BOARD of SUPERVISORS

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M E M O R A N D U M

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Jackie Fielder, Chair
Government Audit and Oversight Committee

FROM: Monique Crayton, Assistant Clerk

DATE: September 5, 2025

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, September 9, 2025

The following file should be presented as COMMITTEE REPORT at the regular Board meeting on Tuesday, September 9, 2025. This ordinance was acted upon at the Regular Government Audit and Oversight Committee meeting on Thursday, September 4, 2025, at 10:00 a.m., by the votes indicated.

Item No. 20 **File No. 250778**

[Settlement of Lawsuit - U.S. Telepacific Corp., dba TPx Communications - City to Receive $3,660,000]
Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco ex rel. Roger Schneider against U.S. Telepacific Corp., dba TPx Communications ("TPx") for $3,660,000; the lawsuit was filed on January 29, 2020, in San Francisco Superior Court, Case No. CGC-20-582552; entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al.; the lawsuit involves allegations that TPx and other telecommunications companies knowingly under-collected and under-remitted amounts due under the Access Line Tax Ordinance in violation of the California False Claims Act; other material terms of the settlement are that TPx will collect and remit access line taxes in a certain manner in the future absent a material change in the law.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Jackie Fielder - Aye
Supervisor Danny Sauter - Aye
Supervisor Stephen Sherrill - Aye

Cc: Board of Supervisors
Angela Calvillo, Clerk of the Board

Alisa Somera, Legislative Deputy
Brad Russi, Deputy City Attorney

File No. 250778 **Committee Item No.** 8
Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight **Date:** September 4, 2025
Board of Supervisors Meeting: **Date:** September 9, 2025

Cmte Board

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Prepared by: Monique Crayton **Date:** September 5, 2025
Prepared by: Monique Crayton **Date:** August 29, 2025
Prepared by: **Date:**

[Settlement of Lawsuit - U.S. Telepacific Corp., dba TPx Communications - City to Receive $3,660,000]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco ex rel. Roger Schneider against U.S. Telepacific Corp., dba TPx Communications ("TPx") for $3,660,000; the lawsuit was filed on January 29, 2020, in San Francisco Superior Court, Case No. CGC-20-582552; entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al.; the lawsuit involves allegations that TPx and other telecommunications companies knowingly under-collected and under-remitted amounts due under the Access Line Tax Ordinance in violation of the California False Claims Act; other material terms of the settlement are that TPx will collect and remit access line taxes in a certain manner in the future absent a material change in the law.

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

Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby authorizes the City Attorney to settle the action entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al., San Francisco Superior Court, Case No. CGC-20-582552, with respect to U.S. Telepacific Corp., dba TPx Communications ("TPx"), by TPX's payment of $3,660,000, TPXs's agreement to collect and remit access line taxes in a certain manner in the future unless there is a material change in the law, and mutual releases for past conduct and access line tax liability. The lawsuit involves allegations that the defendants knowingly under-collected and under-remitted amounts due under the Access Line Tax Ordinance in violation of the California False Claims Act.

Section 2. The above-named action was filed in San Francisco Superior Court on January 29, 2020, and the following parties were named in the lawsuit: Plaintiff-Relator Roger

Schneider; Real Party in Interest City and County of San Francisco; Defendants AT&T Corporation; Pacific Bell Telephone Company; U.S. Telepacific Corp., dba TPx Communications; MCI Communications Services LLC; MCImetro Access Transmission Services LLC; Verizon Business Network Services LLC; and XO Communications Services, LLC.

APPROVED AS TO FORM AND RECOMMENDED:	RECOMMENDED:
DAVID CHIU City Attorney	Office of the Treasurer and Tax Collector
/s/ Sara J. Eisenberg SARA J. EISENBERG Chief of Complex and Affirmative Litigation	*/s/ Jose Cisneros* JOSE CISNEROS Treasurer

Member, Board of Supervisors
District 9

City and County of San Francisco

JACKIE FIELDER

DATE:	August 28, 2025
TO:	Angela Calvillo Clerk of the Board of Supervisors
FROM:	Supervisor Jackie Fielder, Chair, Government Audit and Oversight Committee
RE:	Government Audit and Oversight Committee COMMITTEE REPORTS

Pursuant to Board Rule 4.20, as Chair of Government Audit and Oversight Committee, I have deemed the following matter is of an urgent nature and request that it be considered by the full Board on Tuesday,September 9, 2025, as a Committee Report:

1. File No. 250778 - Settlement of Lawsuit - U.S. Telepacific Corp., dba TPx Communications - City to Receive $3,660,000

This matter will be heard in the Government Audit and Oversight Committee at a Regular Meeting on Thursday, September 4, 2025, at 10:00 a.m.

Sincerely,

Jackie Fielder

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