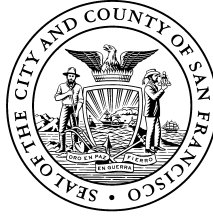


City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator

SLAVERY ERA DISCLOSURE ORDINANCE

CITY AND COUNTY OF SAN FRANCISCO

Report to the Board of Supervisors – 2020 Update

Prepared by the Office of the City Administrator

TABLE OF CONTENTS

1. Introduction Page 3

2. Update Page 4

Current Vendors and Affidavits
Development Fund

Appendix

A. Slavery Era Disclosure Ordinance, Chapter 12Y
Administrative Code Page 6

INTRODUCTION

The Slavery Disclosure Ordinance (Section 12Y of the Administrative Code) was passed in 2006 with the goal of promoting full and accurate disclosure to the public of insurance and financial transactions and activity in the textiles industry that, directly or indirectly or through their parent/legacy entities, were involved in slavery. For example, those companies include firms that bought or sold, provided property insurance for, provided loans to purchase, used people subjected to slavery as collateral for insurance policies or other transactions, profited from the trade in people subjected to slavery and/or provided related services to aid and abet such trade.

The Ordinance requires every contractor providing insurance/insurance services, financial services or textiles to the City to file an affidavit with the City Administrator verifying that the contractor has searched all company records (including those of parent, predecessor or subsidiary companies) for any relevant records concerning whether the contractor, parent, subsidiary or predecessor participated in the slave trade or received profits from it. The Ordinance also directed that a fund be established to which contractors covered by the Ordinance, and others, could make voluntary contributions to ameliorate the legacy of the slavery era. (Section 12Y.5 (a).)

The 2007 Slavery Disclosure Ordinance report provides an extensive history of the background on the issue of disclosure legislation in other parts of the country, and development of the Ordinance in San Francisco. The report is available at http://sfgov.org/sfc/slaveryera/Modules/SE_Report_3efb.pdf?documentid=860

The City Attorney advised that a firm is required to file only once with the City, not for each new contract. Therefore, each report provides information on new affidavits received and on donations received for the Development Fund to Ameliorate the Effects of Slavery.

The departments that have a relationship with one or more contractors for financial/banking services, insurance services and/or textiles that are covered under the Ordinance requirements include Office of the Controller/Public Finance, Treasurer-Tax Collector and the Office of Risk Management. Some financial institutions are exempt from the Ordinance and those providing information did so voluntarily.

For questions regarding this report, please contact Joan Lubamersky from the Office of the City Administrator at joan.lubamersky@sfgov.org.

UPDATE – Current Vendors and Affidavits

The Office of Risk Management currently contracts with the following firms for insurance services:

Arthur J. Gallagher, Inc. Insurance Brokers of California: Filed an affidavit in 2013.
AON Risk Solutions. Filed an affidavit in 2007.
Alliant Insurance Services. Filed an affidavit in 2013.
EPIC. Filed an affidavit in 2017.
G 2 Insurance Services. Filed an affidavit in 2017.
Meriwether & Williams Insurance Services: Filed an affidavit in 2013.
The CIMA Companies. Filed an affidavit in 2007.

The Treasurer-Tax Collector currently contracts with the following firms for financial services:

Bank of America: Filed an affidavit in 2007.
Citibank. Exempt under Admin Code Section 12Y.3 (a) (4).
U.S. Bank: Filed an affidavit in 2007.
Additionally, the Treasurer-Tax Collector has contracts with the following firms, but they are not required to file under Administrative Code Section 12Y.3 (a) (4): First Data, Banc of America Merchant Services, American Express Piggyback, PFM Asset Management, FIS Avantgard, Bloomberg Inc., and City Base Inc.

The Controller’s Office of Public Finance vendors are not required to file under Administrative Code Section 12Y.3 (a) (3):

These vendors filed voluntarily in 2007:
Bank of America, N.A.
Bank of New York Mellon Trust Company
JP Morgan Chase Bank, N.A.
US Bank, N.A.
Wells Fargo, N.A.
ZB, National Association dba Zions Bank. Affidavit filed in 2018

Development Fund (Section 12Y.5)

Voluntary Contributions to Ameliorate the Effects of Slavery

No contributions have been received for the fund to date. In February of 2015, letters requesting voluntary contributions were sent to all City vendors covered by the Ordinance. No responses were received.

