

File No. 240037

Committee Item No. 11

Board Item No. 19

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight

Date: February 15, 2024

Board of Supervisors Meeting:

Date: February 27, 2024

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

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Prepared by: Monique Crayton

Date: February 22, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Settlement of Unlitigated Claims - Florence Kong; Kin Wo Construction, Inc.; Kwan Wo
2 Ironworks, Inc.; and SFR Recovery, Inc. - San Francisco to Receive \$750,000]

3 **Resolution approving settlement of unlitigated claims against Florence Kong; Kin Wo**
4 **Construction, Inc.; Kwan Wo Ironworks, Inc.; and SFR Recovery, Inc. (collectively “the**
5 **Kong Parties”)** for restitution and civil penalty payments totaling \$750,000; the claims
6 involve allegations that Florence Kong provided gifts to a City official with the intent to
7 unlawfully influence City officials in award of City contracts to the Kong Parties; other
8 material terms of the settlement are that all of the Kong Parties will be debarred except
9 for Kwan Wo Ironworks, Inc., which will remain suspended for a minimum term of three
10 years and until full payment of the settlement amount of \$750,000.

11
12 WHEREAS, The City Attorney has investigated claims against Florence Kong; Kin Wo
13 Construction, Inc.; Kwan Wo Ironworks, Inc.; and SFR Recovery, Inc. (collectively “the Kong
14 Parties”) under state and local law; and

15 WHEREAS, The claims of the City and County of San Francisco (“City”) against the
16 Kong Parties involve allegations that Florence Kong on behalf of her affiliated companies
17 provided gifts to a City official in exchange for the unlawful award of City contracts to the Kong
18 Parties in violation of federal, state, and local law; and

19 WHEREAS, San Francisco Public Works has recommended settlement of the claims
20 by payments to the City by the Kong Parties of \$750,000 representing restitution and ethics
21 penalties and by debarring or suspending the Kong Parties from doing business with the City
22 for five years (except Kwan Wo Ironworks, Inc., which will remain suspended for a minimum
23 term of three years); now, therefore, be it

24 RESOLVED, That pursuant to Administrative Code, Section 10.22, the Board of
25 Supervisors hereby authorizes the City Attorney to settle and compromise the unlitigated

1 claims by payments from the Kong Parties to the City totaling \$750,000 and suspension
2 and/or debarment of each of the Kong Parties.

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4 APPROVED AS TO FORM AND
5 RECOMMENDED:

RECOMMENDED:

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6 DAVID CHIU
7 City Attorney

SAN FRANCISCO PUBLIC WORKS

6

7 /s/ _____
8 KESLIE STEWART
9 Chief of Public Integrity and Investigations

/s/ _____
CARLA SHORT
Director

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