

**FILED**

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SUSAN Y. SOONG  
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NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO

1 STEPHANIE M. HINDS (CABN 154284)  
Acting United States Attorney

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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA, ) CASE NO. CR21-356 WHO  
12 Plaintiff, )  
13 v. ) VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy to  
14 RECOLOGY SAN FRANCISCO; SUNSET ) Commit Honest Services Wire Fraud;  
SCAVENGER COMPANY; GOLDEN GATE ) 18 U.S.C. §§ 981(a)(1)(C) & 28 U.S.C. § 2461(c) –  
15 DISPOSAL & RECYCLING COMPANY, ) Criminal Forfeiture  
16 Defendants. ) SAN FRANCISCO VENUE  
17 )

18  
19 INFORMATION

20 The United States Attorney charges:

21 INTRODUCTORY ALLEGATIONS

22 1. At all times material to this information, Recology Inc. was a resource recovery company  
23 headquartered in San Francisco and the direct or indirect parent company of Sunset Scavenger  
24 Company, Golden Gate Disposal & Recycling Company, and Recology San Francisco (all three  
25 collectively referred to as the “SF Recology Group”). Recology Inc. provided refuse collection and  
26 disposal services for residential and commercial customers in the City and County of San Francisco (the  
27 “City”), as well as for the City itself, through the SF Recology Group.  
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1           2.       Mohammed Nuru was the Director of Public Works (DPW) for the City and County of  
2 San Francisco. As Director of Public Works, Nuru had substantial official influence over SF Recology  
3 Group's business in the City of San Francisco including, but not limited to, a contract for the City's  
4 dumping of materials at SF Recology Group's Sustainable Crushing facility. Among other things, Nuru  
5 was in a position to influence the contract rates, known as tipping fees, that DPW agreed to pay SF  
6 Recology Group when DPW dumped materials at SF Recology Group's facility. Nuru could also  
7 approve, deny, or otherwise affect operational changes that SF Recology Group wanted to make to its  
8 businesses in the City.

9           3.       John Porter was Vice President and Group Manager of the SF Recology Group, from no  
10 later than January 2018 until January 2021. Porter was San Francisco Group Controller from  
11 approximately December 2014 through approximately December 2017. As Controller, Porter had  
12 authority to approve payments by the SF Recology Group of \$25,000 or less. As Vice President and  
13 Group Manager, Porter had authority to approve payments of \$100,000 or less.

14           4.       SF Recology Group Executive 2 was the Vice President and Group Manager of the SF  
15 Recology Group prior to Porter. Following a promotion, he was Chief Operating Officer of Recology  
16 Inc. until July 2020. As Vice President and Group Manager, SF Recology Group Executive 2 had  
17 authority to approve payments by the SF Recology Group of \$100,000 or less.

18           5.       Paul Giusti was the Group Government and Community Relations Manager for the SF  
19 Recology Group from 2012 until June 2020. As the Group Government and Community Relations  
20 Manager, Giusti served as SF Recology Group's liaison to elected officials and City departments such as  
21 DPW, as well as to community organizations. From approximately 2014 to December 2017, Giusti  
22 reported to SF Recology Group Executive 2. From January 2018 until Giusti's departure from the SF  
23 Recology Group, Giusti reported to Porter. Giusti was one of Nuru's primary contacts at the SF  
24 Recology Group. Giusti had authority to approve payments by the SF Recology Group of \$25,000 or  
25 less.

26           6.       During the relevant period, Porter, Giusti and SF Recology Group Executive 2 were  
27 employees of the SF Recology Group.

28 //

THE CONSPIRACY AND OVERT ACTS

7. In his capacity as Group Government and Community Relations Manager, Giusti first reported to SF Recology Group Executive 2, and then to John Porter, who replaced SF Recology Group Executive 2 as the Vice President and General Manager of the SF Recology Group.

8. In furtherance of the conspiracy, Giusti and others helped direct a stream of payments and benefits from SF Recology Group to Nuru or his designees, including financial contributions to organizations at Nuru’s direction; services; gifts; and other things of value. The purpose of this stream of payments and benefits was to influence Nuru to act in the SF Recology Group’s favor as opportunities arose, and to have Nuru take official action and exercise official influence in the SF Recology Group’s favor in exchange for such payments and benefits.

9. The payments and benefits provided to Nuru on behalf of the SF Recology Group included, but were not limited to, the following: (1) approximately \$150,000 per year, in \$30,000 installments, from in or around 2014 through approximately the end of 2019, to San Francisco Non-Profit A, with the knowledge that Nuru could ultimately control how this money was used; (2) \$60,000 in funding for the annual DPW holiday party in the period from 2016 to 2019, in the form of “holiday donations” to the Lefty O’Doul’s Foundation for Kids; (3) a job for Nuru’s son at one of the SF Recology Group companies; (4) SF Recology Group funded internships for Nuru’s son, in the summer of 2017 and summer of 2018, at another San Francisco non-profit on whose board Giusti served; and (5) other gifts and personal and professional benefits in the form of funeral expenses in the amount of \$3,500 for a DPW employee and a two-night stay at a New York hotel for Nuru and another high-ranking city official totaling \$865.34 per room.

