



CITY OF HOUSTON

John Whitmire

Mayor

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October 17, 2024

Houston Annual Investors Conference Event Participants,

I hope this letter finds you well. As Mayor of Houston, I take seriously the responsibility to ensure that all city-affiliated events and initiatives uphold the highest standards of integrity and transparency. It has come to my attention that serious concerns have arisen regarding the financial practices surrounding the upcoming Houston Annual Investors Conference, scheduled for October 22, 2024, organized by the City of Houston Controller's Office.

Our preliminary review has uncovered potential issues related to how the Controller's Office has solicited funds in connection with this event. Although the matter is now under formal investigation, I believe it is crucial to inform you as a valued participant. Protecting the trust and confidence of our community is of the utmost importance, and we must act swiftly when that trust may be compromised.

According to the Controller's website¹, the Houston Annual Investors Conference is intended to serve as a "specialized gathering aimed at supporting financial obligations for capital improvement projects," providing a platform for the City of Houston to present its "financial performance and growth strategies to investors, analysts, and other finance professionals." The site also notes that the event is "not an offer or solicitation to buy any security."

While the conference is designed to highlight financial opportunities crucial to Houston's growth and infrastructure development, I have become aware of sponsorship solicitations related to this event that raise significant ethical and legal concerns. These issues must be addressed without delay.

Enclosed with this letter is a copy of a handout created by the Controller's Office and distributed to potential participants and current vendors, which outlines sponsorship levels ranging from \$10,000 to \$100,000. In the nine years of this event occurring, this is the first instance of the Controller's Office soliciting sponsorships, and the implications are deeply concerning. Given the Controller's Office key role in selecting financial institutions to manage the city's financial matters, these sponsorships raise serious questions about the potential influence they may have on the decision-making process and the integrity of the office.

¹ <https://www.houstontx.gov/controller/treasury/investor-conference.html>

I want to highlight four initial and primary concerns:

1. **Potential for Preferential Treatment:** The Controller's Office has a vital role in selecting outside agencies for investments and overseeing related financial processes. In the process of receiving the sponsorship package, there were concerns and questions raised by current City of Houston vendors and banks, such as: If financial professionals or agencies sponsor this event, will they receive preferential treatment in future dealings with the Controller's Office? Conversely, will professionals who decline to sponsor the event be at a real or perceived disadvantage, even if they offer better value to the city?
2. **Private Dinner with the Controller:** A benefit extended to "Title" and "Platinum" sponsorship levels includes a "private dinner with the Controller." This raises significant ethical questions. Does this practice violate "pay-to-play" regulations or other ethics-based guidelines? What measurable benefit do Houstonians gain from an exclusive dinner between potential investors and the Controller, and how can we ensure that this does not undermine fairness or transparency?
3. **Use of Funds:** Given the significant sponsorship amounts being solicited for the Houston Annual Investors Conference, how will these funds be utilized, and what specific value will they provide to the event and to the City of Houston? Additionally, the Sponsorship Package does not indicate what these funds will be used for; making the point in the sponsorships unclear.
4. **Accountability of Funds:** It has come to our attention that the Controller's Office is keeping the funds raised through ticket sales and sponsorships outside of City of Houston controlled bank accounts general ledger funds. This raises critical questions: What auditing and oversight standards are being applied to ensure these funds are being properly managed and transparently accounted for? Is the organization that owns and maintains the account these funds are being deposited into aware of the solicitation situation around this event? Are they taking ownership and accountability of the way these funds are being expended to ensure no impropriety?

I have asked the Office of Inspector General to investigate any city ordinance or ethics violations, and fully expect them to engage with outside law enforcement agencies as they come across any nexus to criminality. Should any wrongdoing be confirmed, we will take immediate and appropriate action to safeguard the public interest.

Given the serious nature of these concerns, I have decided my staff and I will not take part in this conference until these issues are fully resolved.

