

1 [Settlement of Lawsuit - Recology San Francisco, Sunset Scavenger Company, and Golden
2 Gate Disposal and Recycling Company - San Francisco Refuse Ratepayers to Receive
\$94,520,000 in Restitution; City to Receive \$7,000,000]

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4 **Ordinance authorizing settlement of the lawsuit filed by the City and County of San**
5 **Francisco against Recology San Francisco, Sunset Scavenger Company, and Golden**
6 **Gate Disposal and Recycling Company for payment of at least \$94,520,000 in**
7 **restitution and related interest as well as \$7,000,000 in civil penalties; the lawsuit was**
8 **filed on March 4, 2021, in San Francisco Superior Court, Case No. CGC-21-590091;**
9 **entitled People of the State of California, acting by and through Dennis J. Herrera as**
10 **City Attorney of San Francisco; and City and County of San Francisco v. Recology San**
11 **Francisco, Sunset Scavenger Company, and Golden Gate Disposal and Recycling**
12 **Company; the lawsuit involves Defendants' violations of California's Unfair**
13 **Competition Law and San Francisco Campaign and Governmental Conduct Code**
14 **based on improper overcharging of San Francisco refuse Ratepayers and unlawful**
15 **gifts and contributions made to city employees and officers or to third-parties at their**
16 **request; other material terms of the settlement are that Defendants agree to be bound**
17 **to a four-year injunction to be presented and entered by the court after the settlement**
18 **agreement is approved.**

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

21 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
22 authorizes the City Attorney to settle the action entitled People of the State of California,
23 acting by and through Dennis J. Herrera as City Attorney of San Francisco; and City and
24 County of San Francisco v. Recology San Francisco, Sunset Scavenger Company, and
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1 Golden Gate Disposal and Recycling Company, San Francisco Superior Court, Case No.
2 CGC-21-590091 by the payment of \$94,520,000 in restitution and related interest as well as
3 \$7,000,000 in civil penalties by Recology San Francisco, Sunset Scavenger Company, and
4 Golden Gate Disposal and Recycling Company and a four-year injunction which would require
5 that Defendants cease giving gifts to City employees, disclose certain communications and
6 gifts to non-profit organizations, and disclose errors and mistakes within thirty days of their
7 discovery. The lawsuit involves Defendants improper overcharging of San Francisco refuse
8 Ratepayers and their unlawful gifts and contributions made to city employees and officers.

9 Section 2. The above-named action was filed in San Francisco Superior Court on
10 March 4, 2021, and the following parties were named in the lawsuit: City and County of San
11 Francisco and the People of the State of California (collectively “Plaintiffs) and Recology San
12 Francisco, Sunset Scavenger Company, and Golden Gate Disposal and Recycling Company
13 (collectively “Defendants”).

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1 APPROVED AS TO FORM AND
2 RECOMMENDED:

3 DENNIS J. HERRERA
4 City Attorney

5 /s/ Yvonne R. Meré
6 YVONNE R. MERE
7 Chief of Complex and Affirmative Litigation

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