10. Giusti helped arrange for these payments and benefits with the knowledge and approval of his supervisor at the relevant time, either SF Recology Group Executive 2 or Porter. In helping to arrange for these and other payments and benefits for the purpose of influencing Nuru to act in the SF Recology Group’s favor, Giusti, Porter, and SF Recology Group Executive 2, each acted within the scope of their employment and for the purpose of benefitting the SF Recology Group.

COUNT ONE: (18 U.S.C. § 1349 – Conspiracy to Commit Honest Services Wire Fraud)

11. Paragraphs 1 through 10 of this Information are re-alleged and incorporated as if fully set  
INFORMATION

1 forth here.

2 12. Beginning in or about 2014, and continuing through in or about January 2020, in the  
3 Northern District of California and elsewhere, the defendants,

4 RECOLOGY SAN FRANCISCO,

5 SUNSET SCAVENGER COMPANY, and

6 GOLDEN GATE DISPOSAL & RECYCLING COMPANY,

7 did knowingly conspire and agree with each other, Mohammed Nuru, and others, known and unknown  
8 to the United States Attorney, to commit honest services wire fraud, that is, devising and intending to  
9 devise a scheme and artifice to defraud and deprive the people of San Francisco of their right to the  
10 honest and faithful services of Mohammed Nuru through bribery and the concealment of material  
11 information, and to use or cause someone to use an interstate or foreign wire communication to carry out  
12 or attempt to carry out the scheme, in violation of 18 U.S.C. §§ 1343, 1346.

13 All in violation of Title 18, United States Code, 18 U.S.C. § 1349.

14 FORFEITURE ALLEGATION: (18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c))

15 13. The allegations contained in this Information are re-alleged and incorporated by reference  
16 for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and  
17 Title 28, United States Code, Section 2461(c).

18 14. Upon conviction for any of the offenses set forth in this Information, the defendants,

19 RECOLOGY SAN FRANCISCO,

20 SUNSET SCAVENGER COMPANY, and

21 GOLDEN GATE DISPOSAL & RECYCLING COMPANY,

22 shall forfeit to the United States all property, real or personal, constituting, or derived from proceeds the  
23 defendant obtained directly and indirectly, as the result of those violations, pursuant to Title 18, United  
24 States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

25 15. If any of the property described above, as a result of any act or omission of the defendant:

- 26 a. cannot be located upon exercise of due diligence;
- 27 b. has been transferred or sold to, or deposited with, a third party;
- 28 c. has been placed beyond the jurisdiction of the court;

- 1 d. has been substantially diminished in value; or
- 2 e. has been commingled with other property which cannot be divided without
- 3 difficulty,

4 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21,  
5 United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

6 All pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code,  
7 Section 2461(c), and Federal Rule of Criminal Procedure 32.2.

8  
9 DATED: September \_\_\_, 2021

STEPHANIE M. HINDS  
Acting United States Attorney

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12 SCOTT D. JOINER  
13 Assistant United States Attorney  
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1 **ATTACHMENT A**

2 **STATEMENT OF FACTS**

3 1. The following Statement of Facts is incorporated by reference as part of the Deferred  
4 Prosecution Agreement (the “Agreement”) between the United States Attorney’s Office for the Northern  
5 District of California (the “government” or “USAO”) and Sunset Scavenger Company, Golden Gate  
6 Disposal & Recycling Company, and Recology San Francisco (all three collectively referred to as the  
7 “SF Recology Group”) and Recology Inc. The SF Recology Group and Recology Inc. hereby agree and  
8 stipulate that the following information is true and accurate.

9 **I. BACKGROUND**

10 2. Recology Inc. is a resource recovery company headquartered in San Francisco and the  
11 direct or indirect parent company of the SF Recology Group. At all times material to the Agreement,  
12 Recology Inc. provided refuse collection and disposal services for residential and commercial customers  
13 in the City and County of San Francisco (the “City”), as well as for the City itself, through the SF  
14 Recology Group.

15 3. At all times material to this Agreement, Mohammed Nuru was the Director of Public  
16 Works (DPW) for the City and County of San Francisco. DPW is one of the largest municipal  
17 operations in the City of San Francisco, with an estimated \$350 million annual operating budget in fiscal  
18 year 2020-2021. As Director of Public Works, Nuru had substantial official influence over SF Recology  
19 Group’s business in the City of San Francisco including, but not limited to, a contract for the City’s  
20 dumping of materials at SF Recology Group’s Sustainable Crushing facility. Among other things, Nuru  
21 was in a position to influence the contract rates, known as tipping fees, that DPW agreed to pay SF  
22 Recology Group when DPW dumped materials at SF Recology Group’s facility. Nuru could also  
23 approve, deny, or otherwise affect operational changes that SF Recology Group wanted to make to its  
24 businesses in the City.