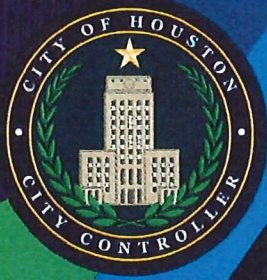
I deeply appreciate your continued commitment to the City of Houston, and I trust that this situation will not deter you from engaging with our city's initiatives. If you have any questions or need further clarification, my office is available to assist.

Thank you for your understanding and your dedication to the values we uphold as a community.

Sincerely,



John Whitmire
Mayor of Houston



CITY OF HOUSTON **INVESTOR CONFERENCE**

SPONSORSHIP PACKAGE

October 22, 2024

Hilton Americas Downtown
Houston, Texas

TITLE SPONSOR (\$100K)

RECOGNITION

- Company logo on website
- Company logo and link to sponsor's website on all event materials and programs
- Company logo on Houston Forward and BankOn social media
- Quarterly 30 second sponsorship message on Houston Forward social media
- Company logo in the Annual Quarterly Impact Reports
- Introduction of Keynote Speaker (or equivalent 3-minute remarks) at Investor Conference (or equivalent major event of sponsor's choice)
- Title sponsorship recognition throughout conference materials
- Co-branding opportunities on conference website and marketing material

NETWORKING OPPORTUNITIES AND ACCESS

- Eight (8) free tickets for conference
- Private dinner with Controller and other special guests at Investor Conference (or equivalent major event of sponsor's choice)
- Listed as host of private reception at Investor Conference (or equivalent major event of sponsor's choice)
- Access to sponsor greenroom throughout conference
- Company swag distributed to conference participants
- Company swag distributed to Better Banking Program participants

PLATINUM SPONSOR (\$50K)

RECOGNITION

- Company logo on website
- Company logo and link to sponsor's website on all event materials and programs
- Company logo on Houston Forward and BankOn social media
- Annual 30 second sponsorship message on Houston Forward social media
- Company logo in Annual and Quarterly Impact Reports
- 1-minute remarks at Investor Conference (or equivalent major event of sponsor's choice)

NETWORKING OPPORTUNITIES AND ACCESS

- Four (4) free tickets for conference
- Private dinner with Controller and other special guests at Investor Conference (or equivalent major even-Listed as cohost of private reception at Investor Conference (or equivalent major event of sponsor's choice)
- Access to sponsor greenroom throughout conference
- Company swag distributed to conference participants
- Company swag distributed to Better Banking Program participants

GOLD SPONSOR (\$25K)

RECOGNITION	<ul style="list-style-type: none">• Company logo on website• Company logo on all event materials and programs• Company logo on Houston Forward and BankOn social media• Company logo in the Annual and Quarterly Impact Report• 1-minute remarks at Better Banking Graduation Program• Company swag distributed to Better Banking Program participants
NETWORKING OPPORTUNITIES AND ACCESS	<ul style="list-style-type: none">• Two (2) free tickets for conference• Access to private reception at Investor Conference (or equivalent major event of sponsor's choice)• Access to sponsor greenroom throughout conference• Company swag distributed to Better Banking Program participants

SILVER SPONSOR (\$10K)

RECOGNITION	<ul style="list-style-type: none">• Company logo on website• Company name on all event materials and programs• Company name in the Annual and Quarterly Impact Report• Company name on the Better Banking Graduation Program• Company swag distributed to Better Banking Program participants• Recognition in conference program and signage
NETWORKING OPPORTUNITIES AND ACCESS	<ul style="list-style-type: none">• Access to sponsor greenroom throughout conference



CONNECT

WITH US AT THE CITY CONTROLLER'S OFFICE



PERSONAL: Chris Hollins
OFFICE: Office of the Houston City Controller



PERSONAL: CGhollins
OFFICE: HoustonController



PERSONAL: @CGHollins



PERSONAL: @CGHollins



PERSONAL: Chris Hollins

CONTACT US

BY SCANNING THE QR CODE

