



Press Release

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Controller's Office releases findings on the San Francisco's Department of Building Inspection's permitting and inspections processes

In conjunction with the City Attorney's Office, the Controller's Office is providing recommendations for reform at the Department of Building Inspection to prevent nepotism, cronyism, and corruption following federal criminal charges and resignations related to Mr. Nuru, Mr. Hui, and other city employees and contractors.

SAN FRANCISCO (September 16, 2021) — Controller Ben Rosenfield has released an [assessment report on the Department of Building Inspection's \(DBI\) internal processes](#) that allowed for multiple ethical breaches under the department's former leadership, including improper preferential treatment and routine conflicts of interest. This report is the seventh in the series of Public Integrity Reviews started in 2020 with the City Attorney's Office after the arrest of former Public Works Director Mohammed Nuru who was criminally charged with a scheme to defraud the City and County of San Francisco by offering city resources in exchange for bribes. Among other charges, the complaint alleges that Mr. Nuru and former DBI Director Tom Hui accepted inappropriate gifts (in the form of meals) from property developer Li Zhang and permit expediter Walter Wong. Separate criminal charges were brought against Mr. Wong for conspiring with Mr. Nuru and other unnamed city officials, and three others have been criminally charged with fraud related to their conduct at DBI.

The report published today focuses on the measures DBI—which oversees the enforcement of San Francisco's building, housing, plumbing, electrical, and mechanical codes—can take to prevent nepotism, cronyism, and corruption. The findings and recommendations have been informed by a limited survey of San Francisco properties, including those with known irregularities in plan review or inspections. The report explores DBI's organizational culture, focusing on areas where improper preferential treatment can occur, areas where internal controls could be improved, and the conduct of the following individuals:

- **Tom Hui**, former director of DBI who was appointed head of the department in 2013.

- **Bernard Curran**, a former DBI senior building inspector.
- **Rodrigo Santos**, a licensed engineer, and former Building Inspection Commission president.

Controller Rosenfield provided the following statement: “The work that DBI does, ensuring that all manner of construction projects are designed, inspected, and built to code, is critical for our city’s health and safety. The significant process vulnerabilities we have unearthed need to be remedied quickly to safeguard the health and safety of San Franciscans. We’ll be pushing for the full implementation of our recommendations.”

The City Attorney’s Office [first brought a civil suit against Santos in September 2018 for permit fraud](#), and later uncovered alleged check fraud by Santos and his associates. Since January 2020 the U.S. Attorney’s Office has criminally charged 13 additional employees and contractors of the City. As a result of these criminal investigations and the City Attorney’s ongoing investigations, city contractors who were federally charged have been [suspended from doing business with the City](#), and two others have agreed to legal settlements with the City. The city’s refuse collection contractor, Recology, agreed to a \$100 million settlement that lowers rates and refunds ratepayers for overcharges that occurred under Mr. Nuru. Senior officials at the Department of Building Inspection, SFPUC, Public Works, and elsewhere have also resigned. The District Attorney’s Office has filed criminal charges against a former city employee related to information in one of the Controller’s previous public integrity review reports.

“We welcome this review and appreciate the Controller’s recommendations which we intend to fully implement as part of our larger, ongoing Reforms Initiative,” said Patrick O’Riordan, Interim Director of the Department of Building Inspection. “I’m outraged about what happened in the past at DBI and the way former leaders undermined the fine work our staff does every day and violated the public’s trust. It’s not right and I’m committed to getting us back on track.”

“Properly built buildings are a matter of public safety, particularly here in earthquake country,” City Attorney Dennis Herrera said. “That makes the conduct we uncovered alongside the Controller particularly troubling. There is no place for corruption, nepotism or cronyism anywhere in City government. If someone is gaming the system or abusing the public trust, we are going to get to the bottom of it.”

“Every City department must operate with the highest level of integrity and transparency, and every City employee must hold themselves to the highest standard in their work. The report issued today documents an unacceptable pattern of misconduct and systemic failures under the previous leadership of the Department of Building Inspection, and the people of San Francisco deserve better,” said Mayor Breed. “I want to thank the Controller and the City Attorney for their continued work on this effort. I am also appreciative of the work that is being done under the current leadership at DBI to address the longstanding issues that have affected the department, but we have a lot more work to do.”

The Controller’s Office will continue to assess selected city policies and procedures to evaluate their adequacy in preventing abuse and fraud. Future reports will address the SFPUC’s contracting processes and citywide ethics reporting requirements.

Tips

Investigators from the Controller’s Office consider every allegation of wrongdoing raised by city employees and members of the public. To report suspected public integrity abuses related specifically to the Nuru

investigation, please contact the Public Integrity Tip Line. You can provide information via e-mail at publicintegrity@sfgov.org or by phone at (415) 554-7657. All tips may be submitted anonymously and will remain confidential. Reports to this tip line, as well as tips to the Controller's whistleblower hotline, are critical to the City's ability to fight abuses and lapses of public integrity by city employees and contractors. As provided for by the San Francisco Charter, the Controller's Office ensures that complaints are investigated by departments with the appropriate jurisdiction and independence from the alleged wrongdoing.

Information on city payments, searchable by department and vendor, are available on the Controller's public transparency website at openbook.sfgov.org. Anyone may file any allegation of improper or illegal public activity with the City's Whistleblower Program at sfcontroller.org/whistleblower-program. That program, administered by the Controller's Office, often partners with the City Attorney's Office on investigations.

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