25 4. John Porter was Vice President and Group Manager of the SF Recology Group, from no  
26 later than January 2018 until January 2021. Porter was San Francisco Group Controller from  
27 approximately December 2014 through approximately December 2017. As Controller, Porter had  
28 authority to approve payments by the SF Recology Group of \$25,000 and under. As Vice President and

1 Group Manager, Porter had authority to approve payments of \$100,000 and under.

2 5. Paul Giusti was the Group Government and Community Relations Manager for the SF  
3 Recology Group from 2012 until June 2020. As the Group Government and Community Relations  
4 Manager, Giusti served as SF Recology Group's liaison to elected officials and City departments such as  
5 DPW, as well as to community organizations. From approximately 2014 to December 2017, Giusti  
6 reported to SF Recology Group Executive 2. From January 2018 until Giusti's departure from the SF  
7 Recology Group, Giusti reported to Porter. Giusti was one of Nuru's primary contacts at the SF  
8 Recology Group. Giusti had authority to approve payments by the SF Recology Group of \$25,000 and  
9 under.

10 6. SF Recology Group Executive 2 was the Vice President and Group Manager of the SF  
11 Recology Group prior to Porter. Following a promotion, he was Chief Operating Officer of Recology  
12 Inc. until July 2020. As Vice President and Group Manager, SF Recology Group Executive 2 had  
13 authority to approve payments by the SF Recology Group of \$100,000 and under.

14 7. During the relevant period, Porter, Giusti and SF Recology Group Executive 2 were  
15 employees of the SF Recology Group. The SF Recology Group admits, accepts, and acknowledges that  
16 it is criminally liable under the law for the acts of its employees, and accordingly, takes responsibility  
17 for the conduct described below.

## 18 **II. CONDUCT**

### 19 **A. Overview**

20 8. From in or around 2014 until in or around January 2020, Giusti, Porter, and SF Recology  
21 Group Executive 2 agreed with Mohammed Nuru to commit bribery and defraud the public of its right  
22 to the honest services of a public official. More specifically, Giusti, Porter and SF Recology Group  
23 Executive 2, on behalf of the SF Recology Group, agreed to pay bribes and kickbacks or rewards to  
24 Nuru, who was then a public official with the City and County of San Francisco, with the intent to  
25 obtain favorable official action and influence from Nuru. The purpose of the conspiracy was to use  
26 Nuru's power and influence as a public official to benefit the SF Recology Group's business.

27 9. To influence Nuru to act in the SF Recology Group's favor, Giusti, Porter, and SF  
28 Recology Group Executive 2 provided Nuru with things of value, including 1) annual contributions from

1 2016 to 2019 to fund the DPW holiday party, disguised as charitable donations to the non-profit Lefty  
2 O'Doul's Foundation for Kids, 2) approximately \$900,000 in contributions made to another San  
3 Francisco non-profit at Nuru's direction; 3) a job and an SF Recology Group-funded internship for  
4 Nuru's son; and 4) other gifts and personal and professional benefits in the form of funeral expenses in  
5 the amount of \$3,500 for a DPW employee and a two-night stay at a New York hotel for Nuru and  
6 another senior city official totaling \$865.34 per room. As described below, SF Recology Group  
7 executives arranged for and/or approved these payments, gifts, and benefits, with the intent to cause  
8 Nuru to take official actions benefitting the SF Recology Group.

9 **B. Payments for DPW Holiday Parties**

10 10. From 2016 to 2019, the SF Recology Group paid a total of \$60,000 to the Lefty O'Doul's  
11 Foundation for Kids, at Nuru's direction. The Lefty O'Doul's Foundation was a non-profit organization  
12 for underprivileged children in San Francisco. However, the purpose of the payments was not to assist  
13 underprivileged children, but was instead to help pay for DPW holiday parties. The DPW holiday party  
14 was a showcase event hosted by Nuru, attended by selected DPW managers and staff, San Francisco  
15 dignitaries including the Mayor and City Administrator, and Giusti, Porter, and other SF Recology  
16 Group employees, among others.

17 11. The payments were arranged by Giusti and approved by either SF Recology Group  
18 Executive 2 or Porter. Each year's contribution was described as a "holiday donation" to the Lefty  
19 O'Doul's Foundation for Kids in internal documents, including check requests approved by SF  
20 Recology Group Executive 2 or Porter. However, Giusti, SF Recology Group Executive 2 and Porter  
21 knew that the money was not a holiday donation to be used for underprivileged children, but would in  
22 fact be used to pay for the DPW holiday party.

23 12. The SF Recology Group first gave Nuru money for the DPW holiday party in December  
24 2016. SF Recology Group Executive 2 and Giusti met with Nuru at Nuru's office to discuss SF  
25 Recology Group business in or around December 5, 2016. On or about that same date, at Nuru's  
26 direction, Giusti arranged for, and SF Recology Group Executive 2 approved, a check request for a  
27 "holiday donation" of \$5,000 to Lefty O'Doul's Foundation for Kids. The check was not intended to be  
28 a holiday donation to the Foundation, but was instead intended to help pay for the DPW holiday party as



1 a way to obtain favorable official action and influence from Nuru. The same was true of subsequent  
2 payments routed through the Lefty O'Doul's Foundation for Kids.

3 13. In October 2017, at Nuru's direction, the SF Recology Group made a \$15,000 "holiday  
4 donation" to the Lefty O'Doul's Foundation for Kids to help pay for the DPW holiday party. Giusti  
5 arranged for the payment and Porter approved it.

