

1 [Settlement of Lawsuit - AT&T Corporation and Pacific Bell Telephone Company - City to  
2 Receive \$15,400,000]

3 **Ordinance authorizing settlement of the lawsuit filed by the City and County of San**  
4 **Francisco ex rel. Roger Schneider against AT&T Corp. and Pacific Bell Telephone**  
5 **Company (collectively, "AT&T") for \$15,400,000; the lawsuit was filed on January 29,**  
6 **2020, in San Francisco Superior Court, Case No. CGC-20-582552; entitled City and**  
7 **County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al.; the**  
8 **lawsuit involves allegations that AT&T and other telecommunications companies**  
9 **knowingly under-collected and under-remitted amounts due under the Access Line Tax**  
10 **Ordinance in violation of the California False Claims Act; other material terms of the**  
11 **settlement are that AT&T will collect and remit access line taxes in a certain manner in**  
12 **the future absent a material change in the law.**

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14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby  
16 authorizes the City Attorney to settle the action entitled City and County of San Francisco ex  
17 rel. Roger Schneider v. AT&T Corporation, et al., San Francisco Superior Court, Case No.  
18 CGC-20-582552, with respect to AT&T Corp. and Pacific Bell Telephone Company  
19 (collectively, "AT&T"), by AT&T's payment of \$15,400,000, AT&T's agreement to collect and  
20 remit access line taxes in a certain manner in the future unless there is a material change in  
21 the law, and mutual releases for past conduct and access line tax liability. The lawsuit  
22 involves allegations that the defendants knowingly under-collected and under-remitted  
23 amounts due under the Access Line Tax Ordinance in violation of the California False Claims  
24 Act.

1           Section 2. The above-named action was filed in San Francisco Superior Court on  
2 January 29, 2020, and the following parties were named in the lawsuit: Plaintiff-Relator Roger  
3 Schneider; Real Party in Interest City and County of San Francisco; Defendants AT&T  
4 Corporation; Pacific Bell Telephone Company; U.S. Telepacific Corp., dba TPx  
5 Communications; MCI Communications Services LLC; MCImetro Access Transmission  
6 Services LLC; Verizon Business Network Services LLC; and XO Communications Services,  
7 LLC.

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10       APPROVED AS TO FORM AND  
11       RECOMMENDED:

12       DAVID CHIU  
13       City Attorney

14       /s/ Sara J. Eisenberg  
15       SARA J. EISENBERG  
16       Chief of Complex and Affirmative Litigation

RECOMMENDED:

Office of the Treasurer and Tax Collector

17       /s/ Jose Cisneros  
18       JOSE CISNEROS  
19       Treasurer