As provided in the Ordinance, contributions to and expenditures from the account will be reported in each annual report.

APPENDIX A

Slavery Era Disclosure Ordinance Chapter 12Y Administrative Code

Chapter 12Y: San Francisco Slavery Disclosure Ordinance

- Sec. 12Y.1. Findings and Purpose.
- Sec. 12Y.2. Definitions.
- Sec. 12Y.3. Exceptions.
- Sec. 12Y.4. Slavery Era Disclosure.
- Sec. 12Y.5. Voluntary Contributions to Ameliorate the Effects of Slavery.
- Sec. 12Y.6. Enforcement.
- Sec. 12Y.7. Severability.

Sec. 12Y.1. Findings and Purpose

The Board of Supervisors of the City and County of San Francisco hereby finds and declares that:

- (a) Insurance policies from the American slavery era, which have been discovered in the archives of several insurance companies, document insurance coverage to slaveholders for damage to or death of people subjected to slavery. In some cases, existing insurance firms or their predecessor firms issued these policies.
- (b) Further records may exist showing that insurance companies, financial services firms, and textile companies, either directly or through their parent entities, subsidiaries, predecessors in interest, or otherwise, bought or sold people subjected to slavery, provided property insurance covering people subjected to slavery, provided loans to purchase people subjected to slavery, used people subjected to slavery as collateral for insurance policies or other transactions, profited from the trade in people subjected to slavery, and/or provided related services to aid and abet such trade.
- (c) Discovery and publication of these records is an important first step in addressing the legacy of slavery in this country. For example, in June of 2005, the Wachovia Corporation, in the course of complying with a Chicago law similar to this Ordinance, discovered that some of its predecessor companies owned slaves and used slaves as collateral for loans. Wachovia issued an apology for the actions of its predecessor companies, and called for a “stronger dialogue about slavery and the experience of African-Americans in our country.”
- (d) Insurance policies, loan documents and other documents and records provide evidence of ill-gotten profits from slavery, which profits, in part, capitalized insurers, financial services providers and textile companies. The successors of these companies remain in existence today, and such profits from the uncompensated labor of enslaved Africans represent a continuing legacy of slavery.
- (e) Slavery was legal at the time that the contemptible practices outlined above occurred, but that does not make the practices any less repugnant, abhorrent or deplorable, nor in any way diminish the gravity of these wrongs or the importance of rectifying and remediating these travesties.
- (f) Deplorable treatment of Africans brought to this country as slaves was not limited to the southern states. In 1852, the California Legislature passed a California Fugitive Slave Act that gave white men the power to arrest Africans who they claimed were slaves, and return them to southern slave states. California's first governor, Peter Burnet, recommended during the first session of the California Legislature that the Assembly adopt a bill to exclude “Free Negroes” from California. In 1858, the Assembly passed House Bill 395, “an Act to Restrict and Prevent the Immigration to and Residence in this State of Negroes and Mulattoes.” These laws, and others like them, were a major factor in the decision of several hundred African men and women to migrate from San Francisco to Victoria, Canada.