6 14. In November 2018, also at Nuru's direction, the SF Recology Group gave Nuru \$20,000  
7 for the DPW holiday party.

8 15. Prior to that payment, beginning in the summer of 2018, Porter, Giusti, and other SF  
9 Recology Group employees began seeking Nuru's assistance with a price increase on the dumping fees,  
10 known as "tipping fees," that SF Recology Group charged the City of San Francisco for dumping certain  
11 materials at its Sustainable Crushing facility in San Francisco. The City of San Francisco was one of SF  
12 Recology Group's largest customers for the Sustainable Crushing facility.

13 16. Porter, Giusti, and other SF Recology Group employees hoped to raise prices beginning  
14 August 2018. They met with Nuru in July 2018 to discuss the price increase; Porter also emailed and  
15 called Nuru to obtain his assistance. A few days after the July meeting, Recology San Francisco  
16 General Manager A forwarded one of Porter's emails to Nuru to the DPW employee responsible for the  
17 tipping fee contract. He wrote that he and Porter "had a meeting with Director Nuru to discuss SF  
18 Public Works tipping fees at Sustainable Crushing. Attached, please find a price sheet that was  
19 presented to the Director last week. Recology SF would like to have the tipping fees associated with our  
20 PO adjusted to reflect the price structure attached." The City purchaser in charge of the Sustainable  
21 Crushing contract would not agree to the price increase, but the company nevertheless began to invoice  
22 the City at the new prices beginning in or around August 2018. When the City refused to pay the  
23 invoices with the increased prices, Porter, Giusti, and other SF Recology Group employees again sought  
24 to use Nuru's official power and influence to help the business. On or around November 15, 2018,  
25 Recology San Francisco General Manager A wrote to Porter and Giusti, "Obviously we need to push the  
26 increase through and we are not going to get anything done with the purchaser." Recology San  
27 Francisco General Manager A then texted Giusti, "Sent you an email this morning about the DPW  
28 disposal contract for innards they don't want to honor the price increase that we negotiated with

1 Muhammad [sic].” On November 20, 2018, after the City’s analyst again requested the SF Recology  
2 Group work on revising their prior invoices, an SF Recology Group employee told the analyst, “My boss  
3 is meeting with your Director tomorrow on this very issue. I will get back to you as soon as I here [sic]  
4 of the resolution.” Porter, Giusti, and other SF Recology Group employees were scheduled for a regular  
5 monthly breakfast coordination meeting with Nuru the next day. The meeting happened as scheduled on  
6 November 21, 2018 and Porter used his SF Recology Group purchase card to pay \$155.95 for breakfast  
7 for the attendees.

8 17. That same day, November 20, 2018, while the issue of a price increase was still pending  
9 between Recology San Francisco and the City, Giusti emailed SF Recology Group Assistant A and  
10 asked, “Can you please tell me what we spent last year around this time for Lefty O’Doul [sic]  
11 Foundation?”

12 18. On the morning of November 26, 2018, Porter emailed Nuru, “As discussed, any help  
13 you could provide getting the new purchaser aware of our price change would be appreciated.” Nuru  
14 wrote back, “Working on situation,” and shortly afterwards forwarded Porter’s email to DPW Deputy  
15 Director A and SF Purchaser A and wrote, “Can you let me know what’s happening. Thanks.”

16 19. That evening, in a phone call between Nuru and Giusti, Nuru requested that the SF  
17 Recology Group increase its contribution to the DPW holiday party from \$15,000 to \$20,000. Nuru said  
18 that he needed more money for his holiday party, telling Giusti, “Yeah, so if you could, if you could  
19 give me twenty, that would be nice.” Giusti replied, “All right, okay.” Nuru then pivoted to issues  
20 affecting the SF Recology Group, telling Giusti, “And then I’m working on the other thing for John  
21 [Porter], so...”. Giusti responded, “Okay, perfect.” Nuru told Giusti, “I sent him the freeway people, I  
22 sent him that and then I’m trying to get him the price increase for the...” Giusti added, “tipping.” Nuru  
23 told him, “for the specialty, yeah.” Nuru then advised Giusti, “Just send me the bills with the new price  
24 and we’ll deal with it, yeah.” Giusti replied “Okay, all right, thank you.” The next morning, Giusti  
25 prepared, and Porter signed, a check request for a “holiday donation” of \$20,000 to the Lefty O’Doul’s  
26 Foundation for Kids. SF Recology Group then issued a \$20,000 check to the Lefty O’Doul’s  
27 Foundation. As with previous payments, the purpose of the check was to obtain favorable official action  
28 from Nuru, including in connection with the tipping fee increase, by helping pay for the DPW holiday

1 party, not to make a holiday donation for underprivileged children. Giusti mailed the check to Nuru at  
2 Nuru's request. The holiday party, attended by Porter, Giusti and other SF Recology Group employees,  
3 took place on December 18, 2018.

4 20. On December 20, 2018, Porter used his SF Recology Group purchase card to pay  
5 \$1,182.23 for a holiday dinner with Nuru, SF Recology Group Executive 2, Giusti, and DPW Deputy  
6 Director A, at Harris' Restaurant in San Francisco. Previously, in 2017, SF Recology Group Executive  
7 2 had also treated Nuru and others to a similar holiday dinner at Harris' Restaurant.

