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September 1, 2011

Honorable Edwin Lee  
Mayor, City of San Francisco  
1 Dr. Carlton B. Goodlett Place  
Room 200  
San Francisco, California 94102:

Dear Mayor Lee:

I regret that I must resign my position as Commissioner on the Health Service System Board immediately. The reasons for this abrupt action involve a perceived conflict of interest based on my current employment with a company that just won an actuarial consulting contract for HSS. The company, Aon, is the largest global insurance brokerage and consulting firm and has over 55,000 employees. The Controller's office conducted an RFP and unanimously agreed to award the contract to Aon. No HSS Board members were involved in this process. Complete transparency and propriety ruled the day.

The coincidence is my being an employee of another separate division of Aon. I have no economic or personal interest in the award of this contract and, in fact, I had never met the team that won the business for consulting. The City Attorney's Ethics team feels that whilst my involvement may be totally proper, the perception could be a problem. I do not want to cause your office or, the HSS any possible problems. The fact is that I feel good about Aon getting the business. HSS will save a whopping \$1.4 million under the new contract. Guess I go out as a budget cutting victor!

I do not however, feel good about resigning. I have been a Mayoral appointee for four (4) administrations! I have been elected as President over 5 times. Most of these times were during very challenging periods and I believe I acted as a professional and exercised good stewardship for both the City and the HSS constituency. In fact, during my last Presidency, I believe I accomplished one of my best results in the hiring of Director Catherine Dodd.

I trust you understand this resignation and the reasons that led up to it. It is the most conservative approach and therefore, it insures that there will be zero ramifications for myself and more importantly, your offices.

I would welcome the opportunity to stay involved in the City's affairs. My 16 years plus of City service have given me some unique tools and perspectives that could benefit another challenge.

I also extend my best wishes for your election campaign and look forward to seeing you at one of the myriad events over the next several months.

Respectfully submitted,

