

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
(WESTERN DIVISION - LOS ANGELES)

LA ALLIANCE FOR HUMAN RIGHTS, )	CASE NO: 2:20-CV-02291-DOC-KESx
ET AL., )	
	CIVIL
Plaintiffs, )	
	Los Angeles, California
vs. )	
	Thursday, November 21, 2024
CITY OF LOS ANGELES, ET AL., )	(8:59 a.m. to 11:43 a.m.)
	(1:41 p.m. to 2:05 p.m.)
Defendants. )	(2:27 p.m. to 2:37 p.m.)
	(2:50 p.m. to 2:50 p.m.)

STATUS CONFERENCE RE A&M AUDIT;

MOTION FOR ORDER FOR SETTLEMENT AGREEMENT COMPLIANCE  
[DKT.NO.767]

BEFORE THE HONORABLE DAVID O. CARTER,  
UNITED STATES DISTRICT JUDGE

APPEARANCES: SEE PAGE 2

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DEWEY TERRY  
JANINE TREJO  
MICHAEL SEAN WRIGHT  
ROBERT YAP

1 Los Angeles, CA; Thursday, November 21, 2024; 8:59 a.m.

2 --oOo--

3 **THE COURT:** If you'd be so kind and would you state  
4 your appearance?

5 **MS. MITCHELL:** Good morning, Your Honor, Elizabeth  
6 Mitchell and Diane Bang from Umhoffer Mitchell & King on behalf  
7 of plaintiffs here today.

8 **THE COURT:** And with you is?

9 **MS. MITCHELL:** Diane Bang, my co-counsel, Your Honor,  
10 thank you.

11 **THE COURT:** Okay. Thank you. And I don't care who,  
12 do you want to start with the county?

13 **MS. HASHMALL:** Good morning, Your Honor, Mira  
14 Hashmall here for the County of Los Angeles.

15 **MS. BRODY:** Lauren Brody also here for the County.

16 **THE COURT:** Good to see you.

17 **MS. FLORES:** Valerie Flores for the City of Los  
18 Angeles.

19 **MS. MARIANI:** Good morning, Your Honor, Deputy City  
20 Attorney Jessica Mariana for the City of Los Angeles.

21 **THE COURT:** Okay. Hey, Shayla.

22 **MS. MYERS:** Good morning, Your Honor, Shayla Myers on  
23 behalf of the intervenors.

24 **THE COURT:** Okay. We're here because of the concerns  
25 about the additional time and/or requested fee amounts from

1 A&M. And if we could have reached an accord, this hearing  
2 wouldn't be taking place today.

3 So the first document that I think we should look at  
4 would be Document No. 818 filed November 6th. And this was the  
5 same day that the Court had ordered the City to make the  
6 payment specifically of \$440,000 and I don't want to get the  
7 two requests mixed up. One is of the County for \$620,000. My  
8 understanding through Michele is that you folks on both sides  
9 were agreeable to the \$180,000 but let me put that aside for a  
10 moment. Let me just talk to the City.

11 Could one of you turn that blackboard around for just  
12 a moment? So it faces the folks.

13 Could you write \$2,800,000, 4,200,000. That was the  
14 original estimate. I don't know if you were counsel at that  
15 time, it may have been prior counsel for the City. I'm not  
16 sure if you were here because there was a change in counsel  
17 representing the City.

18 **MS. FLORES:** No, we're both with the City Attorney's  
19 Office, but yes, I've been coming more often recently.

20 **THE COURT:** But there was a prior City attorney --

21 **MS. FLORES:** Yes.

22 **THE COURT:** -- when these negotiations took place,  
23 when this offer was made.

24 **MS. FLORES:** Yes.

25 **THE COURT:** Okay. So let me make certain then that

1 we're all on the same page.

2           The City came or the A&M came in with an initial  
3 estimate of 2.8 million to 4.2 million. The City Council, very  
4 shortly then, authorized I believe it was 2.2 million, wasn't  
5 it?

6           **MS. MARIANI:** Yes, Your Honor.

7           **THE COURT:** I was astounded at that and expressed  
8 that on the record. And my concern was that this had every  
9 possibility of being an inadequate audit, that the lower amount  
10 agreed to, even the 2.8 could be acceptable, but I think I'd  
11 expressed strong sentiment through Michele, to the Mayor's  
12 office, to the Council, and I think I've got a pretty good  
13 record of being astounded at that and that's why you see in the  
14 negotiation I didn't agree unless the Court had the ability to  
15 modify this.

16           And this is not, from my understanding of the  
17 documents, and I'm going to have A&M make their presentation,  
18 so we can all hear that, something new necessarily. This is  
19 allegedly delay or inability to get certain documents.

20           So I'm going to ask A&M to come up for just a moment  
21 and I want to go over these one by one. And let me remind the  
22 City, when's their last audit again, help me, on homeless  
23 issues? When's the last audit ever conducted by the City on  
24 homeless issues?

25           And, folks, come on up, and the staff help her. I

1 mean, any supporting staff, come on up. The answer will be  
2 zero, but let's verify that.

3 **MS. MARIANI:** I'm not aware of any.

4 **THE COURT:** I have the City out there. Come on up,  
5 City folks.

6 **MS. MARIANI:** Your Honor, I am not aware of any  
7 performed by the City of Los Angeles.

8 **THE COURT:** There is none. And the City's taken the  
9 position, which is of great concern to this Court, that if  
10 these programs are put under the auspices of the mayor or the  
11 Council, Matt Szabo has stated point blank on the record, I'll  
12 read it back to you, that there's no authority to conduct an  
13 audit. Which means in 30, 35 years of homeless issues since  
14 the 1980s when the LA Times was writing the same -- they were  
15 writing the same editorials we're seeing today about  
16 homelessness, the City has either avoided an audit.

17 And that's what's going on with the controller's  
18 right now with this controller now all of a sudden interceding  
19 and the City takes umbrage with that. And if you weren't here  
20 for those discussions, Matt Szabo has taken the position on  
21 behalf of the City that the auditor controller doesn't have  
22 authority to conduct an audit in homeless issues, because this  
23 under the purview of the Mayor. And the controller is now  
24 taking the position that, yes, he does. And that's causing  
25 some tension.

1 Now, you can comment upon that, but I'll start  
2 reading back the record in just a few moments to you on this.

3 **MS. FLORES:** I would just like to clarify that the  
4 controller can and does conduct audits currently, I believe is  
5 conducting an audit of the homeless services administered by  
6 City departments. The only limitation in the City's charter is  
7 that the elected controller, a political office, can't audit  
8 programs in another elected office's purview.

9 **THE COURT:** And my record in the past and now is that  
10 that's allowed the City to avoid an audit quite frankly. And  
11 that the only audit we're going to get quite frankly is through  
12 a third party audit.

13 Remember Mayor Bass sat here with Janice Hahn and  
14 Adams Kellum and all pledged their loyalty to get this done, on  
15 the record. So I'm really concerned that about \$440,000 that I  
16 either have to have a contempt hearing, or that I'm going to  
17 have to write and find that the City is not allowing a thorough  
18 audit, what seems to be a minimum amount of money.

19 Is that the City's position still or can we work this  
20 out without the drama?

21 **MS. MARIANI:** Your Honor, the engagement --

22 **THE COURT:** Can we work this out without the drama?

23 **MS. MARIANI:** I -- there certainly is an opportunity  
24 to do that. All the City --

25 **THE COURT:** Good, why don't you call the Mayor.

1           **MS. MARIANI:** -- requested was --

2           **THE COURT:** Why don't you call the Mayor.

3           **MS. FLORES:** It would be the City Council.

4           **THE COURT:** And see if we can work this out --

5           **MS. FLORES:** Yeah.

6           **THE COURT:** -- without going through this process.

7           **MS. FLORES:** We would need to go back to the City  
8 Council to authorize the additional payment, which we're  
9 willing to do.

10           **THE COURT:** Then why didn't you do it before? Why  
11 are we even here?

12           **MS. MARIANI:** Your Honor, we requested clarification  
13 because the engagement letter actually was for a \$1.06 million  
14 amount and while some of that, a portion was attributable to  
15 County, the order requested that the City sign that engagement  
16 letter in total. So especially in light of the County's  
17 objections to performing certain of that work, including field  
18 work and in light of the County's objection to the amount, we,  
19 on behalf of the City had requested clarification to understand  
20 exactly what the scope of the increased audit engagement would  
21 be. And clarify who would pay for it.

22           And as to the remainder of the \$440,000 that  
23 remainder that was not attributable to the County, we were  
24 requesting a clear basis for that increase, given that the City  
25 had already approved the initial \$2.2 million and then had



1 already in September, approved another amount bringing the  
2 total fixed fee to \$2.47 million.

3 **THE COURT:** Why did the City with the good faith  
4 estimate of 2.8 to 4.4 million, literally, billions of dollars  
5 now falling through the system, take the position to undercut  
6 this by \$600,000? Why did you leave my court and go back --  
7 not you personally by the way --

8 **MS. MARIANI:** I understand.

9 **THE COURT:** -- and go back to the City Council and  
10 come up with this arbitrary number, knowing that minimum bid  
11 was 2.8? What's the explanation for that, other than  
12 undercutting the funding and giving us an adequate audit?

13 **MS. MARIANI:** Your Honor --

14 **THE COURT:** Which I'm not trying to countenance.

15 **MS. MARIANI:** Your Honor, you're correct that I  
16 personally wasn't in the courtroom for that presentation --

17 **THE COURT:** No, I know, you're not being blamed for  
18 it.

19 **MS. MARIANI:** -- but my understanding was that the  
20 initial quote was in the range of 2.8 and upwards, but that the  
21 agreed amount was 2.2 million.

22 **THE COURT:** It was never agreed upon for 2.2. This  
23 was arbitrary on the City's part. Everybody left this court at  
24 2.8 to 4.4 knowing that audit and the next thing we hear the  
25 following week is it's 2.2. Now, that's the City setting

1 itself up for an inadequate audit. What's the explanation for  
2 this?

3 **MS. MARIANI:** Your Honor, all I can say is that my  
4 understanding was that the auditors had indicated that they  
5 would be able to do the audit for the 2.2 within the scope that  
6 they had at the time.

7 **THE COURT:** No, they didn't. Find that on the  
8 record. That was arbitrary on the City's part. I repeat that,  
9 that came to Michele, to me, to Judge Birotte as a complete  
10 surprise. And Michele was on the phone with different Council  
11 members about that. All right.

12 **MS. MARIANI:** Your Honor, all I know is what the  
13 engagement letter was for in the end.

14 **THE COURT:** All right. Let's go through this one by  
15 one then and would you be kind enough then to help me. I need  
16 the Elmo. And I need to go down each list of the requests. So  
17 I'm going to turn this over to A&M for just a moment and we're  
18 going to go through each one of these requests and find out why  
19 this information hasn't been forthcoming.

20 So let me turn that over to you or Diane. You make  
21 your presentation and I'm going to then going to go to this  
22 document in just a moment.

23 **MS. COLLIER:** Okay. All right. Do you have a clean  
24 version of this, Your Honor, printed?

25 **THE COURT:** You know I've got a version, but it's

1 marked out, I've been most of the night.

2 **MS. COLLIER:** There's still is ours, a little bit, we  
3 just -- okay, thank you.

4 **THE COURT:** Because we got a County report yesterday  
5 I think, so we've been up most of the night trying to match up  
6 some of the requests you're making to see where the County  
7 report is.

8 **MS. COLLIER:** Thank you.

9 Your Honor, do you mind if we get started while we  
10 wait?

11 **THE COURT:** Please, why don't you start.

12 **THE CLERK:** Can you state your name.

13 **MS. COLLIER:** Oh, absolutely, Laura Collier with A&M.

14 **MS. BROWN:** Lisa Brown.

15 **MS. RAFFERTY:** Diane Rafferty.

16 **THE COURT:** Okay.

17 **MS. COLLIER:** Good morning, Your Honor. The delays  
18 and complexity of the data coupled with its condition has  
19 required additional time and resources to allow A&M to conduct  
20 the necessary review and analysis of the data. Given the role  
21 these datasets play and analysis in the final report.

22 As established in the Court's prior considerations,  
23 the A&M team was tasked with assessing homelessness assistant  
24 services provided across the programs. To date, as the team  
25 yet to trace the flow of funds from key parties, like City and

1 LAHSA to service providers and their contracts. However,  
2 challenges rose because neither the City nor LAHSA had  
3 processes that clearly tracked expenses by program or service  
4 as defined within the scope.

5 Therefore, while all parties have been generally  
6 responsive to data requests, the A&M team undertook an  
7 iterative process of receiving data, reviewing it, and working  
8 with the parties to address any gaps, or discrepancies, in the  
9 data received, which in some cases led to additional data  
10 requests.

11 To illustrate, the A&M team initially submitted 26  
12 data requests to the City and 27 to LAHSA, the current number  
13 of data requests today is approximately 71 to each party.

14 **MS. BROWN:** So I think we were going to speak on this  
15 in a little bit of a different order than how it's presented on  
16 this sheet. But one of the first things to demonstrate the  
17 complexity of the data is that A&M originally requested  
18 accounting detail from the City related to expenses under the  
19 programs. However, upon reviewing that data, it did not appear  
20 that capital or acquisition costs, which we understand would be  
21 required to set up some of these interim housing sites under  
22 Road Map, were included in that information provided.

23 So after discussion with the City, it was determined  
24 that Road Map programs, appropriations are reported within CAO  
25 funding recommendations, which provide anticipated acquisition,

1 capital and operating costs, for the sites included in those  
2 Road Map quarterly reports.

3 So A&M independently located and analyzed the CAO  
4 funding recommendation through the city clerk's website,  
5 however, the complexity of those appropriations still  
6 necessitated multiple follow up meetings and additional data  
7 requests to understand how to appropriations are processed  
8 through the City's accounting system.

9 For example, a single site could have various or  
10 multiple departments, multiple funds, and multiple accounts  
11 that are utilized to track the actual expenditures related to  
12 those appropriations.