8 21. In November 2019, the SF Recology Group contributed another \$20,000 to the DPW  
9 holiday party, again sending the money through the same non-profit organization at Nuru's direction.  
10 Porter approved this payment as well.

11 **C. Giusti Arranges for SF Recology Group to Contribute over \$150,000 a Year to Non-**  
12 **Profit A at Nuru's Direction**

13 22. From August 2014 to November 2019, Giusti, SF Recology Group Executive 2, and  
14 Porter arranged for the SF Recology Group to pay approximately \$900,000 to San Francisco Non-Profit  
15 A in the form of "donations" for a DPW program called Giant Sweep. These payments were another  
16 way to obtain Nuru's official assistance with the SF Recology Group's business. The Giant Sweep  
17 payments to Non-Profit A were made at Nuru's direction, for the purpose of influencing him to act in  
18 the SF Recology Group's favor. Giant Sweep was part of an ongoing DPW program called Community  
19 Clean Team. Donations for Clean Team were administered by the program's fiscal sponsor, a different  
20 San Francisco non-profit.

21 23. Beginning in August 2014, approximately once a year, Non-Profit A's Executive  
22 Director would email a letter to Giusti, addressed to Giusti's supervisor at the time—first SF Recology  
23 Group Executive 2, and then Porter. The letters thanked "Recology" in advance for their tax-deductible  
24 donation of \$150,000, to be paid in bi-monthly installments of \$30,000. Giusti arranged for the \$30,000  
25 payments to be issued. The SF Recology Group Manager at the time, SF Recology Group Executive 2  
26 or Porter, would then approve the payments.

27 24. On May 20, 2015, Non-Profit A's Executive Director advised that they had not received  
28 the most recent \$30,000 payment. Giusti wrote to Porter and others, "This is embarrassing and is the

1 second check just today alone that has come to the DPW Directors attention where we have failed to  
2 meet our payment commitment.” Giusti wrote separately to Porter, “I got my ass chewed out this  
3 morning from Mohammed and actually had to promise to write a personal check to a non-profit that has  
4 been waiting months to get paid!” Porter wrote back to Giusti about ten minutes later, “We should sit  
5 down and discuss all the politically sensitive payments that we make on a recurring basis so that we can  
6 check to ensure that those are paid regularly.” Giusti replied, “Not paying our commitments timely  
7 negates all the good will we build by making the donation/sponsorship in the first place.” Porter then  
8 sent Giusti a calendar invitation for a meeting entitled “Important payment discussion.”

9       25. Porter himself then prepared, signed, and emailed a check request form for the \$30,000  
10 payment to Non-Profit A, with a note indicating, “Please pay as soon as possible.” He sent it to the  
11 accounts payable supervisor, asking her, “Can you pay off of this? If so, when can you pay? If not, let  
12 me know what we need to do. Our office is closed, [SF Recology Group Executive 2] is on vacation and  
13 this needs to be paid as soon as possible.” The accounts payable supervisor sent the email to the  
14 Corporate Controller of Recology Inc., cc’ing Porter, and wrote, “Can you please approve the attached  
15 for payment. [SF Recology Group Executive 2] is gone and John only has 25K. John needs this paid  
16 right away.” Porter emailed the Assistant Corporate Controller of Recology Inc., advising, “FYI –  
17 Mohammed is the Director of the DPW who ultimately signs off on our rates. Needless to say, keeping  
18 him happy is important.” After approval, Recology Inc. issued a check for \$30,000 to Non-Profit A on  
19 or around May 20, 2015.

20       26. On September 2, 2016, SF Recology Group wired another \$30,000 payment to Non-  
21 Profit A, one of the bimonthly Giant Sweep payments made at Nuru’s direction.

22       27. The SF Recology Group continued to send the \$30,000 payments to Non-Profit A at  
23 Nuru’s direction through the end of 2019.

24       28. Giusti, in his role as the SF Recology Group’s Government and Community Relations  
25 Manager, arranged for the SF Recology Group to make the \$150,000 annual payments at the direction of  
26 Nuru and the Executive Director of Non-Profit A from at least as early as August 2014 through the end  
27 of 2019. SF Recology Group Executive 2, and later Porter in his capacity as the SF Recology Group  
28 Controller and then Vice President and Group Manager of the SF Recology Group, knew about and

1 signed off on these payments. As noted above, the purpose of these payments was to obtain official  
2 action and influence from Nuru that was favorable to the SF Recology Group's business in the City.

3 **D. Job and Internship for Nuru's Son**

4 29. The items of value provided to Nuru with the intent to obtain favorable official acts and  
5 influence included employment for Nuru's son. In June 2015, Nuru asked Giusti to find a summer job  
6 for his high school-aged son. Giusti agreed and arranged for one of the SF Recology Group companies  
7 to hire Nuru's son as a debris box painter through a temporary staffing agency during the summer of  
8 2015. SF Recology Group then hired Nuru's son again part-time during the 2015-2016 school year, and  
9 again during the summer of 2016 after he graduated from high school.