Chapter 12Y: San Francisco Slavery Disclosure Ordinance

- (g) Many San Francisco residents are descendants of people subjected to slavery, people who were defined as private property and insured as such, people who were used as collateral for insurance policies, loans and other transactions, were dehumanized, snatched from their families, and coerced into performing labor without appropriate compensation or benefits.
- (h) Appropriate compensation to Africans for their labor would have been bequeathed to their descendants to assist them in developing a solid economic base that included individual wealth and thriving African American community institutions, thereby providing a level playing field and ensuring equal opportunity in this country.
- (i) The City and County of San Francisco acknowledges the loss of assets that rightfully should be the property of descendants of African people subjected to slavery, and extends its apologies to their descendants who continue to suffer the legacy of slavery.
- (j) The San Francisco Board of Supervisors pays tribute to and honors the people subjected to slavery who toiled and sacrificed their lives in building this country's economic foundation, and also honors descendants of those people subjected to slavery in America who, notwithstanding the degradation of slavery and discrimination, and the systematic efforts to deprive them of a sense of family, human dignity and prosperity, have developed a vibrant community, culture, and creative genius, and have made untold contributions to the fabric of our society, in the absence of which this nation would not be recognizable.
- (k) The effects of racism on the residents of the City and County of San Francisco have been well documented in the San Francisco Human Rights Commission's authorized study, *The Unfinished Agenda*, and in the Report of the 2004-2005 Civil Grand Jury for the City and County of San Francisco, *The More Things Change, The More They Stay The Same: The City and County of San Francisco and the San Francisco Unified School District Are Failing to Address the Educational Needs of the Bayview Hunters Point Community*.
- (l) The aforesaid residents, and all of the residents of San Francisco, are entitled to full disclosure of the information regarding the above-described transactions that compensated slaveholders for damages to and death of people subjected to slavery and provided other compensation and profits.
- (m) In 2000, the California State Legislature passed Senate Bill 2199, authored by then State Senator Tom Hayden, entitled "Slavery Era Insurance Policies." Senate Bill 2199 (California Insurance Code section 13810 et seq.), effective January 1, 2001, requires that (1) the State Insurance Commissioner request and obtain information from insurers licensed and doing business in California regarding records of slaveholder insurance policies issued by predecessor corporations during the slavery era; (2) each insurer licensed and doing business in California research and report to the Insurance Commissioner with respect to any records in its possession or knowledge relating to insurance policies issued to slaveholders that provided coverage for damage to or death of people subjected to slavery; (3) the State Insurance Commissioner obtain the names of any slaveholders or people subjected to slavery described in the insurance records and make the information available to the public and the Legislature; and (4) descendants of people subjected to slavery, people who were defined as private property, dehumanized, divided from their families, forced to perform labor without appropriate compensation or benefits, and whose owners insured them as property, are entitled to full disclosure.
- (n) The Board of Supervisors finds that full disclosure of the facts and acknowledgement of the depth and scope of the shameful commerce in slavery furthers healing in the San Francisco community,

Chapter 12Y: San Francisco Slavery Disclosure Ordinance

both on the part of those who have been and are continuing to be harmed, as well as those who profited from this abhorrent practice.

- (o) The Board of Supervisors finds that the establishment of a fund to which contractors subject to this Ordinance and others may make voluntary contributions will promote healing and assist the City in rectifying and remedying some of the legacies of the shameful commerce in slavery, thereby protecting and promoting public health, safety and welfare of San Francisco residents and the San Francisco community.
- (p) The purpose of this Ordinance is to promote full and accurate disclosure to the public of: slavery insurance policies, including but not limited to policies issued to slaveholders for damage to or death of persons subjected to slavery, and policies issued to insure business transactions and operations related to the traffic in persons subjected to slavery; evidence of purchase and sale of people subjected to slavery; provision of loans to purchase people subjected to slavery; use of people subjected to slavery as collateral for insurance policies, loans or other transactions; provision of any related services to aid and abet such transactions; and profits derived from the slave trade; by (i) any contractors providing insurance services or financial services to the City, and (ii) any textile companies doing business with the City.
- (q) The purpose of this Ordinance is also is to establish a fund to which contractors subject to this ordinance and others may make voluntary contributions to promote healing and assist in remedying depressed economic conditions, poverty, unequal educational opportunity and other legacies of slavery era among the population of the City.
- (r) This Ordinance promotes important policy objectives of the City, and the City will suffer actual damages due to contractors' failure to comply with this Ordinance. Because these actual damages will be impractical or extremely difficult to prove, the City is justified in imposing liquidated damages for failure to comply with this Ordinance.