13 And in response to request No. 13, dated May 31st,  
14 2024 LAHSA produced approximately 280 contract documents on  
15 June 14th, comprising of base contracts, amendments and unique  
16 contracts. So to understand how the respective contracts --

17 **THE COURT:** Now, can we blow this up just a little  
18 bit as you go down each item eventually, Diane, I'd like to be  
19 able to --

20 **MS. BROWN:** Yes.

21 **THE COURT:** -- and let's point out where you're at.  
22 And you can blow it up even more. So go back to the first one  
23 again. Let's go through this slowly, okay. And eventually,  
24 counsel, I'm going to ask you to take out the docketed County  
25 audit that the Court received yesterday. What docket number is

1 that, Graham?

2 Because the same problem seem to be occurring when  
3 the County auditor/controller audited LAHSA. And is anybody  
4 here from LAHSA?

5 Come on, folks, have a seat up here. Last time you  
6 didn't make an appearance, sat until the controller left, come  
7 on up here and have a seat in the jury box.

8 Okay. It was Docket 823. You might pull that up.  
9 We received that yesterday, LA Alliance filed that in my court,  
10 so we've been up most of the night looking at this thing.

11 Okay. Let's take the first item again.

12 **MS. COLLIER:** Okay. Absolutely.

13 So the A&M team, and I'm sorry, we're on -- can you  
14 point to the -- the first one. The first one right here. Yep.

15 So the A&M team was tasked with assessing the  
16 homelessness assistant services provided across the programs.  
17 To do this, the team needed to trace the flow of funds from key  
18 parties to service providers and their contracts.

19 However, challenges arose because neither the City or  
20 LAHSA had processes that clearly tracked expenses by program or  
21 service, which we'll provide some illustrative examples.

22 **THE COURT:** Okay.

23 **MS. COLLIER:** So therefore, all parties have been  
24 generally responsive to the data request, the A&M undertook an  
25 interim process of receiving data, reviewing it, working with

1 the parties, to address any gaps or discrepancies in the data  
2 received, which in some cases led to additional data requests.

3 To illustrate, the A&M team initially submitted 26  
4 data requests to the City and 27 to LAHSA. The current number  
5 is approximately 71 to each party. This is as of late last  
6 week, which is now 71 for both.

7 **THE COURT:** Okay. Now, let me stop for just a  
8 moment. Concerning the County auditor/controller report, I  
9 want to start with a compliment to the chairperson, Lindsey  
10 Horvath and I want to start with a compliment to Kathryn  
11 Barger, who specifically ordered this audit through the County.

12 And many of the findings that the auditor/controller  
13 found match up with your concern about non-existing data and  
14 delay. And we'll go through those in just a moment.

15 So, counsel, concerning this first one, I would refer  
16 you back to the document 823 and I'd refer you to paragraph 3  
17 under inadequate contract data, so as we're going through that,  
18 you might start matching this up because the finding of the  
19 County auditor/controller are matching the same concerns you're  
20 having, in terms of getting data.

21 And the difference is that I believe your audit will  
22 be more qualitative and more comprehensive than the County  
23 auditor/controller and it should be.

24 So move to the second one. First here, you say the  
25 type of delays, deficiency and non-existing data, I think

1 you'll see that match up with the auditor/controller from the  
2 County saying exactly the same thing concerning LAHSA.

3 All right. The second one.

4 **MS. COLLIER:** So in relation to data request No. 13,  
5 dated May 31st, 2024 LAHSA produced approximately 280 contract  
6 documents on June 14th. That comprised of base contracts and  
7 amendments by the many contracts.

8 So to understand how their respective contracts  
9 pertained to the programs, the A&M team presented a crosswalk,  
10 specifically the team extracted the site locations in the  
11 contract documents provided to trace to the quarterly reports,  
12 for example the Road Map, and Alliance, quarterly status  
13 reports to the Court.

14 The A&M team reviewed these documents, which after  
15 analysis, showed the contracts do not consistently have  
16 identifiable links to beds under the programs, making it  
17 difficult to align the financial records to the programs.

18 **THE COURT:** Okay. And, counsel, the notation by A&M  
19 is unforeseen data analysis deficiency, non-existent data which  
20 will match up to the County auditor/controller's finding in  
21 both paragraph 3, where they state that they're unable to find  
22 and they were unable to produce accurate lists of contracts  
23 and, in fact, the range was 676 to 1,070. In other words, we  
24 don't know the number of contracts out there, according to the  
25 County auditor/controller and I'm going to have LAHSA respond



1 in just a moment.

2 And also finding number 9, where the  
3 auditor/controller for the County states that there was no  
4 inclusion of price or I'm sorry, procedures to monitor a  
5 provider or the provider programs or services delivery in  
6 compliance. And -- well, you can read that provision yourself.  
7 Let's go on.

8 The third was, your notation of incomplete and  
9 delayed data and why don't you tell us about that. It's a  
10 hundred contracts and financial records.

11 **MS. COLLIER:** The A&M team identified approximately a  
12 hundred contracts in the financial records that did not appear  
13 to be provided in response to request No. 13.

14 Therefore, on July 30th, the A&M requested a  
15 crosswalk to help clarify which contracts correspond to the  
16 beds identified in the Road Map and Alliance quarterly reports  
17 reported to the Court. This data was delayed. We did not  
18 completely receive it until September 13th. And when received,  
19 lacked clarity requiring additional analyses to reconcile  
20 across the various data sources.

21 **THE COURT:** And I refer each of you when you want to  
22 cross reference this to paragraph 3 of the auditor/controller's  
23 findings by the County.

24 All right. The next.

25 **MS. COLLIER:** So in addition to the analyses outlined

1 that Lisa will speak to, the A&M team analyzed also the  
2 contracts with a focus on specific sections of the contract,  
3 such as sub-award and the scope of required services, in an  
4 attempt to understand the specific services funded under the  
5 programs.

6 Through this analysis, the A&M team identified  
7 services within their respective scope of required services are  
8 funded according to the enterprise grant management system  
9 budget categories, which are itemized.

10 However, to accurately understand the services funded  
11 within each budget category, such as supportive services,  
12 personnel supportive services, non-personnel, operating costs,  
13 the team required to request supplemental data, specifically  
14 cost eligibility matrices in an attempt to gain insight into  
15 the types of services funded under each of those categories.

16 **THE COURT:** And in cross referencing this last night,  
17 I invite you to look at once again finding No. 3 by the County  
18 auditor/controller concerning inadequate control data, and No.  
19 7 as well, concerning recordkeeping deficiencies by LAHSA. And  
20 your next one.

21 **MS. BROWN:** The next one is more related to the  
22 City's expenditures under the programs, but A&M originally  
23 requested accounting detail from the City related to expenses  
24 under the programs.

25 **THE COURT:** Was this on May 31st, 2024?

1           **MS. BROWN:** That is correct, yep.

2           **THE COURT:** Okay.

3           **MS. BROWN:** And upon review it did not appear that  
4 capital or acquisition costs, that we understood would be  
5 required to set up some of these interim housing sites under  
6 Road Map were included in the information provided.

7           So after discussion with the City, it was determined  
8 that the Road Map programs appropriations are reported within  
9 CAO funding recommendations. Those provide anticipated  
10 acquisition, capital, and operating costs for the sites  
11 included in the Road Map quarterly reports.

12           So A&M independently located and analyzed those CAO  
13 funding recommendations through the City Clerk's website;  
14 however, the complexity of these appropriations necessitated  
15 multiple follow up meetings and additional data requests to  
16 understand how the appropriations are processed within the  
17 accounting -- within the City's accounting system.

18           And for example, for a single site, there could be  
19 multiple departments, multiple funding sources, and multiple  
20 accounts that are utilized to track the actual expenditures  
21 related to those appropriations.

22           So that -- I don't think, that'll be separate from --

23           **THE COURT:** Yeah.

24           **MS. BROWN:** -- I believe the purview of the County's  
25 audit.

1           **THE COURT:** Now, if you look back at the County's  
2 audit in finding No. 3, the auditor states that LAHSA was  
3 unable to produce an accurate list and there were issues with  
4 the EGMS system or EGM system, I'm sorry, and they could not  
5 get these contract key data information, but -- and also it did  
6 not capture dates and they were inaccurate when they did  
7 capture the dates.

8           Now, these were small samplings, by the way. These  
9 were in some cases, three, five, eight or ten samplings. So  
10 you can skip the next one, I don't think that -- well, the next  
11 issue, so here we've got data incomplete, unforeseen data  
12 analysis --

13           **MS. BROWN:** Uh-huh.

14           **THE COURT:** -- and Dr. Kellum has said as much, she's  
15 trying to improve the system. But whatever those improvements  
16 are is costing time and delay when we can't get the data and  
17 that's why I'm really concerned why the City took the position  
18 with \$2.2 million. And you weren't here at this time. But it  
19 was clear that the range was 2.8 to 4.2. That was arbitrary on  
20 the counsel's part. No reasoning behind it, no explanation.

21           And how far we have to go with this depends upon your  
22 phone calls today. Okay? Am I clear? In other words, you  
23 hold the key to this, but I want some guarantees today and this  
24 isn't -- that it's going back to the Council. Now Szabo can  
25 make the guarantee today, the Mayor can make the guarantee

1 today or we can go further with this. Because this isn't new,  
2 this isn't even what Shayla Myers asked for in terms of fire  
3 and police, these are data things that we needed originally for  
4 this audit and this audit isn't going to be shortchanged by a  
5 couple of hundred thousand dollars by the City Council.

6 All right. Your next.

7 **MS. BROWN:** Sure. So the next point we have is in  
8 relation to data request No. 5 issued to LAHSA in our original  
9 data request on May 31st. We requested transaction level  
10 details for revenues and expenditures and we did specify that  
11 if possible the data should focus on the funding sources, the  
12 expenses, the vendors that are related to our programs.

13 So in response LAHSA did originally provide data,  
14 general ledger data for the named City to LAHSA contracts.  
15 There are City to LAHSA contracts called Road Map, Alliance and  
16 Inside Safe falls under the general fund.

17 However, as A&M's team's analysis progressed, it  
18 became apparent that the general ledger data was incomplete for  
19 our purposes and we needed a more comprehensive view of all  
20 City funded contracts between the City and LAHSA in order to  
21 thoroughly evaluate the service provider contracts linked to  
22 beds under the programs.

23 I mean, for example, there are Road Map service  
24 providers that do -- that are under the named City contract,  
25 but are also claimed under HHAP contracts. So after extensive

1 correspondence between A&M and LAHSA, that data was provided on  
2 September 4th.

3 **THE COURT:** How long was that delay?

4 **MS. BROWN:** There was some analysis of ours in there  
5 and some back and forth, but I mean ultimately, we're looking  
6 at June, July and August.

7 **THE COURT:** You're requesting specifically another  
8 \$440,000 and it's also request to move this audit back and I've  
9 communicated through Michele that I am willing to move this  
10 audit back, because this may be the only look, you know, in the  
11 history of City that we get an independent third audit on the  
12 City's part.

13 What else do you need?

14 **MS. BROWN:** I mean --

15 **THE COURT:** Think about that. You're going to be  
16 here today for a while. Come back to me on that, okay?

17 Now, let me talk to the City again. You know that I  
18 feel that this was an arbitrary decision on the City's part.  
19 If you haven't heard that, let me say it again, it was an  
20 arbitrary decision on your counsel's part.

21 We're not even approaching the minimum number that we  
22 were all aware of. Was this an effort by the Council to  
23 underfund this audit so it was incomplete?

24 **MS. MARIANI:** Your Honor, I do not believe it was  
25 that at all and --

1           **THE COURT:** Then what's the explanation for this?

2           **MS. MARIANI:** Well, Your Honor, if I may ask for a  
3 point of clarification. I think what I'm hearing today is that  
4 the auditors are actually only requesting \$440,000 in addition.

5           **THE COURT:** That's all.

6           **MS. MARIANI:** Well, in the proposed engagement letter  
7 that we were asked to sign, it was a total of \$1.06 million  
8 so --

9           **THE COURT:** Let me help you, it's going up because  
10 every time we're delaying this, the price is going to go up.  
11 Am I clear?

12           **MS. MARIANI:** Understood, very clear.

13           **THE COURT:** Now, it may have been 440,000 a month  
14 ago, but this is causing me further delay in getting an audit  
15 out to the public, so the cost is going up.

16           **MS. MARIANI:** Your Honor, we did request that  
17 clarification on November 6th, right after the order with the  
18 amendment, the proposed amendment and asking the City to sign  
19 it. We're more than happy to take that to Council. We just  
20 needed the clarification on exactly what amount they were being  
21 asked to sign off on.

22           **THE COURT:** I want a guarantee today. I'm tired of  
23 slow footing. Either Matt Szabo is coming over here, I'm  
24 getting it from the Mayor, or his chief counsel back there, but  
25 I'm getting some kind of guarantee that this going to be a

1 representation in good faith to the Council to approve that.

2 Now, what the Council does, I'll wait. But I want a  
3 guarantee that this is going to be a recommendation from the  
4 City.

5 **MS. MARIANI:** Understood, Your Honor.

6 **THE COURT:** Okay? So, counsel, you're back there in  
7 the back, you've heard me loud and clear. I don't want to run  
8 the Mayor over here, I'm trying not to be impolite. I want a  
9 guarantee that this is going back to the Council.

10 Now, I want you to look at this agreement between A&M  
11 and the City and I want you to turn to paragraph 6. And I want  
12 you to pull that up for a moment, because we had quite a tussle  
13 at the bottom of this, and can you help me? We can just put  
14 this on the board. So you can understand the Court's  
15 frustration with this, nickel and diming frankly.

16 Go to compensation and it's going to be the May 17th,  
17 2024 letter. And here's the tussle taking place behind the  
18 scenes. And once again, counsel, you weren't involved in this,  
19 okay. So listen carefully so we catch you up.