10 30. In or around the week of May 21, 2017, Nuru's son returned to work for SF Recology  
11 Group painting debris boxes as a temporary laborer. About three weeks later, on or about June 7, 2017,  
12 a San Francisco city official advised Recology Inc. Vice President A that Nuru's son was working for  
13 SF Recology Group. Recology Inc. Vice President A then called SF Recology Group Executive 2, who  
14 confirmed that Nuru's son worked for SF Recology Group. Recology Inc. Vice President A informed  
15 Recology Inc.'s then-Chief Executive Officer, who instructed SF Recology Group Executive 2 that  
16 Nuru's son's employment should be terminated. On or around June 8, 2017, SF Recology Group  
17 Executive 2 and the General Manager of one of the SF Recology Group companies personally  
18 terminated Nuru's son. Payroll records show that by the time Nuru's son was terminated, the SF  
19 Recology Group had paid in excess of \$17,000.00 for his work at the company from 2015 to 2017.

20 31. Giusti then arranged for Nuru's son to get an SF Recology Group-funded internship at a  
21 local non-profit on whose board Giusti served. Specifically, Giusti arranged to fund a summer  
22 internship program at Non-Profit C, and for Non-Profit C to hire Nuru's son as their summer intern.  
23 Giusti sought and received approval from SF Recology Group Executive 2 for the arrangement. Nuru's  
24 son began working at Non-Profit C on June 14, 2017, approximately one week after being terminated  
25 from the SF Recology Group.

26 32. Non-Profit C sent Giusti an invoice for a total of \$9,600, with the generic description  
27 "Summer Youth Program." The invoice did not make any mention of Nuru's son. Giusti arranged for  
28 the SF Recology Group to pay the invoice, with the written approval of SF Recology Group Executive

1 2.

2 33. In summer 2018, Nuru’s son returned to Non-Profit C for another SF Recology Group-  
3 funded internship, and Giusti again arranged for the SF Recology Group to sponsor a “Summer Youth  
4 Intern Program” to pay his salary. Non-Profit C sent Giusti a \$14,000 invoice to the SF Recology Group  
5 for a generic “Summer Youth Intern Program.” Giusti again arranged for SF Recology Group to pay the  
6 invoice, with the written approval of Porter.

7 **E. Other Gifts and Benefits**

8 34. The SF Recology Group also provided Nuru other gifts and benefits intending to  
9 influence Nuru to take official action that would benefit its business.

10 35. For example, in June 2016, the SF Recology Group paid for the funeral of a DPW  
11 employee and disguised the payment as a donation to Non-Profit A. Sandra Zuniga—a DPW employee  
12 and Nuru’s long-time girlfriend—requested that SF Recology Group pay the mortuary bill of \$3,500. At  
13 Nuru’s direction, and with SF Recology Group Executive 2’s knowledge and approval, Giusti arranged  
14 for SF Recology Group to pay the mortuary bill through Non-Profit A. Giusti specifically requested that  
15 Non-Profit A invoice the SF Recology Group \$3,500 for a “community service project.” After Non-  
16 Profit A’s Executive Director emailed an invoice for \$3,500 for “Donation for DPW Partnership,” Giusti  
17 arranged for SF Recology Group to issue a payment to Non-Profit A. SF Recology Group Executive 2  
18 signed off on the payment.

19 36. In another example, Giusti used his company card to pay for a hotel room for Nuru and  
20 another very senior San Francisco city official in New York City. Specifically, in December 2017, SF  
21 Recology Group Executive 2 and Paul Giusti traveled to New York with Nuru and San Francisco Public  
22 Official A to tour a trash collection system used on Roosevelt Island. However, when SF Recology  
23 Group Executive 2 and Giusti arrived at the hotel where the group was scheduled to stay, they felt that it  
24 was too rundown and that it would be embarrassing for Nuru and San Francisco Public Official A to stay  
25 there. With SF Recology Group Executive 2’s knowledge and approval, Giusti arranged for Nuru and  
26 San Francisco Public Official A to stay at another hotel nearby. Giusti paid for those hotel rooms using  
27 his SF Recology Group purchase card, and submitted the expenses for reimbursement by SF Recology  
28 Group. The total cost of each room for two nights, paid for by SF Recology Group, was \$865.34.

1 Neither Nuru nor San Francisco Public Official A reimbursed or offered to reimburse SF Recology  
2 Group for the cost of their hotel rooms.

3 37. The SF Recology Group agrees that when SF Recology Group Executive 2, Porter, and  
4 Giusti, directed this stream of benefits to Nuru, they were acting within the scope of their employment  
5 with the SF Recology Group and for the purpose of benefitting the SF Recology Group.

6 38. The SF Recology Group agrees that at all relevant times described above, SF Recology  
7 Group Executive 2, Giusti and Porter acted knowingly and with the intent to deprive the public of the  
8 honest services of a public official, namely Nuru, through bribery or kickbacks in breach of Nuru's  
9 fiduciary duty. The SF Recology Group further agrees that the scheme to defraud involved deceptions,  
10 misrepresentations, false statements, false pretenses, or concealment that was material. The SF  
11 Recology Group further stipulates and agrees that as part of the scheme, co-conspirators exchanged and  
12 caused to be exchanged telephone calls, text messages, and emails, including interstate wire  
13 communications.