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)

Sec. 12Y.2. Definitions

As used in this Chapter, the following capitalized terms shall have the following meanings:

- (a) "Contract" shall mean an agreement between the City and any person, persons or other entity for public works or improvements to be performed, or for goods or services to be purchased, out of the treasury of the City and County, or out of trust monies under the control of or collected by the City and County.
- (b) "Contract Amendment" shall mean an agreement entered into on or after the effective date of this Ordinance pursuant to which a Contract entered into prior to the effective date of this Ordinance is modified or supplemented to: (1) extend the term of the Contract; (2) modify the total amount of money due from the City under the Contract; (3) modify the scope of services to be performed under the Contract; or (4) increase the amount, or change the nature of, goods to be provided under the Contract. The term "Contract Amendment" does not include construction change orders.
- (c) "Contractor" shall mean any person or persons, firm, partnership, corporation, or combination thereof, which enters into a Contract with a department head or other employee or officer empowered by law to enter into Contracts on the part of the City.

Chapter 12Y: San Francisco Slavery Disclosure Ordinance

- (d) “Director” shall mean the Director of Administrative Services.
- (e) “Participated in the Slave Trade” shall mean: (1) issued slavery insurance policies, including but not limited to policies issued to Slaveholders for damage to or death of Persons Subjected to Slavery, and policies issued to insure business transactions and operations related to the traffic in Persons Subjected to Slavery; (2) purchased, sold or held Persons Subjected to Slavery; (3) provided loans to others to facilitate the purchase, sale, transport, or enslavement of Persons Subjected to Slavery; (4) used Persons Subjected to Slavery as collateral for insurance policies, loans or other transactions; (5) facilitated the traffic in Persons Subjected Slavery by transporting such persons by boat or rail; or (vi) provided any other services to aid and abet the traffic in Persons Subjected to Slavery.
- (f) “Person Subjected to Slavery” shall mean any person who was wholly subject to the will of another, whose person and services were wholly under the control of another, who was in a state of enforced and compulsory service to another, and who was deemed by law to be the property of another during the Slavery Era.
- (g) “Predecessor Company” shall mean an entity whose ownership, title and interest, including all rights, benefits, duties and liabilities, were acquired in an uninterrupted chain of succession by the Contractor.
- (h) “Profits from the Slave Trade” shall mean any economic advantage or financial benefit derived from the labor of Persons Subjected to Slavery or from Participation in the Slave Trade.
- (i) “Slaveholder” shall mean holders of Persons Subjected to Slavery, owners of business enterprises that used the labor of Persons Subjected to Slavery, owners of vessels or other modes of transport that transported Persons Subjected to Slavery, and merchants or financiers dealing in the purchase, sale or other business transactions related to Persons Subjected to Slavery.
- (j) “Slavery Era” shall mean that period of time in the United States of America prior to the year “1865.”

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)

Sec. 12Y.3. Exceptions

This Chapter shall not be applicable to the following:

- (a) Contracts for:
 - (1) the receipt, administration, management or investment of monies held in trust by the City in the Retirement Fund or the Health Service System Trust Fund;
 - (2) the provision of medical or dental insurance to City employees;
 - (3) the issuance, sale, management or administration of City bonds, notes or lease financings, or other similar obligations, and related credit, liquidity, payment exchange and other agreements;
 - (4) the safeguard, deposit and investment of City funds by the City Treasurer in accordance with Charter Section 6.106; and

Chapter 12Y: San Francisco Slavery Disclosure Ordinance

- (5) the subordination or reorganization of debt held by the City.
- (b) Contracts, loans or grant agreements with a federal or state agency, if the application of this Chapter would violate, or be inconsistent with, the terms or conditions of any such grant, loan or contract, or with the instructions or directions of the applicable Federal or State agency.
- (c) Contracts for urgent litigation expenses, and agreements entered into pursuant to the settlement of legal proceedings.
- (d) Contracts for needed goods or services where the Director finds that such goods or services are available from only one source that is (1) willing to enter into a contract with the City on the terms and conditions established by the City and (2) not currently disqualified from doing business with the City.
- (e) Contracts entered into in emergency situations in which it is necessary to immediately procure commodities or services, or to make repairs to safeguard the lives or property of the citizens of the City, or the property of the City, or to maintain public health or welfare as a result of extraordinary conditions created by war, epidemic, natural disaster, or the breakdown of any plant, equipment, or structure in the City.
- (f) Contracts for a cumulative amount of \$5,000.00 or less per vendor in each fiscal year.