20 Under compensation, under Subsection 2, which is on  
21 page -- and my apologies, I said 6, but it's 2 and I'm counting  
22 letters, it's 2 under compensation. A&M will perform the  
23 services described herein for a fixed fee of 2.2 million, which  
24 includes any additional expenses A&M incurs for travel and  
25 administrative expenditures. That said, the purpose of this



1 assessment is to provide transparency to the public, ensure the  
2 assessment is adequate and transparent on behalf of the public  
3 and three, help policymakers make data driven decisions to  
4 address the homelessness crisis. These objections will not be  
5 compromised by a budget imposed by the City Council.

6 Now, behind the scenes, counsel, listen carefully, we  
7 had a real tussle over this because the City Council took the  
8 adamant position 2.2 or take a hike. And my position was,  
9 that's ridiculous going into any audit we don't know what's  
10 going to occur. And one of those things that occurred was  
11 Ms. Meyers pointing out to the Court at the time that the  
12 police weren't being audited. In fact, she made an additional  
13 request concerning fire, jails, because the amount being spent  
14 on homelessness through the City is vastly less when we deal  
15 with shelter and housing than the real costs coming through  
16 jails, our largest psychiatric ward is at the jail. That's a  
17 County having to pick that up.

18 Fire, police, so the actual cost that we're dealing  
19 with here are much greater dealing with the homeless issue.  
20 But we go on to say these policy objections will not be  
21 compromised by a budget imposed by the City Council that limits  
22 the adequacy and sufficiency of this assessment.

23 I insisted that that be put on or put in. And  
24 accordingly, the Court retains the right to modify the terms of  
25 this agreement to seek any additional services from A&M.

1 Now, those are additional services. These aren't the  
2 same services that we've been requesting through this audit  
3 from day one. These are the things that we expected and with  
4 this delay, that's what's costing money. Is this the City's  
5 fault, LAHSA's fault? Whose fault is this concerning delay?  
6 Because you're paying for it. It's coming out of your pocket.

7 **MS. FLORES:** Right. I think the auditors have  
8 recognized that the City has attempted in good faith to satisfy  
9 all of their requests. We do not completely control LAHSA.  
10 LAHSA is an independent agency, so some of the delays listed  
11 are delays and inadequate documentation from LAHSA. And the  
12 City is only one of the two partners in that JPA.

13 **THE COURT:** Well, Lindsey Horvath at the last hearing  
14 said LAHSA is us. Very candid, very honest. And so the  
15 segmentation of LAHSA being a separate entity, LAHSA is the  
16 City and the County.

17 **MS. FLORES:** Yes, it's the City and the County.

18 **THE COURT:** City and the County.

19 **MS. FLORES:** Yeah.

20 **THE COURT:** But the cost is falling on you and I  
21 understand that you feel that that would be unfair on behalf of  
22 the City, so do you want to split it with LAHSA?

23 **MS. FLORES:** Yes, I -- yes.

24 **THE COURT:** Sounds like a good idea, doesn't it?

25 **MS. FLORES:** Yes.

1           **THE COURT:** Have you asked them about that?

2           **MS. FLORES:** No, we have not.

3           **THE COURT:** Because this is silly. We're getting  
4 held up over \$440,000 on a vastly -- we haven't even got to  
5 2.8. And I'm not going to allow this to be an inadequate audit  
6 so. And you better quote me frankly to the Council, send that  
7 message back to them.

8           Okay. We're going to go through this audit for a  
9 moment. I want you to be able to see a screen, so if you need  
10 to take some chairs, do you have anything else you'd like to  
11 present at this time. Michele, I'm going to call on you just a  
12 moment. Diane, do you have anything?

13           **MS. BANG:** No, Your Honor.

14           **THE COURT:** Okay. Michele.

15           **MS. MARTINEZ:** Yes. If A&M can please stay, you  
16 know, as I'm overseeing this assessment I think it's critical  
17 to understand and appreciate A&M being diplomatic in regards to  
18 the delays. Regardless of the audit that was provided by the  
19 County to LAHSA, we have other issues of concern, not just on  
20 the City side and LAHSA.

21           When you have systems in place that aren't able to  
22 deliver financial information based on money being spent on  
23 homeless programs or services, and you can't get that  
24 information, obviously something is wrong.

25           And we can't continue to go back and forth trying to

1 validate, verify, because it's going to take us more time. So  
2 what we need from the City and from LAHSA is to either say, our  
3 systems are inadequate, they are not in place, we have no -- we  
4 don't have the appropriate accounting controls so that we can  
5 move forward and get the assessment and let both A&M and LAHSA,  
6 but more importantly, the City understand that time is of  
7 essence here.

8 One, because the City is having to spend the money  
9 for this assessment, but number two, we are already delayed  
10 when this assessment was supposed to be provided to the public.  
11 We are now looking at potentially February. And so what I'm  
12 asking A&M today, time certain, whatever data that is pending  
13 that you provide a date and that both LAHSA and the City do  
14 whatever it has to to either say they have the information or  
15 they don't, or they don't have the systems controls in place.  
16 And number three, provide what you can and A&M will do what it  
17 can. But going back and forth we will never get an assessment  
18 done.

19 And so I want to be very clear not just with the  
20 Court but with the City, with LAHSA and then finally with the  
21 County as we're trying to move forward and get that angle. And  
22 if the County is going to move forward and I know you still  
23 have to talk about that issue, Judge, but if they only going to  
24 provide the data which they've been open to, but not the spot  
25 checks we need to know that today and again time certain of

1 when that information is going to be provided.

2 And that is it. We are not going to have any more  
3 delays and so what I'm asking from A&M today, you are the  
4 experts to tell us based on what you've provided us and what's  
5 missing, what can we anticipate and more importantly, when can  
6 the public anticipate that this assessment will come out.

7 Thank you.

8 **THE COURT:** Yeah, you're wasting time going back and  
9 forth because A&M is not getting the data and we're going to go  
10 to this auditor/controller report, and once again, I want to  
11 compliment Mayor Bass, because she had the courtesy to come  
12 forward and order an independent third report or auditor, first  
13 time in the City's history. And the courage of Lindsey Horvath  
14 and Kathryn Barger, quite frankly to order this independent  
15 audit as well.

16 And so I want you to put up the auditor/controller  
17 report for a moment.

18 **MS. COLLIER:** Can I just state a response?

19 **THE COURT:** Yeah, grab a chair. I want you to be  
20 able to see this. This is going to tie in in just a moment to  
21 some questions I've gotten.

22 **MS. COLLIER:** Special Master Martinez, did you want  
23 like the response in terms of like what --

24 **MS. RAFFERTY:** Thank you, Your Honor, Michele. We  
25 would love to have the City, County, LAHSA tell us the data

1 doesn't exist. This back and forth of we gave it to you but  
2 it's not adequate, it's not what we asked for, it's not  
3 complete, I think everybody just needs to be really honest that  
4 the system is completely broken and who gets penalized. The  
5 people on the street.

6 So someone says to us the number -- it's not -- we  
7 don't have it. We never put accounting controls in place. We  
8 never had contracts that tracked outcomes or ensured the care  
9 delivery and services. We would be okay with that. I mean,  
10 not ethically we wouldn't be okay with that, but we would at  
11 least know how to move forward. And that will be in the  
12 report. It will reflect that controls were not in place, but  
13 this dance we're going back and forth are -- it's very labor  
14 intensive, we have a huge team working on this. And it will  
15 delay the report.

16 **THE COURT:** Now, some of the things that you've noted  
17 in your request in showing these delays are absolutely mirrored  
18 in the auditor/controller's report. And so I'm going to have  
19 that auditor/controller's report put up. I need you to get  
20 some chairs and look at this closely, okay, because this just  
21 came in yesterday.

22 I want to go to page 1 of 16 and when that's up,  
23 Karlen, make sure I can see this on my screen also.

24 This concerns the \$82.5 million. Okay. Do all of  
25 you folks have that? Because I want to put it up on the screen

1 and underline it.

2           Yeah, and then blow up if we have to and get a chair  
3 because you'll be there a while.

4           All right. Now, go down to number 1 please. All  
5 right. In 2017 to 2018 through 2019 to 2020 the County  
6 provided LAHSA approximately \$82.5 million. No contract. No  
7 scope of work. These sub-recipients and I'm going to call them  
8 providers, were allowed to retain these advances across  
9 multiple fiscal years and were not required to repay the funds  
10 annually.

11           LAHSA did not establish formal agreements, which  
12 means no contracts with the sub-recipients, that's a provider  
13 from now on, to determine how and when the working capital  
14 advances would be repaid.

15           Now, when you turn the page for just a moment, you're  
16 going to see that there's been some effort to recoup this money  
17 and we have a grand recoupment over \$2.5 million.

18           Now doing math late last night I came out with a  
19 figure of \$48.3 million that providers have obtained with no  
20 contract, no scope of work, and some effort to recoup 2.5. Who  
21 are these providers?

22           By name I would like to see today, in fact, I'm going  
23 to demand since we have that information from the  
24 auditor/controller of the company who these rather special  
25 people are as providers, who can obtain 48.5 million and then

1 the City and County comes to the Court and says we don't have  
2 any money. Who are they?

3 Okay. We're going to sit here today until we have  
4 those people come or not those people, but that information.  
5 And if you go on, you'll see that about 36 million from memory,  
6 are among a small subset of providers. Have they been sued or  
7 did they just walk out with almost \$50 million of taxpayer  
8 money and now we have an accounting issue about and some excuse  
9 that it isn't going to be repaid to help us with the homeless  
10 community. And I'm going to sit here all day until I get that  
11 information. So whoever, Mira, you need to call, I don't think  
12 you've got it with you.

13 **MS. HASHMALL:** No. No, Your Honor.

14 **THE COURT:** And this just got to me yesterday, I  
15 mean, I was up all night with this, okay. So it's not fair to  
16 you to put you on the spot. Please make some calls.

17 **MS. HASHMALL:** Okay. Thank you.

18 **THE COURT:** Get the auditor/controller over here and  
19 I want those gifted providers put on the record. Eventually,  
20 LAHSA, you're going to have the floor and I'm going to ask you  
21 what efforts have you made. Have you gone to the U.S.  
22 Attorney's Office, have you gone to a private lawsuit, have you  
23 gone to some kind of process or is the taxpayer just stuck with  
24 money literally gifted and handed out to providers to the tune  
25 of \$50 million. And we're going to forgive and forget that,



1 because this Court's not.

2 So one, who are the providers that have not repaid  
3 the funds. I typed that in as a question, so you can see it.  
4 And how is this outstanding 48.3 million in cash advances being  
5 recouped now.

6 All right. The second is the sum of 8 million, but  
7 it's really 15 million if you read this carefully. And these  
8 are what we're going to call annual cash advances. And LAHSA  
9 had approximately 15 million in outstanding cash advances made  
10 to providers, not sub-recipients, but providers. Some of your  
11 sub-recipient providers have refused to pay this, and the  
12 excuse is that they're no longer doing business with the  
13 County, so therefore, it seems -- or LAHSA, so therefore it  
14 seems that you've given up any recoupment from civil or  
15 criminal liability. And I'd like an explanation about that.

16 The third is the inadequate contract data. And,  
17 Diane, this is where A&M and your request today seem to tie in  
18 exactly with what the County auditor found. LAHSA was unable  
19 to produce an accurate list of all their contracts in EGMS.  
20 There are varying contracts total from 676 to 1,078, so from my  
21 standpoint reading this, we don't even know the number of  
22 contracts we have outstanding in 2024.

23 LAHSA is not tracking key data in EGMS, or  
24 maintaining an accurate data, and we reviewed a sample of the  
25 eight contracts. Now, remember this is a small sampling, this

1 is just eight contracts of the hundreds out there.

2 And the findings on the next page are, they do not  
3 capture the dates of LAHSA's contracts and when they were  
4 signed by the parties and executed. And by the way, this is  
5 2024 now. This is recent. This isn't in the past.

6 They did not match the dates on the actual contract  
7 when they were found, and if you remember, and I'll go back on  
8 the record to 2021 when this Court was astounded that a major  
9 provider had literally written to the County, City and LAHSA,  
10 because you're all one in the same, with no date, one line  
11 asking for \$248,000 that was paid. No underlying  
12 documentation.

13 The next is of the four of the contracts, the term  
14 start dates in the actual contracts are inaccurate. And the  
15 conclusion is you don't have reliable and accurate information  
16 about fundamental contract metrics, such as the quality,  
17 timeliness, in terms of the active contracts.

18 And so what's happening is, the City is going to end  
19 up paying for this one way or the other from this delay and  
20 from the City's perspective that's unfair, because they're not  
21 causing the delay from their perspective, it's the lack of  
22 information.

23 So if you don't have the information at some point,  
24 you need to just state it, that you don't have it. And I'm  
25 becoming concerned that you even have this information now.

1 All right. The fourth, is inadequate controls.  
2 LAHSA did not have other basic controls in place to ensure cash  
3 advances were appropriate, properly accounted for or  
4 safeguarded. As of September 6th, 2024 the County had already  
5 provided LAHSA with \$115,658,400 and major H advances for  
6 fiscal year 2024/2025.

7 One of the reasons that this Court wanted a website  
8 going forward regardless of this audit, was to make our  
9 providers put up not only the invoices but the worksheets so  
10 that all of us could see what they were doing. And I'm going  
11 to be asking you when you take the floor in a few moments, what  
12 controls are in place for this money today. Okay.

13 Because I don't see a website right now, other than  
14 controller's efforts on the City's behalf, that is robust  
15 enough. And every provider should have not only the scope of  
16 work, but the invoice, they should have an underlying document.

17 Now, let me speak to the City again. This may be a  
18 problem, it may not. Do you listen to the what can be the  
19 homeless -- housing and homeless, do you listen to these four  
20 hour commissions?

21 **MS. MARIANI:** Not all of them, but I have listened  
22 in, Your Honor.