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1 **ATTACHMENT B**

2 **CORPORATE COMPLIANCE PROGRAM**

3 Recognizing the remedial measures undertaken by Recology Inc. (“Recology”) on behalf of  
4 itself and its wholly-owned entities, including Recology San Francisco, Sunset Scavenger Company, and  
5 Golden Gate Disposal & Recycling Company (collectively, the “SF Recology Group”) set forth in the  
6 Deferred Prosecution Agreement, Recology agrees to continue to conduct, in a manner consistent with  
7 all of the obligations under this Agreement, appropriate reviews of its existing internal controls, policies,  
8 and procedures and to address any deficiencies in its internal controls, policies, and procedures  
9 regarding compliance with U.S. statutes prohibiting honest services fraud, bribery, and other federal  
10 anti-corruption laws.

11 Where necessary and appropriate, Recology agrees to adopt new, or to modify its compliance  
12 program, including internal controls, compliance policies, and procedures to ensure that it maintains an  
13 effective compliance program that is designed to effectively detect and deter violations of U.S. statutes  
14 prohibiting honest services fraud, bribery, and other federal anti-corruption laws. At a minimum, this  
15 should include, but not be limited to, the following elements to the extent they are not already part of  
16 Recology’s existing internal controls, compliance code, policies, and procedures:

17 **Commitment to Compliance**

18 1. Recology will ensure that its directors and senior management provide strong, explicit,  
19 and visible support and commitment to its corporate policy against violations of U.S. bribery and anti-  
20 corruption laws and its compliance code, and demonstrate rigorous adherence by example. Recology  
21 will also ensure that middle management, in turn, reinforce those standards and encourage employees to  
22 abide by them. Recology will create and foster a culture of ethics and compliance with the law in its  
23 day-to-day operations at all levels of the company.

24 **Policies and Procedures**

25 2. Recology will develop and promulgate a clearly articulated and visible corporate policy  
26 against violations of U.S. bribery and anti-corruption laws, which policy shall be memorialized in a  
27 written compliance code.

28 3. Recology will develop and promulgate compliance policies and procedures designed to



1 reduce the prospect of violations of U.S. bribery and anti-corruption laws and Recology's compliance  
2 code, and Recology will take appropriate measures to encourage and support the observance of ethics  
3 and compliance policies and procedures against violation of U.S. bribery and anti-corruption laws by  
4 personnel at all levels of Recology. These policies and procedures shall apply to all directors, officers,  
5 and employees and, where necessary and appropriate, outside parties acting on behalf of Recology,  
6 including, but not limited to, agents, consultants, and lobbyists. Recology shall notify all employees that  
7 compliance with the policies and procedures is the duty of individuals at all levels of the company.

#### 8 **Periodic Risk-Based Review**

9 4. Recology will develop these compliance policies and procedures on the basis of a  
10 periodic risk assessment addressing the individual circumstances of the SF Recology Group.

11 5. Recology shall review these policies and procedures no less than annually and update  
12 them as appropriate to ensure their continued effectiveness, taking into account relevant developments in  
13 the field and evolving international and industry standards.

#### 14 **Proper Oversight and Independence**

15 6. Recology will assign responsibility to one or more senior corporate executives of  
16 Recology for the implementation and oversight of the company's compliance code, policies, and  
17 procedures regarding violations of U.S. bribery and anti-corruption laws. Such corporate official(s) shall  
18 have the authority to report directly to independent monitoring bodies, including internal audit, the  
19 Recology Inc. Board of Directors, or any appropriate committee of the Board of Directors, and shall  
20 have an adequate level of autonomy from management as well as sufficient resources and authority to  
21 maintain such autonomy.

#### 22 **Training and Guidance**

23 7. Recology will implement mechanisms designed to ensure that its compliance code,  
24 policies, and procedures are effectively communicated to all directors, officers, employees, and, where  
25 appropriate, agents and business partners including consultants and lobbyists. These mechanisms shall  
26 include: (a) periodic training for all directors and officers, all employees in positions of leadership or  
27 trust, all employees in a position to interact with government officials, other positions that require such  
28 training (e.g., internal audit, sales, legal, compliance, finance, and government relations), and, where

1 appropriate, agents and business partners including consultants and lobbyists; and (b) corresponding  
2 certifications by all such directors, officers, employees, agents, and business partners certifying  
3 compliance with the training requirements. Recology will conduct training in a manner tailored to the  
4 audience's size, sophistication, or subject matter expertise and, where appropriate, will discuss prior  
5 compliance incidents.

6 8. Recology will maintain, or where necessary establish, an effective system for providing  
7 guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and  
8 business partners including consultants and lobbyists, on complying with the company's compliance  
9 code, policies, and procedures, including when they need advice on an urgent basis.

10 **Internal Reporting and Investigation**

11 9. Recology will maintain, or where necessary establish, an effective system for internal  
12 and, where possible, confidential reporting by, and protection of, directors, officers, employees, and,  
13 where appropriate, agents and business partners including consultants and lobbyists concerning  
14 violations of U.S. bribery and anti-corruption laws or Recology's compliance code, policies, and  
15 procedures.

