

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.

3

4 APPROVED AS TO FORM AND  
5 RECOMMENDED:

RECOMMENDED:

5

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

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25