23 **THE COURT:** Interesting, aren't they? You might talk  
24 to Michele and she'll pick out some. Now, first of all you  
25 used to front 25 percent of the money to the providers. And

1 historically the providers really didn't have to tell you much  
2 about what they were doing, because that was front loaded  
3 because your provider was complaining we're not getting paid in  
4 time. In other words, we're actually have to carry some of  
5 these costs.

6 Well, this system was set up to be provider oriented.  
7 It wasn't set up to get this money to the street. And so what  
8 happened is the Council then discussed 50 percent, but I  
9 believe lowered it to 40 percent, Michele, is that correct at  
10 the present time? And now you've moved to 40 percent fronting  
11 money to a provider and when the invoices come in, if they ever  
12 do, and the worksheets, which they're not, then we've already  
13 paid the 40 percent without knowing what our provider is doing.

14 And I would just suggest to you that there's a better  
15 way, that you might consider doing business is that these  
16 payments should come in with invoices and worksheets attached  
17 and they should be within 7 days or 14 days or whatever or 30  
18 days. Because the problem is the bureaucracy isn't functioning  
19 quickly enough so the providers feel that they've got a  
20 legitimate claim when they're carrying this, because quite  
21 frankly ineptitude of the City and if you were paying your  
22 bills on time, we wouldn't have to front 25 or 40 percent and a  
23 Court wouldn't be in the position, nor the auditors, being in a  
24 position of not getting timely data because we're not getting  
25 it when you're fronting that money. I'll leave that to you.

1 You're the governing body.

2 So six, we all know that the County is a pass-through  
3 agency in a sense. The City's not. The City pays out of your  
4 general budget, don't you?

5 **MS. FLORES:** Yes, Your Honor.

6 **THE COURT:** Yes, you do. Yeah. The County doesn't  
7 in a sense. The County takes HUD money and pretends like it's  
8 theirs. Now, they've got a certain amount of money that, you  
9 know, the County can use, but it's painful for the City.

10 So out of your budget, which is about what, 13  
11 billion this year, a little over, and the County has about 43  
12 billion, 42.5, 43. Much of this money is HUD money that really  
13 isn't the County's money, it's pass through money. So I  
14 understand that this is painful for the City. And here it  
15 says, LAHSA paid their sub-recipients, which are providers,  
16 prior to receiving reimbursement for funders, and used funds  
17 received from other government funders.

18 Now, I'm going to tell you a story, I won't mention  
19 Orange County. Bankruptcy. And they did a little bit of  
20 shuffling about seven years ago. And what they did is they  
21 took funds dedicated for homeless and shuffled into other  
22 accounts and they used the interest off that money to help pay  
23 off the bankruptcy.

24 Now, think about that for a moment. That means those  
25 other entities, you know, those other bailiwicks that needed

1 money had some shuffling going on because the interest draw for  
2 this is so astounding when we deal with this kind of money,  
3 including maybe the \$500 million not expended by the City of  
4 Los Angeles, that at least in another county it helped pay off  
5 the bankruptcy. That's absolutely unethical and it's illegal.

6           What's the explanation from LAHSA eventually, how you  
7 take money from other programs, just maybe as needy, and  
8 shuffle them to providers and the impact is stated on the next  
9 page. Using funds received from one government funder to pay  
10 for services provided under another government funder's  
11 contract grant constitutes a misuse of those funds and  
12 increases the risk that funder payments are not available for  
13 the purpose they were claimed and received.

14           That's a nice way of saying, misuse, I think it's  
15 illegal and harmful. And I think we're putting a tuxedo on the  
16 pig and dressing this up by saying misuse.

17           Number 6, late payments to sub-recipients. The  
18 providers have been complaining to Mayor Bass, rightfully, look  
19 we're not getting paid on time and she wants to keep these  
20 providers for the good of the homeless and working together.

21           But the providers have brought this on themselves  
22 also by not getting timely reports in, by delaying these  
23 reports, quite frankly, and I sure want to know where that \$50  
24 million has gone when we say we don't have any money. And I  
25 think the public is going to want to know that too. Or do

1 these people just get a free gift on the street corner of \$50  
2 million as providers with no contract, nothing that we know  
3 about work, nothing about the scope, it sounds like a gift  
4 quite frankly. And I don't know why they're not being pursued  
5 minimally civilly.

6 The recordkeeping. Number 7, this is fascinating.  
7 12 of the 36 providers that received working capital advances  
8 totaling 34.6 or 68 percent of the total 50.8 million in  
9 working capital advances awarded, in other words, what we've  
10 got is what I call the big 12. I want to know those names  
11 also. I'm going to sit here, in fact, and demand that I have  
12 those names of these providers who are getting this amount of  
13 money.

14 Also the understated amount of the working capital  
15 advances of two separate recipients of 505 million, that really  
16 means that there's about \$500,000 -- I said million, I'm sorry,  
17 500,000, that means that there's really about \$500,000 that  
18 just went out the door. And there's no documentation. And so  
19 who are the providers who were gifted this \$500,000?

20 Go to number 9 for a moment, inadequate contracting  
21 monitoring plan. Now, first of all, 50 percent of these  
22 programs, according to the auditor/controller and I'm going to  
23 read back the Court's own recitation of this in 2021, it's  
24 going to sound like Groundhog Day, when I read this transcript  
25 back to you.

1           50 percent of these programs aren't even monitored.  
2 So we're just going to deal now with the 50 percent that are  
3 being monitored and of the reviews, they do not include  
4 procedures to monitor a sub-recipient's program or provider's  
5 program or service or any delivery compliance or adherence to  
6 eligibility requirements and LAHSA did not have a process in  
7 place to ensure this form of monitoring would be completed.

8           So 50 percent, folks, of these contracts don't even  
9 have a monitoring procedure plan. And now we're going to take  
10 the other 50 percent and our findings is, there's no way to  
11 monitor these. And the result, by the auditor/controller, is  
12 quote, result in the waste or misuse of public funds and  
13 critical services not being provided.

14           Number 10, the contract monitoring centers because it  
15 ties right into what A&M's frustration is with this. First of  
16 all, they took a sample of the contract monitoring reviews, but  
17 I believe there's only ten. This is a small subset, folks, of  
18 our contracts out there.

19           LAHSA did not maintain adequate work papers to  
20 support the results and conclusions for all ten reviews. Work  
21 papers for all ten reviews did not include evidence of  
22 supervisory review. We could not determine whether LAHSA  
23 adequately monitored their contracts to ensure providers  
24 complied with their contract terms. I'm getting rid of the  
25 word sub-recipients, it's meaningless.



1 The next one --

2 **MS. MARTINEZ:** Judge Carter, on -- just on this issue  
3 here, at the last court hearing LAHSA agreed to provide the  
4 program compliance for the monitoring. I just would ask A&M,  
5 did you receive that information?

6 **THE COURT:** Come on up so we can hear you.

7 **MS. COLLIER:** Laura Collier. It appears to still be  
8 incomplete. I think there was some conversation, if I recall,  
9 between Dr. Henderson from LAHSA, questioning scope. And then  
10 we still have not received the grievances. We received a  
11 summary table, but not anything --

12 **MS. MARTINEZ:** Yeah, but the attorney specifically  
13 said at the hearing that that information would be released and  
14 so I'm -- and it's now been over a month so you don't have all  
15 that documentation because it's out of scope. And so we can't  
16 move forward if we're hearing legal counsel say yes here to  
17 this Court and then nothing is provided to you, because -- and  
18 then you have Dr. Henderson e-mailing you saying that it's not  
19 part of scope.

20 So we either need to know that you are either going  
21 to provide that information today or you don't have it, period.  
22 And we're moving forward.

23 **THE COURT:** In other words, Michele and I are tired  
24 of chasing this quite frankly, along with Judge Birotte. And  
25 if you don't have this information, LAHSA, just say you don't

1 have it. All right.

2 **MS. RAFFERTY:** And, Your Honor, I'd just like to add  
3 that when we asked for certain information and if it is  
4 supplied to us but it's meaningless, the grievances, we need to  
5 know where a grievance was applied, what was the follow up on  
6 that grievance, are there multiple grievances at a service  
7 provider. To say there's this many grievances, that doesn't  
8 mean anything to us. We don't know is that the same provider,  
9 is it the same person, is it tracked, is it monitored, how  
10 serious it was.

11 So to say, well, we've given it to you, but it's not  
12 something that we can use or analyze to say we understand how  
13 the grievance process works.

14 **MS. MARTINEZ:** Thank you.

15 **THE COURT:** The next is concerning delay and  
16 reimbursement claims and the fact that the providers didn't  
17 submit when there was a review of a sample of 20 by the 15th of  
18 the month. So when they're requesting money, the question is  
19 why not.

20 And there was an attempt to contact the providers and  
21 only two responded. Why? These providers are being paid by  
22 the County and the City and by LAHSA. They should be jumping  
23 to respond with this kind of money that they're receiving. And  
24 so where's our control here? And due to internal issues?  
25 Nonsense. They're getting a lot of money.

1 Now, there's supposed to be planned audits. LAHSA  
2 did not complete any of the four planned audits in 2022, 2023,  
3 why? And you've initialed only two of those for 2023, 2024.  
4 Why? You have no risk assessment in No. 13 to see who our bad  
5 providers are, who aren't supplying data to us. They shouldn't  
6 be providers.

7 Number 14, did not provide a formal action plan that  
8 outlined specific safeguards in place to address, to proceed or  
9 actual impairments to independents. Your charter was last  
10 updated in 2018. Now, I know a lot of this falls on a new  
11 administration with Dr. Adams. He wasn't here for much of  
12 this. But you are here for this most recent 2023 and 2024.

13 And so, I'm going to turn one more document to you  
14 and I'm going to review it for all counsel back, to Document  
15 331, which is a transcript. And I'm going to read from part of  
16 that transcript dated May 27th, 2021. And, Mira, you weren't  
17 here at that time, Skip was.

18 **MS. HASHMALL:** Oh, I was here, that was my birthday.

19 **THE COURT:** So -- well, congratulations. Yeah.

20 Now, at that time, the Court noted that first of all  
21 I wanted an audit at that time, so this is three years ago.  
22 And number 2, that we couldn't account for almost everything  
23 that the auditor/controller has found in terms of lack of  
24 records, and that we couldn't account with any accuracy for  
25 over \$600 million that flowed through this City.

1 Now, that doesn't mean the work wasn't performed.  
2 That just meant we couldn't get the quality of the work or even  
3 if it was performed. And so if you were put on warning in 2021  
4 by this Court, now what did you do in the meantime to rectify  
5 this situation, because the auditor/controller three years  
6 later has found much of the same things that this Court noted  
7 and I'm going to read you from the record, so it's going to  
8 sound like the Rocky Horror Picture Show and you were on notice  
9 and the City was on notice, and the County was on notice.

10 So I'll skip around a little bit. And let me set the  
11 scene that you actually did have a snap audit. You had a snap  
12 audit of a three month period of time and now I'm going to need  
13 help, this is going to get complicated for a moment.

14 I'm not going to go through the entire transcript  
15 with you, but what the snap audit found, could you go to these  
16 documents on the auditor/controller, it's page 10 of 119. And  
17 I've got a bunch of notes on the side, I don't care if counsel  
18 reads them. Blow those up for a moment.

19 So I'm going to read from page 36. Actually it  
20 starts a lot earlier, and we've gone through a whole recitation  
21 about how much money LAHSA has received from the County and the  
22 City, and at that time, the State had about 13 billion plus  
23 invested.

24 And about that time, the budget had about \$150  
25 million carryover from the last year and hadn't been spent on

1 homelessness. Line 12, page 36,

2 "So as you look through these documents you'll  
3 find that there's a snap audit that takes places  
4 in July through September of a very limited number  
5 of providers. And what you're going to find that  
6 these were two of your primary providers, two of  
7 what I call the Big Fish and they didn't have any  
8 records, they didn't have any data. In fact, it  
9 had to be reconstructed I believe by the County  
10 and by LAHSA.

11 And I'm going to eventually ask you as you  
12 read through these documents with me, with Mr.  
13 Miller, since you're the County in measure, some  
14 difficult questions about data that was retained or  
15 not retained or even given to the Board for their  
16 consideration, so follow closely."

17 And then I can skip much of this.

18 Next page, page 37,

19 "So I want to look at the first box and it  
20 says right where the 1 is,"

21 And I'm going to read it because it's small print, so  
22 Mira, can you -- I mean, Allie, can you find that? And can you  
23 blow it up on the small print because eventually there's also a  
24 letter that the County Board of Supervisors has,

25 "During our review, LACDA, which of course is

1 Los Angeles County Development Authority could not  
2 really provide the detailed supporting documentation  
3 for their July through September 2018 performance  
4 data."

5 So the County controller/auditor was on to this. I  
6 don't think anybody realized the magnitude of this at the time,  
7 and specifically LACD did not maintain point, quote/unquote,  
8 did not maintain point in time details for the reporting  
9 period, i.e., and instead maintained real time running totals.

10 "Well, what does that mean? Mr. Miller, what's  
11 the difference between real time and running totals  
12 and point in time?

13 "Mr. Miller: I don't have a clue, Your Honor.  
14 Well, hypothetically point in time might be I submit  
15 something to you with these dates, a bill, and it  
16 tells me what the bills are for. And in real time  
17 might just be a compilation of a running total if  
18 you will, of bills that mount.

19 "So I bill 100,000, I bill 150,000, but I'm  
20 going to be asking you in this audit in just a  
21 moment,"

22 And then we'll just skip over to the next page, to  
23 page 38.

24 "Now, turn the page for a moment and you'll  
25 see recommendation number 2 or finding No. 2.

1 It's on slide 11. Quote, we noted that Lot -- LACD  
2 does not require the PHAs to provide supporting  
3 documentation such as detailed accounting records  
4 at the time the quarterly expenditure reports were  
5 submitted."

6 And then go through a long dissertation about how  
7 much money flowed into LAHSA, et cetera, year by year. Go over  
8 to page 39,

9 "The Court: 216 million. That's your measure  
10 H. The implementation date if you look off to the  
11 right-hand corner, it's a year and two months later,  
12 so in this snap audit, which is what took place  
13 over a three month period of time, what our  
14 bureaucracy is discovering, oops, we've got a problem  
15 in terms of inaccurate and not supported data,  
16 but we're going to take a year and two months to  
17 implement that."

