about CMAC's Edge on the Square program. Respondent also told investigators that the event was crowded, with many City and state officials in attendance, and that she did not have any discussion at this time with CMAC affiliates regarding CMAC's goals or needs.

On January 23, 2023, Respondent applied for the CMAC Edge on the Square Executive Director position. Respondent told investigators that she learned that the position had been posted from interim CMAC Executive Director Mabel Teng.

On January 24, 2023, Respondent stated in an email to the GFTA Director that she was in the process of working on an application for the Flood Grant.

On February 8, 2023, Respondent conducted her first interview for the CMAC position. Respondent told investigators that this interview was a virtual interview with the principal of Azzani Search Consultants, the executive search firm acting on CMAC's behalf.

On February 10, 2023, SFAC publicly announced that applications were open for the Flood Grant, with a deadline of March 1, 2023.

On February 17, 2023, Respondent conducted her second interview for the CMAC position. Respondent told investigators that this interview was with interim director Teng and one or two members of the CMAC board.

By March 1, 2023, CMAC submitted its application to SFAC, requesting the maximum of \$5,000 for flood damage it sustained on December 31, 2022.

Between around March 1 and March 6, 2023, Respondent performed an eligibility review of the Flood Grant applications, including CMAC's. On March 6, 2023, Respondent provided a summary of her review to the GFTA Director and the Director of Community Investments. Respondent noted that of 49

applicants, 44 were eligible, including CMAC. In addition to Respondent, the GFTA Director and the Director of Community Investments both independently determined all applicants' eligibility for an award. Respondent told investigators that it had not occurred to her when she was reviewing CMAC's application that there may have been a conflict. She stated that she had not heard from CMAC in several weeks, and that she was simply looking at the applicant's eligibility.

Around March 17, 2023, SFAC notified the eligible Flood Grant applicants of their award, including CMAC. From this point, the grant process was largely taken over by Intersection for the Arts, and Respondent told investigators that she had no further involvement.

Between April 1 and April 13, 2023, Respondent conducted four other interviews with CMAC, before receiving an employment offer on April 18, 2023. Respondent told investigators that each of these interviews included interim director Teng and one or two board members whom she had not previously met. By the end of the process, Respondent had met the entire CMAC board. Respondent also stated that at no point during her interviews with CMAC was there discussion of the Flood Grant.

Around May 2023, Respondent began working with the Ethics Commission's Policy Manager regarding a post-employment waiver pursuant to C&GCCC section 3.234. That process was separate and unrelated to the violations described in this stipulation. Through that process, however, the Policy Manager informed Respondent that she may have violated section 3.206(c) by participating in a government decision involving CMAC while discussing future employment with the organization, and he encouraged Respondent to reach out to the Enforcement Division.

On May 11, 2023, Respondent emailed the Commission's Director of Enforcement, noting that the Policy Manager indicated that she may have violated section 3.206(c). Respondent provided much of the information described above, stated that she did not intend to violate City rules, and stated that she did not know that she should have recused herself from the grant review process.

It is important to note that the post-employment communications waiver granted to Respondent by this Commission did not absolve Respondent of the violation she committed three months before receiving the waiver, nor did it preclude the Commission from subsequently taking enforcement action against Respondent for the earlier, distinct violation. Respondent violated section 3.206(c) by participating in the review involving CMAC, even though she could have avoided doing so. It was possible for Respondent to comply with both the future employment rule, by recusing herself from any action involving CMAC while she was discussing future employment with CMAC, and separately comply with the post-employment rule by obtaining a waiver from the Commission for any future communications she might have with the Arts Commission after leaving City service. In this case, Respondent failed to comply with one rule but complied with the other. This stipulation only concerns Respondent's violation of section 3.206(c) by participating in the grant review regarding CMAC.

IV. Violations of Law

Count 1

Participating in a decision affecting a future employer in violation of SF C&GCC Section 3.206(c)

Count 1: By reviewing and approving an application submitted by CMAC, an organization with she was discussing future employment, Respondent violated SF C&GCC section 3.206(c).

Penalty Assessment

This matter consists of one count involving a violation of the San Francisco Campaign and Governmental Conduct Code. The San Francisco Charter authorizes the Commission to assess a maximum administrative penalty of “up to five thousand dollars (\$5,000) for each violation or three times the amount which the person failed to report properly or unlawfully contributed, expended, gave or received.” SF Charter § C3.699-13(c)(i)(3).

Per Commission Regulations section 9(D), when determining penalties, the Ethics Commission considers all of the relevant circumstances surrounding the case, including but not limited to: (a) the severity of the violation; (b) the presence or absence of any intention to conceal, deceive, or mislead; (c) whether the violation was deliberate, negligent or inadvertent; (d) whether the violation was an isolated incident or part of a pattern; (e) whether the respondent has a prior record of violations of law; and (f) the degree to which the respondent cooperated with the investigation and demonstrated a willingness to remedy any violations.

The City’s future employment provisions are important because they serve to avoid an appearance that a City official’s decisions regarding a certain person or entity may be motivated by the prospect of the official’s own future employment. City law prohibits City employees from participating in decisions affecting an entity with which the employee is “discussing” future employment. SF C&GCC § 3.206(c). Governmental decisions of City employees should be, and should also appear to be, made on a fair and impartial basis. The rule against participating in a decision involving an entity with which a City employee is engaged in discussions regarding future employment is critical to ensuring that City employees remain fair and avoid situations that may give rise to potential conflicts of interest, undue influence, or unfair advantage. This law is important and must be adhered to because it serves to prohibit practices that could compromise the public’s trust in the integrity of City government.

Here, at the time Respondent reviewed CMAC’s application, she had interviewed with an agent of the prospective employer, Azzani Search Consultants, and with the employer itself, namely CMAC interim director Teng and board members. Respondent interviewed with CMAC on both February 8th and 17th of 2023 before conducting a review of the Flood Grant applications on March 6, 2023, endorsing CMAC’s eligibility for the grant. Thus, Respondent participated in a decision which ultimately allowed CMAC to receive City money, after Respondent had already met members of CMAC’s leadership and was clearly engaged in discussing future employment with them. Respondent could have avoided this violation by recusing herself from the matter involving CMAC once she discovered that CMAC had applied for the grant or once she came across CMAC’s application, because Respondent had already engaged discussions regarding future employment with CMAC, consisting of two separate interviews. However, Respondent failed to do so. As a result, Respondent violated the City future employment provisions.

As noted above, Respondent’s application for and receipt of a waiver of the post-employment restriction has no bearing on the violation in this matter. The post-employment restriction on communicating with the City pertains only to communications with the City that occur after the person leaves City service, while the future employment law pertains only to participation in certain governmental decisions while the person is still a City official. It is possible to violate one rule and not the other, violate both rules, or violate neither rule. Here, respondent violated one rule three months prior to obtaining a waiver that allowed her to comply with the other rule.

In mitigation, Respondent has no history of violations of ethics rules, and she fully cooperated with the investigation. Respondent also brought this matter to the Enforcement Division's attention herself after speaking with the Commission's Policy Manager while she was in the process of applying for the post-employment restriction waiver. The investigation also found no evidence to suggest that CMAC would have otherwise been determined to be ineligible but for Respondent's decision, and Respondent's decision on CMAC's grant was confirmed by two other individuals. Further, the value of the grant in question was only \$3,750.

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 1 (Future Employment): \$250