16 10. Recology will maintain, or where necessary establish, an effective and reliable process  
17 with sufficient resources for responding to, investigating, and documenting allegations of violations of  
18 U.S. bribery and anti-corruption laws or Recology's compliance code, policies, and procedures.  
19 Recology will handle the investigations of such complaints in an effective manner, including routing the  
20 complaints to proper personnel, conducting timely and thorough investigations, and following up with  
21 appropriate discipline where necessary.

22 **Enforcement and Discipline**

23 11. Recology will implement mechanisms designed to effectively enforce its compliance  
24 code, policies, and procedures, including appropriately incentivizing compliance and disciplining  
25 violations.

26 12. Recology will institute appropriate disciplinary procedures to address, among other  
27 things, violations of U.S. bribery and anti-corruption laws and Recology's compliance code, policies,  
28 and procedures by its directors, officers, and employees. Such procedures should be applied consistently

1 and fairly, regardless of the position held by, or perceived importance of, the director, officer, or  
2 employee. Recology shall implement procedures to ensure that where misconduct is discovered,  
3 reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that  
4 appropriate steps are taken to prevent further similar misconduct, including assessing the internal  
5 controls, compliance code, policies, and procedures and making modifications necessary to ensure the  
6 overall compliance program is effective.

7 **Mergers and Acquisitions**

8 13. Recology will develop and implement policies and procedures for mergers and  
9 acquisitions requiring that the SF Recology Group conduct appropriate risk-based due diligence on  
10 potential new business entities.

11 14. Recology will ensure that its compliance code, policies, and procedures regarding U.S.  
12 bribery and anti-corruption laws apply as quickly as is practicable to newly acquired businesses or  
13 entities merged with Recology or any of its subsidiaries, and will promptly train the directors, officers,  
14 employees, agents, and business partners consistent with Paragraphs 7 and 8.

15 **Monitoring and Testing**

16 15. In order to ensure that its compliance program does not become stale, Recology will  
17 conduct periodic reviews and testing of their compliance code, policies, and procedures designed to  
18 evaluate and improve their effectiveness in preventing and detecting violations of U.S. bribery and anti-  
19 corruption laws and the company's compliance code, policies, and procedures, taking into account  
20 relevant developments in the field and evolving industry standards. Recology will ensure that  
21 compliance and control personnel have sufficient direct or indirect access to relevant sources of data to  
22 allow for timely and effective monitoring and/or testing. Based on such review and testing and its  
23 analysis of any prior misconduct, Recology will conduct a thoughtful root cause analysis and timely and  
24 appropriately remediate to address the root causes.

**ATTACHMENT C**

**REPORTING REQUIREMENTS**

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3           Recology San Francisco; Sunset Scavenger Company; and Golden Gate Disposal & Recycling  
4 Company (collectively, “the SF Recology Group”) and Recology Inc. (together with the SF Recology  
5 Group, “RECOLOGY”) agree that they will report to the U.S. Attorney’s Office for the Northern  
6 District of California (the “government”) periodically, at no less than twelve-month intervals during a  
7 three-year term, regarding remediation and implementation of the compliance program and internal  
8 controls, policies, and procedures described in Attachment B. During this three-year period,  
9 RECOLOGY shall: (1) conduct an initial review and submit an initial report, and (2) conduct and  
10 prepare at least two follow-up reviews and reports, as described below:

11           a.       By no later than one year from the date this Agreement is executed, RECOLOGY shall  
12 submit to the government a written report setting forth a complete description of its remediation efforts  
13 to date, its proposals reasonably designed to improve internal controls, policies, and procedures for  
14 ensuring compliance with U.S. bribery and anti-corruption laws, and the proposed scope of subsequent  
15 reviews. The report shall be transmitted to:

16           The United States Attorney  
17           U.S. Attorney’s Office for the Northern District of California  
18           450 Golden Gate Avenue, 11th Floor  
19           San Francisco, CA 94102

20 RECOLOGY may extend the time period for issuance of the report with prior written approval of the  
21 government.

22           b.       RECOLOGY shall undertake at least two follow-up reviews and reports, incorporating  
23 the views of the government on its prior reviews and reports, to further monitor and assess whether its  
24 policies and procedures are reasonably designed to detect and prevent violations of U.S. bribery and  
25 anti-corruption laws.

26           c.       The first follow-up review and report shall be completed by no later than one year after  
27 the initial report is submitted to the government. The second follow-up review and report shall be  
28 completed and delivered to the government no later than thirty days before the end of the Term.

          d.       The reports will likely include proprietary, financial, confidential, and competitive

1 business information. Moreover, public disclosure of the reports could discourage cooperation, impede  
2 pending or potential government investigations, and thus undermine the objectives of the reporting  
3 requirement. For these reasons, among others, the reports and the contents thereof are intended to remain  
4 and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the  
5 extent that the government determines in its sole discretion that disclosure would be in furtherance of the  
6 government's discharge of its duties and responsibilities or is otherwise required by law.

7 e. RECOLOGY may extend the time period for submission of any of the follow-up reports  
8 with prior written approval of the government.

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