18 What occurred here was these findings were made by an  
19 auditor/controller at the time, but it took a year and a half  
20 of your bureaucracy to get to this Board for any attempted  
21 correction, while all this money just continued to flow out,  
22 with no data.

23 So down to line 14,

24 "Now in the meantime, and this is going to be  
25 complicated, I want you to turn to slide 15 for

1 a moment and if you can track this, I want you to  
2 go down to 15 and you'll find the third bullet point.  
3 And then we talk once again about the number of  
4 measure H funds that are flowing in. And we move  
5 over so we're not boring you with the figures to  
6 well over \$600 million.

7 "And that's noted on page 41. So, Skip, just  
8 in rough figures take 398, well it's roughly 503,"  
9 And by the way, this was just in one year for measure  
10 H funds. Because it was under reported, they received a lot  
11 more money.

12 "And I'm sorry, it should be about 440 million  
13 but we'll take these figures that come from the  
14 County, we'll take 398 and I'm referring to million  
15 and we'll under represent this for you about  
16 340 million, so I gave a discount arbitrarily to  
17 make it look better.

18 "And then we go down to the fact that the  
19 County's figures are under representing the 309.8  
20 million because if you follow this, you really  
21 received 503 million, much more money than is  
22 being reported.

23 "Okay. Now, I want you to go and we're almost  
24 done to slide 12 for a moment and look at LACDA's  
25 response because January 22nd of 2020 without the



1 Board knowing, in my opinion, because I don't know  
2 that this ever got to the Board, for the bureaucracy,  
3 the information came as follows,

4 'There's an agreement between LACDA and the  
5 providers that from now on, we're going to have  
6 printed on the report to ensure that the reporting  
7 period reflects the point in time details that  
8 correlates with their data. Someone could read that  
9 as bills being handed in without dates, not able to  
10 match up to project, and number two, that the  
11 providers are retaining the data that's never going  
12 over to LACDA.'"

13 Now, this is in 2022, 2021 and the Board fully knows  
14 about this or the bureaucracy does at the time. And I'm going  
15 to ask in the three years what you've done that's any different  
16 than the auditor/controller report coming in from the County?  
17 It's the same.

18 There could be -- line 11,

19 "There could be speculation that LACDA didn't  
20 get the underlying data, that this data is  
21 being retained by the providers and only through the  
22 spot audit with two of the providers is this being  
23 recommended or being noted with really tens and tens  
24 and tens of providers out there."

25 In other words, we just had two of the big fish, we

1 don't have the hundreds of contracts and the hundreds of  
2 providers even that we're able to monitor.

3 "The Court: And the response we got back was  
4 it's something new, and it's not new. And that's  
5 an order by the Court unless the Ninth Circuit  
6 stays me. There has to be an accounting here."

7 I believe that after this, the Board did, in fact,  
8 did get the January 20th letter, and Mira, you've got that in  
9 your possession over at the County. If you don't have it, I'll  
10 pull it up, because the Board got notice of this.

11 All these deficiencies, but the spot on doesn't show  
12 any data. It doesn't even show dates. It doesn't even show  
13 that LACDA got the information because LACDA is trying to reach  
14 back to the provider to construct it. So what LACDA was doing  
15 at the time, since the provider didn't have it, they were  
16 helping the provider reconstruct it, which I mean, rescue it.

17 We've got about -- line 15,

18 "We've got about 600 million that flowed  
19 through with no accounting in this one year in  
20 2021. And it seems to match with what Elaine  
21 Howle is saying, because if you would now turn  
22 back to the state level and you would turn back  
23 to slide 5 and read this together, 'The State  
24 does not track the funding it provides to combat  
25 homelessness.'"

1 Let me repeat that, in case any of you missed that,  
2 "The State does not track the funding it  
3 provides to combat homelessness which could  
4 perhaps be the biggest problem of all. There is  
5 no single state entity that comprehensively  
6 tracks the sources of funding that's intended,  
7 its intended uses or related expenditures for  
8 these programs. Nor does the State, 'track  
9 how much funding is available to spend towards  
10 addressing homelessness statewide.'"

11 That's from your State.

12 "But if this was a problem then,"

13 And this is the Court speaking,

14 "just make certain now that this data is coming  
15 in to LACD from our providers in good faith with the  
16 correct date, you can underline that, and time so we  
17 can match up what they're doing.

18 "So we can have milestones and accountability  
19 here, because the argument could be about \$600  
20 million or more flowed through with no accountability  
21 and no tracking."

22 And you completely ignored this Court. I called for  
23 this in 2021 and I think everybody walked out and just  
24 completely ignored this Court and you've been on notice about  
25 this.

1 In short, 2017, 2018 do we have records or not? 2017  
2 up to July, September we know on the spot on we don't have it.  
3 We don't even implement now for a year and three months later,  
4 so once it was caught in a sense, the Board didn't even know  
5 about it through the bureaucracy of the County for a year and  
6 three months. And more money flowed out the door.

7 The demand should have been by the County under  
8 Measure H about where is this money going and the Board should  
9 have been notified years earlier and the Board was notified in  
10 2021.

11 So I'm looking for an explanation today since it  
12 matches the request by the A&M concerning these delays, about  
13 no data, no monitoring, what the explanation is from LAHSA and  
14 I hold the County responsible for this and I hold the City.  
15 And in a few moments, Mira, you're going to tell me I don't  
16 have jurisdiction. I've got that down.

17 But I'm going to say that you are LAHSA, just like  
18 Lindsey Horvath said, she accepted responsibility, refreshing.  
19 And I don't see why there isn't an additional spot check by  
20 A&M, because otherwise they're just working off of data and  
21 there should be at least ten more sites checked, where they can  
22 go out and verify the services are being -- now you can turn me  
23 down on that, I understand that, but I'm going to be asking you  
24 then, what would you do as a judge, do I then just adopt the  
25 findings of the auditor/controller and make that a part of the

1 findings and write as a factual determination that the County  
2 is unwilling to participate in these spot audits to verify,  
3 they can be minimal, probably ten or more, but at least it  
4 would give us a sampling.

5 Okay. So, LAHSA, your turn. And when you're  
6 speaking, you're not a separate entity. I hold the County and  
7 the City responsible for this, because they are LAHSA. And  
8 this trifurcation is ridiculous. In fact, it's the perfect  
9 system for irresponsibility and not accountability.

10 **MR. YAP:** Good morning, Robert Yap, counsel for  
11 LAHSA. There was a lot of issues that were thrown at us this  
12 morning. The one thing that we'd first like to address is this  
13 issue about data delays in responding to A&M's request.

14 Now, LAHSA does support the goals of the parties  
15 here, the goals of the Court and LAHSA has not delayed in --  
16 has generally complied which is what the words that A&M has  
17 used, has generally been responsive and has complied and LAHSA  
18 has prepared an exhibit of -- containing a description of the  
19 71 requests that A&M submitted, the date it was submitted to  
20 LAHSA, the due date that was given to LAHSA, and the date that  
21 LAHSA actually submitted to it.

22 We're willing to have this -- if I can put this on  
23 the Elmo, Your Honor.

24 **THE COURT:** Sure. And I'll make it a part of the  
25 record for you.

1           **MR. YAP:** Thank you. And so these are the -- again,  
2 oops, sorry. These are, as I mentioned, these are the requests  
3 that were submitted, they're numbered, they're all itemized.  
4 And as you can see from the first page, that LAHSA had  
5 submitted those requests before the due date. And there's  
6 about seven pages, Your Honor, and we have identified probably  
7 about 12 out of the 7 requests that were not done on time.

8           Three of the requests were beyond a week. The other  
9 eight, I'm terrible at math, the other nine or so were within a  
10 couple of days or under a week, Your Honor. But generally  
11 LAHSA has complied and provided the information.

12           Now, it was asked by -- I'll just use this as an  
13 example, Special Master Martinez talked about the grievances  
14 and the request that was made, that was made at the hearing  
15 last time, LAHSA provided those on -- let's see where it is,  
16 October 24th. And A&M had indicated, you know, that the data  
17 that was received, they couldn't tell what was -- what the  
18 resolution was, or what further action that was taken. And  
19 that might be.

20           But in responding to these requests, LAHSA has  
21 provided the information, the records that they have and I feel  
22 that the issue is, is it's the quality of information. And  
23 that doesn't mean though that LAHSA didn't submit the records  
24 that it has.

25           If there's missing information in those records, it's

1 not because we're withholding it. There was an issue, Your  
2 Honor, if I could just continue, that was brought up last time,  
3 it was a question that Special Master Martinez asked about, you  
4 know, tracking, funding from a City Council level versus a  
5 small level and Ms. Trejo, CFO from LAHSA just mentioned, well,  
6 we don't -- we track on a small level.

7 So the information that is missing, it's not on the  
8 records, it's just the way that it's tracked, but it's not that  
9 we're withholding --

10 **THE COURT:** Then say it's missing because it's  
11 costing the City money to chase this data.

12 **MR. YAP:** I think -- well, I'll get to it. I think  
13 we've stated, LAHSA has stated we provided the information and  
14 one of the -- I'll use another example about, there was --  
15 about what A&M had mentioned about having requests that were  
16 initially done in July or June, LAHSA -- it received initial  
17 information but it needed to do a crosswalk and it didn't  
18 consider that the information -- and then LAHSA had to supply  
19 additional information and didn't consider receiving -- A&M did  
20 not consider that the information was received until August,  
21 but that's not what actually happened.

22 LAHSA provided what it had. It needed -- the  
23 information is complex and we know, we understand that A&M has  
24 a hard job. And if I could just quote Your Honor, this is --  
25 A&M has mentioned these issues before. I'm looking at the

1 transcript, Your Honor, from August 29th, I believe it was  
2 Ms. Rafferty, I'm reading from page 21 of the transcript, she  
3 says -- this is specifically regarding data received by -- from  
4 LAHSA.

5 "It's very, very difficult or very convoluted.  
6 The documentation sometimes comes to us and it's  
7 not complete or it doesn't make logical sense,  
8 some of the data. The lack of information that  
9 we talked about the HMI system it's very archaic,  
10 it's very cumbersome. So we know when someone is  
11 trying to get us information and they can't get it  
12 through their system, it's not due to lack of  
13 intent, it's not there."

14 We, LAHSA, is in good faith providing the records  
15 that we have. And it's -- and then obviously that generates,  
16 which A&M has also touched upon at that hearing, it generates  
17 follow up requests, but that doesn't mean that we didn't  
18 respond to the original request by the due date.

19 They analyze information, A&M has to understand --  
20 realizes that they need to either provide a more focused  
21 request or a new separate request in order to provide that.  
22 And when they make that request, we generally -- we comply and  
23 respond back. But that doesn't mean, you know, as -- there was  
24 a description about an exchange of communications, that doesn't  
25 mean that we didn't respond to the original July request.



1           And going back to that initial hearing, Your Honor,  
2 A&M had mentioned that, had mentioned that issue. I believe it  
3 was Mr. McKee who mentioned reading from page 18 of that  
4 transcript,

5           "Wards were involved with working various  
6 counterparts of the City and LAHSA to provide us  
7 information."

8           So she's communicating with them, but we need to ask  
9 the right questions and make sure that we get the data that is  
10 vital to our review. So there are follow ups, Your Honor, and  
11 we're complying with them and LAHSA continues to -- intends to  
12 continue complying to the best of our ability.

13           Those are the records, though. I don't know how else  
14 LAHSA can state it when a request is made, we are providing  
15 what it has. And you can make judgments about it, you know,  
16 the report is clear about what's happening and not happening,  
17 I'm talking about the County's audit, but those are the  
18 records, we are complying, we are providing the data generally  
19 within either early, on time, a couple of a few instances where  
20 it was, you know, late, but it's not -- it's within good faith,  
21 Your Honor, and diligently.

22           **THE COURT:** Michele.

23           **MS. MARTINEZ:** Your Honor, if I may, I want to go  
24 back to the grievances, because the last time we were here I  
25 said that if you did not want to give the information directly

1 to A&M that you would seal that with the Court, the grievances.  
2 We didn't want redacted information.

3 If you go back to the transcript, we had a 25 minute  
4 conversation that even the LA Alliance chimed in and said it  
5 was important for that information to be provided as well, so  
6 that A&M can make that assessment as they were going over their  
7 grievances.

8 You agreed to providing that information directly to  
9 them, you didn't submit it -- you decided not to move towards  
10 and sealing the information and giving it to the Court. And  
11 here we are, that the information of the grievances were  
12 redacted.

13 We can't do an assessment, you can't review any of  
14 this if everything is being redacted. That's why we were very  
15 specific and when we asked you, if you feel uncomfortable, we  
16 can seal this with the Court, you ended up telling me not an  
17 issue, we will go ahead and submit the information.

18 There were certain -- I think there was one or two  
19 items that you spoke about that you were going to redact, but  
20 you weren't going to redact everything. So I don't know why  
21 we're here, even at this point, when this information --  
22 whether it's part of the scope or not, this is an issue that we  
23 specifically asked you to go through the Court or give it to  
24 them specifically and that was not happening.

25 And here we are, now in November, and November 21st.

1 So my question to you is that you stated to the Court one thing  
2 and LAHSA staff presented something else. So it's not -- that  
3 is considered a delay in my book. If you don't consider that a  
4 delay, then I don't know what a delay is. That -- we've now  
5 delayed this specific process in regards to the grievances and  
6 that was just one request.

7 So the other thing that I will state as well that I  
8 do appreciate LAHSA and specifically Dr. Henderson has been  
9 responsive and submitting, but the issue is this, the  
10 information that is being submitted at times, does not  
11 correlate with what is needed.

