



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

July 12, 2024

RE: File 240549 – Charter Amendment to Create an Inspector General in the Controller's Office and Expand the Controller's Investigative Powers (SECOND DRAFT)

Dear Ms. Calvillo,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have a moderate impact on the cost of government – ranging from \$725,000 to \$775,000 annually plus additional investigative legal support that will depend on the volume needed each year.

The Inspector General functions will be funded through the City Services Auditor's Charter-mandated set-aside of two-tenths of one percent of the City's overall budget. The added duties of the Inspector General may reduce ability of the City Services Auditor to monitor the level and effectiveness of City services by expanding the mandated duties of the division.

The proposed Charter amendment would establish the position of Inspector General within the Controller's Office and expand the Controller's investigative powers. The Controller would appoint the Inspector General, subject to the approval of the Mayor and the Board of Supervisors. The amendment specifies that the Inspector General would collaborate with the City Services Auditor, the Ethics Commission, City Attorney, District Attorney, and Department of Human Resources to coordinate investigations involving fraud, waste, and abuse. The Inspector General may hold public hearings and is required to make bi-annual reports to the Mayor and the Board of Supervisors on their activities.

The amendment empowers the Controller to subpoena witnesses and compel the production of evidence in relation to City functions and activities. It also expands the scope of whistleblower complaints the Controller can receive to include those doing business with the City. Additionally, the amendment empowers the Controller's Office to execute search warrants to the extent permitted by State law.

The proposed amendment would cost approximately \$725,000 to \$775,000 annually for an Inspector General and two staff positions within the City Services Auditor. This annual cost does not include search warrants and subpoenas drafted by the City Attorney's Office. For context, executing a subpoena may cost between \$1,000 and \$20,000 depending on if litigation to enforce

the subpoena is necessary. Drafting a search warrant may cost between \$9,000 and \$20,000. To the extent the proposed amendment results in an increased number of whistleblower complaints, the cost of government may also increase, although at a level that cannot be determined. Finally, the proposed amendment could cost \$125,000 to \$175,000 for one-time office setup.

Note that the proposed amendment would change the duties of the Controller's Office, which has prepared this statement.

Sincerely,

Janice Levy FOR
Greg Wagner
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.