

*****PRESS RELEASE*****

SUPERVISOR CATHERINE STEFANI LEGISLATION TO CLOSE CORRUPTION LOOPHOLES IN CITY GRANT PROCESS RECEIVES SUPPORT AT COMMITTEE

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SAN FRANCISCO -- Today, Supervisor Catherine Stefani's ordinance to reform the City's process for awarding grants passed with unanimous support of the full board. The Supervisor drafted this ordinance in response to allegations of fraud and corruption in City Departments.

"The ongoing local and federal investigations have made clear that we need more accountability from City departments. This ordinance will be a critical step forward to safeguard taxpayer dollars," said Supervisor Stefani.

In the Public Integrity Review of contracting at Public Works, the City Auditor found that Public Works issued 19 grants totaling \$24 million without any solicitation or competition.

"Departments have basically unlimited discretion in the manner and method by which they make these awards. This proposal will create a new chapter in the administrative code to create formalized standards for the solicitation, public notification, evaluation, selection, and oversight for grant awards," said Supervisor Stefani.

This issue is much larger than just Public Works: City Departments issued 5,746 grant awards totaling \$5.4 billion over a three-year period. That means that nearly \$2 billion per year was awarded through grants, all while the City has no laws setting minimum standards for competitive solicitation, fairness in award selection, documentation, or transparency.

Supervisor Mandelman said, "This legislation creates clear rules and greater transparency for the nearly \$2 billion in grant funding distributed by the City each year. I want to thank Supervisor Stefani her leadership on this important issue and for her commitment to ensuring that our City grant process receives adequate oversight."

"It's pretty incredible that this isn't already on the books in San Francisco," said Supervisor Peskin. "But things like this don't need to be on the books until people start violating basic principles of common sense. This legislation codifies best practices to end the self-dealing we've witnessed in recent years, where a handful of bad actors have sought to raid the people's bank."

"The ongoing local and federal investigations have made clear that we need more accountability from city departments and this ordinance will be a critical step forward to safeguard taxpayer dollars," Stefani said. "I believe these reforms are long overdue."

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