12 And so obviously, you know, and I get that LAHSA has  
13 to deal with various systems, various government structures,  
14 sub-recipients and -- I get all of that. But the question here  
15 today is that you can submit something, but if it's not the  
16 information that we're seeking and we're having to go back and  
17 forth, that costs the City of Los Angeles money.

18 So moving forward what we're asking if this is the  
19 records that have, and that's what you have, great. And we  
20 will utilize those records and move forward. But we can't  
21 continue to go back and forth over and over again and we've  
22 been doing this since, you know, go back to your number one,  
23 since June, July. Right? And we're now in November.

24 So I think it's important to recognize, is that we're  
25 not here trying to say, shame on, LAHSA, you know, all you've

1 done was delay, delay, no one is saying that here today, what  
2 we're saying is if you have records that you are submitting,  
3 and they are not correlating to the information that A&M needs  
4 and you're saying that's all that you have, then let us know  
5 that so that A&M can move forward and saying, this is all the  
6 records that LAHSA has, period.

7 But if we're going back and forth and still don't  
8 have the information, we're never going to get this assessment  
9 done.

10 **MR. YAP:** Understood. Just a couple of -- I'll  
11 address the last one though and that is what our understanding  
12 is what's going on is we're responding to the initial requests  
13 providing what we have. But there -- and we have the  
14 communications to back all this up, but then there's a follow  
15 up request to that and that's where you talk about that back  
16 and forth.

17 That's like a different request. And so we're not --  
18 it's not that we're -- you're asking X and we're providing Y,  
19 it's just these are all the records that we -- that LAHSA has  
20 in response to X and it might not be what A&M is looking for or  
21 what they were expecting, what they needed. And then there is  
22 that back and forth and is initiated, do you have this, do you  
23 have that. That's not a delay on LAHSA's part.

24 And as I said, we with Dr. Henderson, she's  
25 providing -- she's gathering what records they have for that.

1 And again, understand that, you know, issues about quality but  
2 that's what the records are.

3 And as far as the thing about the grievances, I need  
4 to see the transcript, but I recall the Court saying then we'll  
5 hold that request in abeyance because A&M was right here, and  
6 they said we can -- we just need to redact the participant  
7 information. My understanding is that is the only information  
8 that is getting redacted. We're not redacting the site, the  
9 name of the site, you know, what occurred. It is just  
10 literally the name of the participant and we said we would  
11 disclose that.

12 There was -- the issue I understand from plaintiffs  
13 was about the -- it was about the pending investigations, and  
14 we said we'd be willing to work it out, but based upon the  
15 agreement that I understood that I made, which is we could  
16 redact the grievances and we could redact just again  
17 participant information. And that's what we provided. And  
18 that's what we provided on October 31st or whatever that date  
19 was.

20 Unless the Court has any further questions, I have  
21 nothing. Other than to reassure the Court we are providing and  
22 we'll continue provide with whatever request. We have this  
23 exhibit, Your Honor, that goes all the way to page 7 --

24 **THE COURT:** When you put out a bid, when you put out  
25 a bid, you have to put out the scope and you get a response

1 from a provider. That provider gets into a competitive  
2 situation and eventually LAHSA, through whatever means, picks a  
3 provider.

4 You already have the information, not only about the  
5 scope of the contract, at least those contracts that you can  
6 find, but there's absolutely no reason why you're paying out  
7 money without an invoice and substantiating documentation that  
8 goes with it.

9 And what we're getting, quite frankly, is very little  
10 because 50 percent of your contracts aren't even monitored, the  
11 other 50 percent we've only gone through a spot check on and  
12 they're disastrous in terms of their performance. And how are  
13 we ever going to get transparency for the public and get this  
14 up on a website, other than just accepting, you know, gee,  
15 we're going to do better. Because I've been hearing that now  
16 for three or four years.

17 When are we going to get this data in a timely  
18 fashion because you're not approving a contract unless you know  
19 what the scope of work is. You've got this documentation from  
20 PATH or DLA already, you've got it from United Way already,  
21 it's easy to get to us. So why aren't we getting invoices with  
22 substantiating documentation that goes with it? And why aren't  
23 we getting some spot monitoring, even though the claim from the  
24 County is that I don't have jurisdiction, why isn't that  
25 happening? Why don't we have this website up and operating in

1 a robust manner? And I told you that with my redline before,  
2 so we had transparency for the public. Because the audit that  
3 A&M is backward looking, what happened to the money.

4 If we were all on the same foot, we would be going  
5 forward and getting this documentation up and that's exactly  
6 what's not happening.

7 **MR. YAP:** Your Honor, your points are well taken  
8 and --

9 **THE COURT:** Then do it.

10 **MR. YAP:** -- the --

11 **THE COURT:** Well taken. That's pablum. Do it. And  
12 I've been asking this forever. Now what I am going to do about  
13 that? I haven't decided yet, because I don't know if the City  
14 is going to be in default on the LA Alliance agreement and so  
15 I'm waiting to see where the City ends up on this, but whatever  
16 happens with the City is going to have repercussions for LAHSA  
17 and the County.

18 And so here's my request. One, you two should get  
19 together right now and approve the \$440,000 which is chump  
20 change, doesn't even rise to the lower estimate of 2.8, and  
21 actually have a guarantee from somebody who can give you that  
22 guarantee, whether it's the president of the Council or Matt  
23 Szabo or the Mayor that they're going to take this to the  
24 Council in good faith and request it, because I know you can't  
25 do that today.

1           Number two, with the other 600 and -- is it 20,000,  
2 Mira? Yeah. I think that there's an agreement about the  
3 180,000. But regardless of your position, you are LAHSA. And  
4 it would seem to me that minimally we should have ten more spot  
5 checks, not more randomly selected in addition to your  
6 auditor/controller because that would give us confidence with  
7 the A&M report, which is going to be even more robust, then  
8 we've got some accuracy.

9           And it may make you folks look bad, but you already  
10 don't have the most favorable report, so I don't know how much  
11 worse you can look. And I don't know why the County isn't  
12 going to exceed to that, for a minimal of \$440,000 when you've  
13 got billions passing through.

14           And so what do I end up writing? If you refuse, do I  
15 write down that the County refuses to cooperate in my final  
16 findings? Now, you go and think about that and tell me how I'm  
17 going to get some guarantee today.

18           And number three or four, who are my providers? I  
19 wanted to know these gifted special providers who have \$50  
20 million when you claim we don't have money. Who are they? And  
21 I'm ordering you now to bring those to me. Understood?

22           And I'm going to sit here today or we can go through  
23 the auditor/controller because I'm going to have those  
24 providers today who haven't paid.

25           **MS. MARTINEZ:** Judge Carter?



1           **THE COURT:** Yeah.

2           **MS. MARTINEZ:** If I may, if you're -- I know you  
3 asked for their original request, which was the 440,000 for the  
4 City --

5           **THE COURT:** Saying 440 --

6           **MS. MARTINEZ:** -- and then for the County I don't  
7 think you've asked the County yet. I know the County I  
8 think --

9           **THE COURT:** I'm asking --

10          **MS. MARTINEZ:** -- in concept it had agreed to the 180  
11 just for the data.

12          **THE COURT:** Yeah.

13          **MS. MARTINEZ:** They did not agree to the  
14 additional --

15          **THE COURT:** Right.

16          **MS. MARTINEZ:** -- funding for the spot checks.

17          **THE COURT:** I'm not ordering or making, that's  
18 outside my jurisdiction. I'm asking to complete this, I think  
19 the County should come forward with the other 440,000 --

20          **MS. MARTINEZ:** But you haven't given them the  
21 opportunity to comment on that.

22          **THE COURT:** Well, I'm going to go around the room in  
23 just a moment.

24          **MS. MARTINEZ:** Okay.

25          **THE COURT:** Okay?

1           **MS. MARTINEZ:** And then just the third --

2           **THE COURT:** I want them to talk about it.

3           **MS. MARTINEZ:** Yes, and then just the third is for  
4 A&M just to come back to us on a time certain and when this  
5 information is needed, when do they actually need the renewal  
6 of engagement letters from both the City and the County if the  
7 County agrees by what time certain. It's imperative that we  
8 have that. And then I have a final question but you can go  
9 around the circle, thank you.

10           **THE COURT:** Are you sure? Do you want to ask the  
11 final question now?

12           **MS. MARTINEZ:** Oh, my final question is one for the  
13 City and the County. I just wanted to specifically, as we look  
14 at transparency and accountability, we know that the MOUs had  
15 been signed between the City and County, and I know we have --  
16 we can get those documents publicly, but the Court wanted those  
17 docketed. So I want to ask the City today if you are okay with  
18 docketing the MOUs between yourselves and the County of Los  
19 Angeles that pertains to the LA Alliance agreement and how you  
20 all agreed to funding some of these services and programs, and  
21 then the same question to the County of Los Angeles, if they  
22 are okay with also docketing those MOUs with the Court.

23           **THE COURT:** So, Michele, go ahead and ask the  
24 question again.

25           **MS. MARTINEZ:** City of Los Angeles?

1           **MS. FLORES:** Yes, those are public documents.

2           **MS. MARTINEZ:** The County of Los Angeles?

3           **MS. HASHMALL:** They are public documents, Your Honor.

4           **MS. MARTINEZ:** Great. So we can docket those.

5           **THE COURT:** Want to make sure.

6           **MS. MARTINEZ:** I'll go ahead and get them, Judge, and  
7 I will have those docketed public. Thank you.

8           **THE COURT:** Okay. And lastly, I'd like you to hear a  
9 little bit from the community today. I threw this open one  
10 time before, but most of you don't go down to Skid Row or other  
11 places in the city. I'm not chiding you for that. You get  
12 statistics in your bureaucracies, et cetera. But you're not  
13 talking to people.

14           And whatever this is, I'll tell you straight out, if  
15 you walk down the street and talk to 100 to 200 people, you'll  
16 hear one thing that you're about to hear, and you need to hear  
17 it at least in this court because I know you're not going to  
18 Skid Row. So I'm going to invite the informal mayor to come up  
19 for a moment, Kevin. And I've got one question. And then Amy  
20 and Terry, I'm going to limit this to a couple of other people.  
21 But, yeah -- no, it's going to be five minutes. That's it.

22           So tell them what's happening down on the row because  
23 they won't go down there.

24           **MR. CALL:** Good morning, Court.

25           **THE CLERK:** Please state your name for the record.

1           **MR. CALL:** My name is Kevin Call, Skid Row mayor.  
2 Skid Row mayor.

3           We reached one of the biggest topics here in Los  
4 Angeles. It's almost like a third world country here in  
5 downtown Los Angeles, Skid Row. I've been working with Skid  
6 Row for a while. I know exactly who comes to Skid Row, how  
7 Skid Row runs, and what's not hitting the streets.

8           The money is not hitting the streets of Skid Row. I  
9 don't understand the City and the County because we've got a  
10 lot of people here in the City of Los Angeles suffering at the  
11 hands of the politics of this city. This city here is a great  
12 city, but somehow we've got the wrong people in charge. The  
13 job is not getting done. Everybody at Skid Row who's doing the  
14 job is not getting paid to do the job. They come to Skid Row  
15 because they care. They put their money on the table at Skid  
16 Row because they care.

17           I have offered a lot of times I came to this court  
18 and offered the people that are sitting in this courtroom, and  
19 this city hall, and the city council, come out to Skid Row.

20           See what Skid Row is. But if I'm too good for Skid Row,  
21 something is happening. If I can put a man on the moon, I can  
22 clean up Skid Row.

23           We've got a lot of technology, but a lot of people is  
24 not using it. And I'm pretty fed up with the County and the  
25 City for making a whole bunch of promises that they have not

1 been keeping. We've got over 78,000 still homeless here in the  
2 City of Los Angeles like a third world country.

3 You go down there, you see women and children living  
4 in tents. We've got veterans sleeping in tents who fought for  
5 this country. Is that fair? But everybody is lining their  
6 pockets up, and the people out on the street is the ones  
7 suffering.

8 I told Dr. Adams last time she was here, we've got to  
9 begin to do something here. You give these people all this  
10 money, and somehow the money come up missing when it ain't been  
11 used correctly. Something is wrong with that. I'm an eye in  
12 the sky. I will stand up for the rights of the unhoused here  
13 in Los Angeles. Not only in this city, across this country,  
14 we've got people homeless. If you ever hear the movie  
15 Americans With No Address, that's the homeless.

16 **THE COURT:** Mayor, thank you. I want to hear from a  
17 couple other folks, okay? Just randomly.

18 No, no. No applause. This isn't a popularity  
19 contest right now.

20 **MS. SHAW:** Good day, everyone. My name is Suzette  
21 Shaw. I am a Skid Row resident. I write, talk, and I advocate  
22 Skid Row from a woman's perspective.

23 **THE COURT:** Nice to see you.

24 **MS. SHAW:** Yes, sir. Likewise. Yes, sir.

25 **THE COURT:** I know who you are. Thank you. I didn't

1 know you'd be -- it's nice meeting you in person.

2 **MS. SHAW:** Likewise. Thank you.

3 So what I want to say, as a woman who was displaced  
4 to Skid Row just over a decade ago, you know, when I was  
5 displaced to Skid Row as a missing person over a decade ago,  
6 they were literally putting us as women on the backside of  
7 men's programs because they didn't have programs, resources,  
8 and services to support the needs of us as women. Since my  
9 displacement to Skid Row over a decade ago, we've learned that  
10 black middle-aged elderly women are one of the number one  
11 demographics displaced into poverty and homelessness in Skid  
12 Row and throughout Los Angeles, not just year after year, but  
13 literally decade after decade by huge disproportionate numbers.

14 We have also learned that the intersection of  
15 domestic violence and trauma is part of who we are. As black  
16 women, it's trapped in our DNA that goes all the way back to  
17 our ancestors. I will say that I have been on the LAHSA CLC  
18 board since 2017. I was vice chair for a few years, and I was  
19 chair for a year. I've also been a member and co-chair of the  
20 Los Angeles Central Providers Collaborative in Skid Row, and I  
21 was recently appointed to the Skid Row Resident Advisory  
22 Council, and yet today I'm speaking as a resident of Skid Row.