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)

Sec. 12Y.4. Slavery Era Disclosure

- (a) Each Contractor providing: 1) insurance or insurance services; 2) financial services, or 3) textiles to the City, shall complete an affidavit verifying that the Contractor has searched through any and all records in the Contractor's possession or control, including records of any parent or subsidiary entity or Predecessor Company, and has made a good faith effort to search any relevant records that are within the Contractor's knowledge but not within its possession or control, for evidence that the Contractor, its parent or subsidiary entity, or its Predecessor Company Participated in the Slave Trade or received Profits from the Slave Trade.
- (b) Each Contractor described above shall file an affidavit with the Director attesting to the search for relevant records, and stating whether the Contractor located any relevant records. If the Contractor located relevant records, the Contractor shall include in the affidavit: (1) the names of each Person Subjected to Slavery, each Slaveholder, and each person or entity who Participated in the Slave Trade or derived Profits from the Slave Trade, mentioned in the records, (2) a description of the type of transactions, services, or other acts evidenced by the records; and (3) the extent and nature of any Profits from the Slave Trade evidenced by the records.
- (c) Information contained in the affidavits shall be subject to public disclosure. The Director, after consultation with the City Attorney, shall, to the extent consistent with local, state, and federal law: (1) provide the affidavits to the public upon request, (2) provide an initial report to the Mayor and the Board of Supervisors, at an open public meeting no later than nine months following the effective date of this Ordinance, setting forth the number of affidavits received in the initial nine-month period, and summarizing the information contained in those affidavits; and (3) continue to provide such reports annually to the Board of Supervisors.

Chapter 12Y: San Francisco Slavery Disclosure Ordinance

- (d) After the effective date of this Ordinance, no new Contract or new Contract Amendment shall be binding upon the City until the Director receives the affidavit described above.

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)

Sec. 12Y.5. Voluntary Contributions to Ameliorate the Effects of Slavery

- (a) The Controller shall establish an account for the collection of voluntary contributions from Contractors subject to this Ordinance, and from any other persons or entities, to be used to ameliorate the legacy of the Slavery Era on Persons Subjected to Slavery and their descendants.
- (b) The Director shall encourage all Contractors subject to this Ordinance to make voluntary contributions to the account.
- (c) The Director shall include in the report to the Board of Supervisors required by Section 12Y.4(c)(2), above, the amount of any contributions to the account collected during the first nine months after the effective date of this Ordinance. The Director, after consultation with the San Francisco African American Historical & Cultural Society, shall include in this initial report a recommendation for a method of determining how to expend monies contributed to the account.
- (d) The Director shall include a report on contributions to and expenditures from the account in each subsequent annual report required by Section 12Y.4(c)(3) of this Ordinance.

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)

Sec. 12Y.6. Enforcement

- (a) All Contracts shall provide that in the event the Director finds that a Contractor has failed to file an affidavit as required by Section 12Y.4(a), or has willfully filed a false affidavit, the Contractor shall be liable for liquidated damages for each Contract in an amount equal to the Contractor's net profit on the Contract, 10 percent of the total amount of the Contract, or \$1,000.00, whichever is greatest, as determined by the Director. All Contracts shall also contain a provision in which the Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Contractor from any Contract with the City.
- (b) All Contracts shall require Contractors to maintain records necessary for monitoring their compliance with this Ordinance.

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)

Sec. 12Y.7. Severability

In the event that a court or agency of competent jurisdiction holds that federal or state law, rule or regulation invalidates any clause, sentence, paragraph or section of this Chapter or the application thereof to any person or circumstances, it is the intent of the Board of Supervisors that the court or agency sever such clause, sentence, paragraph or section so that the remainder of this Chapter shall remain in effect.

(Added by Ord. 275-06, File No. 060396, App. 11/17/2006)