23 I will say that I have been concerned as a resident  
24 of Skid Row and as someone advocating for our community with  
25 the fact of, you know, every year we send back so many millions

1 of dollars to HUD, to the federal government, where those  
2 dollars should be better penetrated and spent here in our  
3 community.

4           And I've always been very perplexed as to, even  
5 sitting on these different entities, I've always been very  
6 complex as to how so much money ends up getting pushed back,  
7 including with LAHSA, with HECLA. Some of this has been monies  
8 that are related to supporting people with rental assistance.  
9 There's been huge dollars related to domestic violence, and  
10 somehow there is an issue as far as understanding and creating  
11 an infrastructure to really penetrating, as the man said  
12 earlier, those dollars into the community so that we are better  
13 being assisted as residents of the community.

14           I can say so much more, but I'll leave it there and  
15 just leave you with, we can no longer talk about equality and  
16 empowerment while continuing to enforce inequities. Thank you  
17 for your time.

18           **THE COURT:** Thank you. It's nice meeting you in  
19 person.

20           **MS. SHAW:** Likewise.

21           **THE COURT:** It's the first time I've really had a  
22 chance to associate. Why don't you come up?

23           Oh, by the way, would you go over to the Elmo and  
24 that presentation that Allie put up, right? Thumb through  
25 that. And Amy, before you speak, go back to that presentation

1 and you'll see women on Skid Row. You have to thumb way back.  
2 I can do it probably quicker, Allie. Keep going. It's back  
3 there. You'll see a whole section of women on Skid Row.

4 Now, the mayor is actively working out there. Let me  
5 repeat that, okay? S he's out there. Dr. Adams-Kelton, she  
6 came out there with Katherine Barger. My compliments. Thank  
7 you. And the community took care of her. We didn't need four  
8 cars and 50 police officers. The community will take care of  
9 people going out there. So my compliments to Supervisor Barger  
10 for going out there and she had Dr. Adams-Kelton go with her.  
11 I think they got quite a sample of the street.

12 I don't expect all of you folks, but this is back in  
13 2021. And these are your vulnerable women plus an aging  
14 population. So put it on the Elmo. Just flip through a few.  
15 Just women on Skid Row.

16 These are women who get raped. And when you walk  
17 down the street, quite frankly, you haven't lived until you've  
18 got five women running up to you from a tent, literally, and  
19 saying, you know, last night we got accosted, we got raped.  
20 And those are just words. Just go through it real quick.

21 **MS. SHAW:** May I say one other thing, Judge, while  
22 she's trying to find that?

23 **THE COURT:** Sure. But just a moment. I want this to  
24 sink in because most of these people aren't going to go down  
25 there. Pictures don't do half the betrayal. And my goal isn't



1 improvement. My goal is to stop this. This is rain. She's  
2 got hypothermia, for God's sakes. Half nude. This lady is  
3 elderly. Your population is aging down there.

4 This is 2021. I've got a myriad of other pictures I  
5 could show you in the last three years, but good enough. They  
6 get the idea. There's another woman out in the street. Okay.  
7 Ma'am, if you'd like to one more, but then --

8 **MS. SHAW:** Just really quickly. I'd also just say  
9 that, you know, one of the things that's also -- that I've been  
10 advocating is a pathway to success for people living in  
11 permanent supportive housing in Skid Row. There needs to be an  
12 infrastructure.

13 HUD has a guideline called "Moving On." It's not a  
14 mandate, but it's about how do we support people and empower  
15 them who don't maybe need all the bells and whistles of someone  
16 living in a permanent supportive project base. How do we help  
17 them move on if they want to go back to school, if they want to  
18 seek employment, on and on and on. We need to do a better job.

19 I consider myself to be the epitome of someone who  
20 should be a "Moving On" person. I live on disability. I'm  
21 also a full-time student and in the Watt School of Social Work  
22 at Arizona State University, setting community advocacy, social  
23 policy with a minor organizational leadership development, and  
24 yet I live on \$635 per month as my disability. It's extremely  
25 hard trying to live on public assistance. It's extremely hard

1 trying to work your way out of nothing, pull yourself up by  
2 your bootstraps.

3 I lived on \$221 a month GR for five years, five  
4 years. And I live on less -- still below the poverty level and  
5 yet it's very difficult even when I was an executive in my  
6 former life and ending up in Skid Row, and now I still have to  
7 figure out and all the work that I do in the community, still  
8 have to -- I'm still a pathology because I've got a stigma on  
9 me as a black middle-aged woman, living in Skid Row. And it's  
10 very hard for us to -- there's a glass ceiling for us in these  
11 executive positions and working within these entities,  
12 including LAHSA. There's a glass ceiling and there's toxic  
13 environments. There's no support system to really help and  
14 I've talked to Dr. Kellum about it. I've talked to others  
15 about it, that we need to create a pathway to success for  
16 people living in supportive housing in Skid Row and help us  
17 move and empower us to move on in our lives.

18 **THE COURT:** Thank you very much. Amy, why don't you  
19 come up and then Don or whoever, but I just -- I need to limit  
20 this and then Michael for the medicine, and maybe Terry.

21 Tell them who you are. Tell them what you do.

22 **MS. SIMPSON:** My name is Amy Simpson and I run the  
23 non-profit Humanity Heroes. I started serving in Skid Row in  
24 2024. I wrote my notes because this is -- it's a very  
25 emotional thing what happens down there, and many of you won't

1 see it, but those of you who have taken the time to come down  
2 and serve with us know that there's a lot of pain and  
3 suffering.

4 I started back in 2013 with LA City Parks and  
5 Recreation, feeding homeless people at Gladys Park and San  
6 Julian Park. In 2016, I joined Humanity Heroes and since then  
7 we have distributed 50,000 red backpacks that contain  
8 essentials that many of us take for granted and these are  
9 essentials that are very hard to come by to people that are  
10 living on the streets and unhoused.

11 The unhoused that are left in Skid Row are mentally  
12 ill and severely on drugs. These people are probably some of  
13 the hardest people to deal with, which is why they're not being  
14 reached because some of the housing that is being offered  
15 prefers an easier type of client than what we see that are in  
16 Skid Row. To expect that these people will remember to go to  
17 their appointment to follow up for housing, it's not likely.  
18 You really have to, like, get involved and get the community to  
19 trust you to get them to follow the procedures and those sort  
20 of things.

21 Talking to people that live in Skid Row that are  
22 desperate for housing say that it takes up to two months for  
23 them to get housing, and there's no emergency housing  
24 available. And two months to a woman who's living on Skid Row  
25 can seem like eternity.

1 I've met many women who -- they're being raped and  
2 tortured, held hostage for days with no food and beaten, and  
3 the wounds that they have are so visible and they're so  
4 hopeless, and this is every single day in Skid Row, and it's  
5 not fair, and they're forgotten, and they have nowhere to go.

6 Many people that are down there, the streets are  
7 filthy on a daily basis and they're littered with trash, and so  
8 when new people get to Skid Row, they become angry and they  
9 succumb to the drugs and alcohol problems that are down there.  
10 And not only is it alcohol and drugs, but there's also  
11 streetwalkers, women with AIDS that continue to do what they do  
12 to get money. And so there's a whole other issue that started  
13 that's spreading down there that's not even being talked about.

14 So, let's talk about the drug lords that are living  
15 in the tents and in the RVs. Many of this, you know, we've  
16 seen here sitting in the court, many of the funds go to  
17 security, but --

18 **THE COURT:** Tell them about the white car on the  
19 corner near Veronica, where the five kids are in the car and  
20 the bullets start going through the car. Lay that out for  
21 them.

22 **MS. SIMPSON:** Yeah. So there's -- yeah, there's  
23 people living in cars, mothers with children, and the cars  
24 just, you know, possibly wrong place wrong time, but they're  
25 getting, you know, shattered with the bullets. There's kids

1 inside.

2 **THE COURT:** Five kids in the car.

3 **MS. SIMPSON:** The mothers are homeless, so they're  
4 hopeless, and this is the conditions that they're living in.  
5 On every single floor of the SROs and Skid Row are drug lords  
6 that are controlling the benefits that are given to these  
7 housed but unhoused people. So we have a huge drug problem  
8 that's not being addressed, and we're constantly talking about  
9 the homeless issue. But I'm sure that anyone -- you have to  
10 address the drug and the mental illness before you could be  
11 successful with housing. So that's why many of these people  
12 that are being housed end up coming back to Skid Row because  
13 they're not getting proper treatment.

14 And when they go into these housing units or, you  
15 know, rooms and then they die because they had a fentanyl  
16 overdose, there's not even anyone to go get these bodies out.  
17 So the bodies start decomposing. There's just not really a lot  
18 of care for the amount of money that has been given to this  
19 city to help these problems.

20 Now that they're -- now we have immigrants and  
21 children that are down there and it really hurts my heart. We  
22 do a lot of outreach, but when young kids run to the table and  
23 cut the line, we're in a position to choose very quickly. Do  
24 we -- do we take care of the children that are running to the  
25 front of our lines or do we take care of the people that have

1 been standing in line, sometimes in hundred degree weather,  
2 waiting an hour or longer for us to set up.

3           We know what happens. There's been studies for years  
4 what happens to people that experience trauma as a child. So  
5 now these immigrants are coming and they're being left on Skid  
6 Row, where they're instantly or within days of being there  
7 suffering some sort of trauma, and these kids and families are  
8 people that want to be here to stay. So we're bringing the  
9 kids to Skid Row, or however they're getting there. They're  
10 experiencing trauma, then they're going to grow up and they're  
11 going to have different mental illnesses because of this  
12 trauma.

13           So isn't there a way that these kids can be bypassed  
14 out of Skid Row, the families, the mothers? Because the people  
15 that we're already dealing with down there, there's thousands,  
16 and there's not enough help that's coming down there. We've  
17 been doing outreach in Skid Row for a very long time,  
18 consistently. We've gotten to know the community.  
19 Organizations have come together so that we can make a greater  
20 impact, but it's almost impossible to get someone from the city  
21 any type of representation to come participate with us.

22           When the director of LAHSA came down, it was very  
23 nice, but she was completely shocked about what's going there  
24 and to me, from my perspective, it made me realize even more  
25 that may have been one of her first experiences there, which is

1 very alarming considering this has been going on for so long.

2           It's just -- it's hard. It's a lot to take in and  
3 the money is not getting to the streets and to think about 50  
4 million dollars is lost, we could have done so much with that  
5 money. Even if it's just cleaning up the streets and providing  
6 mental health.

7           There's nonprofits, just like Humanity Heroes, that  
8 are committed to this that have no funding. We're getting  
9 donations from corporations of things, things that are on the  
10 verge of expiring, so that we could go and give to the  
11 community.

12           It's really heartbreaking because we're committed to  
13 doing this work and no matter how hard we work, the problem  
14 continues to get worse. So you know, anyone that wants to help  
15 us from the City, the County, we're there. We're committed to  
16 this community.

17           **THE COURT:** You know, let's take them down in the  
18 rain. In other words, it's all good in the summertime  
19 sometimes, although it was 129 on the asphalt with that lady  
20 walking around at bare feet. Let's invite them down in the  
21 rain, and see some of the conditions down there. See who shows  
22 up.

23           **MS. SIMPSON:** Yes, I would be happy to do that.

24           **THE COURT:** Okay? Thanks, Amy.

25           Now, remember, all these folks are volunteers. This

1 isn't coming from the County or the City, including all your  
2 water going down there on a water drop from UCLA and USC  
3 students. So Don.

4 **MR. GARZA:** I need somebody to hold me while I'm up  
5 here.

6 Judge, you know I've been down in Skid Row. My name  
7 is Don Garza. I am a disabled veteran on Social Security  
8 disability. I am a combat veteran. So I don't quit. I don't  
9 give up. It hurts. Amy, I'm going to answer your question so  
10 these people can hear it.

11 You asked why is this happening in Skid Row? Well,  
12 I'm going to tell you why this is happening in Skid Row. When  
13 I got down there in '99, when the non-profits were few, the  
14 City and the County would throw money at the non-profits, just  
15 throw it at them, because they're the experts. They know  
16 what's going on, with no accountability. That was 1999. It's  
17 still going on now.

18 The other issue is the undertone that the City of Los  
19 Angeles, the culture within the county, the city, and now its  
20 huge billion-dollar business of LAHSA is that Skid Row is a  
21 place where people are sent to languish and die in the streets  
22 and in the housing. The objective of the County and the City  
23 politicians is to appease their constituents who vote for them.  
24 So not everybody in Skid Row and downtown LA are the majority  
25 voters of these politicians.



1           So what do they do? You may disagree with me, but  
2 I've been watching this game played for 25 years. When  
3 election time comes around, they allow all these people to  
4 scatter all over the city. But when citywide election happens,  
5 countywide election happens, all of a sudden there are these  
6 efforts to move people, solve the homeless issue, but you want  
7 to move them as close to Skid Row as possible.

8           Ladies and gentlemen, Skid Row is still the place  
9 where if we can put them there, they will languish, they will  
10 be forgotten, and they will die. Children should not be on the  
11 streets of Skid Row. It was not tolerated ever. If we knew  
12 there were children there, we found somebody, but we lost our  
13 advocate Andy Bales. Andy Bales would not allow this to  
14 happen. There was a time when a county official told these  
15 non-profits in Skid Row, you can ask Andy, they told him if  
16 you -- you will not receive any funding from the county if you  
17 take on children. You know what Andy said? We're not going to  
18 listen to you, but the other non-profits did, because they're  
19 going to be down there, but right now, this is intolerable.

20           **THE COURT:** And if you want any verification on that,  
21 I'll get Andy Bales on the phone for you.

22           **MR. GARZA:** This is my hero. I have a chronic  
23 illness, chronic inflammatory demyelinating peripheral  
24 neuropathy. Right now, it's cold and damp. I'm in a lot of  
25 pain. I cry easy. The people on the street suffer with

1 chronic illnesses that you cannot see. It isn't just about  
2 drugs. It isn't just about alcohol. I live in an SRO and let  
3 me tell you it's going to get a lot worse now that -- now that  
4 a lot of these non-profits housing -- a lot of non-profit  
5 housing developments are being taken over by non-profits. It's  
6 become big business. It's going to get a lot worse for us.

7 I don't drink. I don't use drugs. I don't tolerate  
8 in that. I'm being bullied now in my building, but this man  
9 came down. I asked him. It was raining --

10 **THE COURT:** Now, hold on, Don. Let me get Michael  
11 up.

12 Now, I want to explain something to you that's  
13 happening on the Row. First, historically, we've been picking  
14 up bodies near a fire station is incredibly busy down there,  
15 the busiest in the nation. And but for a doctor also besides  
16 Michael, who you're about to meet, there wasn't proactivity.  
17 In other words, we see somebody with gangrene on the street one  
18 day, we see, you know, a person that's literally almost dead  
19 and Narcan comes back the next day. We were reactive.

20 It took me a year to gain the trust of the community,  
21 where I didn't go in with marshals. I don't go in with  
22 marshals. The communities have accepted me, and it took me  
23 another year to try to get something proactive with Michael.

24 So Michael, step up for a moment. Don, stay for a  
25 second. Explain what you do, because well, otherwise, we've

1 just been picking up bodies, City, County, and LAHSA, you need  
2 to get proactive and get some street medicine out there because  
3 all your water is not coming from you. They're tearing off fire  
4 hydrants. Food is not coming from you. Ask 200 people. I'll  
5 take you with me, what city the streets, they'll tell you  
6 nothing. All right. Now tell them what you do.

7 **MR. WRIGHT:** Thank you, Your Honor. My name is  
8 Michael Sean Wright and I am the director of field medicine for  
9 Lestonnac clinics and the founder of WoundWalk.org, the  
10 nation's largest street medicine team.

11 Your Honor stated that we sought community buy-in,  
12 Kevin, Don, all -- Amy, all of our friends out there to bring  
13 our doctors, our team of medics --

14 **THE COURT:** Terry, Paul.

15 **MR. WRIGHT:** Terry, everybody.

16 **THE COURT:** Mike.

17 **MR. WRIGHT:** To come in on a weekly basis to make an  
18 assessment of the medical needs that are out there, and Your  
19 Honor has put us around those individuals that have come down  
20 to visit the row, including Dr. Adams, which I was quickly  
21 aware that not a medical doctor. She got inside of our  
22 vehicle, witnessed as we treated somebody having seizures on  
23 the street. The response later from her directly was that  
24 folks just need housing.

25 Your Honor, I come from the Midwest. When a tornado

1 hits the street, that's not the first thing we're thinking  
2 about. We're looking for the bodies. We're trying to treat  
3 the wounds and the brokenness. I think it's a shame that the  
4 city has let this go medically unaddressed for this long. You  
5 can smell it. You can smell the infections on the Row. You  
6 can see the pain. It doesn't take a genius or a medical  
7 degree. Why have we not responded medical emphasis on the Row  
8 and around the city?

9           Sixty percent of your budget is going for security.  
10 I don't carry any security. My doctors don't carry any  
11 security. None of us do, because we're out there treating the  
12 wounds. First things first, stop the bleeding. First things  
13 first.

14           **THE COURT:** I'm going to allow two more people to  
15 speak because we're going to get on.

16           **MR. GARZA:** Let me finish just one so I can talk  
17 about Michael.

18           I asked him. I remember you remember this to ask him  
19 to come when it was raining, and they came. And the reason I  
20 wanted them to come in the rain is because I wanted them to see  
21 the people. When you see those people lying in mattresses  
22 because they're lying on the sidewalk after sanitation comes  
23 and takes away the pallets that they could be off the ground,  
24 the water comes up through, and they're lying in that all night  
25 long

1           These atmospheric rivers are not going away. They're  
2 going to get worse, and they're going to continue to get worse,  
3 and people are going to die in these streets. Whatever -- I'm  
4 just going to finish here. He's going to keep doing what he's  
5 doing because as a community, we want him to keep doing what  
6 he's doing. Amy's going to keep doing what she's doing because  
7 we want -- as a community, we want them to keep doing what  
8 they're doing. We want them there.

9           These atmospheric rivers are going to continue. We  
10 need and I'm going to continue to make my appeal because that  
11 is what I am here for, not just on behalf of the residents, but  
12 on my own behalf. We need help. We need help. We need help.  
13 And I don't understand why -- now I'm starting to see why.

14           The non-profits that I've known for years, it is a  
15 total betrayal. Betrayal. When I hear these non-profits  
16 executive directors tell me personally, they plead poverty,  
17 that they don't have enough money, and then I come here and I  
18 see this. That the money is not even getting to them. And  
19 then I hear that if they even try to ask for money or above,  
20 what goes on beyond, that LAHSA becomes vindictive.  
21 Politicians become vindictive. That needs to end, Judge.

22           That is our money. That is for us. We are  
23 literally -- this is what I'm going to end with so you guys can  
24 understand this, and I think you understand this. Whatever  
25 support or safety net that you create is the one that you are

1 going to be depending on. So start doing it now, because you  
2 never know what's going to happen. If you get in an accident,  
3 if you become homeless, you are no longer considered a human  
4 being. I've been on disaster response efforts with Team  
5 Rubicon, and let me tell you, a person has a tree on their  
6 house. We haven't gotten there yet. They're living in a  
7 parking lot. I go to Walmart, and I'm saying, we're going to  
8 bring food to those people in that parking lot. And that  
9 person has a home and property, and you know what they tell me?  
10 They told me, well, I'm not going to donate. Do you know why?  
11 Because the real homeless might eat it. That is what will  
12 happen.

13           You have to create what you are eventually going to  
14 be using. And don't think it can't happen to you, because it  
15 can. And I'm going to leave it there. Stop leaving us on the  
16 street to languish and die. I am sick of it. I am tired of  
17 it. I am tired of crying. I'm done with it.

18           **THE COURT:** Terry, I'm going to take -- just -- no,  
19 I'm going to take just one more speaker. That's -- no, I  
20 apologize. I'll take Terry. Okay? Next time.

21           **MR. TERRY:** To the Court, thank you. My name is  
22 Dewey Terry. I've worked downtown for the last, since 2020,  
23 seven days --

24           **THE COURT:** Well, come on back. I can make an  
25 exception. Have a seat. Make it short, okay? There are

1 always exceptions to the rule. You've been sitting here, so go  
2 ahead.

3 **MR. TERRY:** Okay. So we're talking about non-profits  
4 giving up crack pipes that the city pays. Okay? Now, we don't  
5 aid and abet on anything when it comes to helping somebody get  
6 high. Okay, but you're giving the money out. You're giving  
7 the money out, man, serving needles, crack pipes, straight  
8 shooters, right? And now they come out of the building that  
9 you paid hundreds of millions of dollars or five or six million  
10 dollars, right? And they go right in front of the place, shoot  
11 the dope, smoke the crack.

12 Your money that you gave up is aiding and abetting in  
13 somebody's death. Because if the LAPD were there, they'd  
14 charge you for it. Okay, and you're giving that money up.

15 Now, when you talk to the SROs, right, and you take a  
16 person out of a tent and put him in a room, guess what you do?  
17 You pay for it, right? But he's still got a psych, she's still  
18 got a psych, right? You leave them unattended in these SROs.  
19 Now, there's a --

20 **THE COURT:** Sir, there's no pictures taken. If you'd  
21 do me a favor, delete the picture, okay? Take it off.

22 **MR. TERRY:** SROs, SROs are bought by, this man just  
23 bought 18 SROs. They had security in the morning and night.  
24 They want to keep the dope man out of there. But now this is  
25 what they're doing since he bought them, and you guys paid the

1 money for these people to be in these places, you can be in  
2 there and they would never know you were dead because they  
3 don't knock on the door to go see the people with the psych,  
4 okay?

5 I worked in there, so I can say that. See, I've been  
6 down here just checking to see what's going on to see whether  
7 LAHSA going to do what it do and the City do what it do. But  
8 you keep coming in here all the time and you got an excuse.  
9 You policy this and policy that. We don't want to hear no more  
10 policy. That money ain't hitting the street. It's hitting  
11 your pocket. It's hitting your cronyism pocket. That's what  
12 it's really doing. And you sit here and you have these numb  
13 faces or you're playing on your phones.

14 This is the last point and the buck stops right here.  
15 This is about we the people. See, but I guess we're not  
16 America no more. I guess that's what we're not. I see nothing  
17 but women in here. I am the man to put the children on town to  
18 keep them from the women getting raped when their husbands is  
19 out doing the -- you make a sub-level workforce when you don't  
20 have paperwork to go to work. So these women get out there and  
21 sell strawberries and flowers at the nearest corner that you  
22 pass by every day. But you don't care nothing about that.  
23 That's not your people. We, the people. The Constitution is  
24 we the people. When did we stop doing that?

25 We come here and you tell the judge this. There's



1 too much money being missed. And ain't nobody got no cuffs on.  
2 You got a bunch of excuses. You look around here at each other  
3 like there's no want. We're just here for a minute. We'll go  
4 back and drink our Starbucks, go have a nice lunch, \$300, \$400  
5 suits on. You don't care nothing about the man that's laying  
6 in the street. It was 44 degrees this morning. We gave out  
7 1,500 blankets. We fed 1,500 people Sunday, all non-profit and  
8 didn't get a dime from the city, paid for the streets to get --

9 **THE COURT:** By the way, the City charged a fee of  
10 \$750 for the homeless so they could rope off the street. Now  
11 think about that for just a moment, LAHSA, City, County.  
12 Homeless people have to put up a permit for \$750.

13 **MR. TERRY:** Just to feed them, to stand in the line,  
14 get something to eat. The diet that they're on. You got the  
15 Midnight Mission. You got Fred Douglas. You got Joe, what is  
16 it, Fred Jordan. You got all these missions. Sure enough,  
17 they do a good job, but their funding is getting relinquished  
18 because you're going to get a higher number now. You're really  
19 fixing to get a higher number of people on the street. You're  
20 not -- this animal has changed every day. Did you understand?  
21 I go down there seven days a week. They call me.

22 Do you know they threw an unborn -- a baby out of the  
23 window at the wine garden off the fourth floor? You didn't  
24 even know that. The baby never lived three, four seconds.  
25 Never got a chance to live. The mother, psycho, you got a \$300

1 million building with security in it, cameras in it. And she  
2 get up in the morning, they call me on the phone, T, you've got  
3 to get down here, man, because they just threw this baby out  
4 there. What do you mean they threw a baby out there? When I  
5 get down there, they got homicide down there, the whole place  
6 there. That place is \$300 million. \$300 million they built  
7 over there, and they can't find it -- they're not paying  
8 attention. They're not paying attention.

9           You guys are not paying attention to what is needed.  
10 You come here and you just sit for a little while. What's  
11 wrong with you? I've got more women in here than anything.  
12 Y'all are mamas and aunties and everything else, grandmas and  
13 all that. But you got your nice suits on, you don't care about  
14 nothing.

15           **THE COURT:** Terry, we're going to have one more  
16 speaker.

17           **MR. TERRY:** I'll leave you with this. If you don't  
18 take care of the problem now, we're supposed to be the pattern  
19 for every other state to do. If that governor wants to be a  
20 governor or a president, he needs to get on his job. If she  
21 wants to be back up in there as mayor, she needs to get on her  
22 job. And then, one thing about it, the County and the City,  
23 you really need to get on your job. It's too much money  
24 missing. Thank you for just listening.

25           **THE COURT:** My apologies. I almost saw. Good

1 morning.

2 **MR. WESCO:** Good morning.

3 **THE COURT:** Morning.

4 **MR. WESCO:** Judge Carter, good seeing you. How you  
5 doing, Michele?

6 **THE CLERK:** State your name, Rick.

7 **MR. WESCO:** Recondal Wesco, known as Rick. I recall  
8 LAHSA and a few of these other people, when I recall them by my  
9 second name, I say I need a discovery. Anybody that know about  
10 a court term, I mean a discovery, you want to know what  
11 happened with your paperwork. My voucher came one time and  
12 they told me I needed first and last month rent. How am I  
13 going to pay first and last month rent when I ain't got no  
14 income and I can't get comfortable to do what I need to do?

15 And then LAHSA -- I called LAHSA. I said, is this  
16 message being recorded? I ain't recall the lady's name. But  
17 she said, I don't know. How does LAHSA know that a federal  
18 phone call is not being recorded? I told her I knew because  
19 George Carter always tells me because I ask him questions.

20 And then another thing. I'm looking, saying LAHSA  
21 has stolen a lot of people's information from the 90013 code.

22 And it's not just about that lawsuit. You've got asbestos.  
23 You've got mold. The lawsuit for \$5 million cannot cover your  
24 life. Some people don't even know what the word \$5 million  
25 means when compounded.

1 LAHSA is trying to, with the LA Alliance, trying to  
2 offer people \$75,000. None of us right here, I ain't talking  
3 about y'all, wouldn't take no \$75,000 for dying. It's worth  
4 millions. You violated people's rights and you destroyed their  
5 health inside these buildings.

6 Even though you're walking through Skid Row, you can  
7 also get affected by mold and asbestos and other things to go  
8 with it. The killers, the murderers, and the women sent them.  
9 This bigger than you, LAHSA. This so big it's going to trip  
10 you out. They're making money off of debt. You know what I  
11 mean? Insurance policies.

12 When a person is sick in a room, the women's center  
13 said, don't worry about it. You've got two or three lunches  
14 there two days in a row. Just let them die off.

15 And there's a person that I know, they tried to get  
16 him to sign the paperwork for the insurance policy so it would  
17 go to the women's center and the staff with the money.

18 And you know, some insurance policy can cost a pretty  
19 penny. If you want a million dollar contract, you got to pay  
20 maybe \$5,000, \$10,000 a month. These people are doing it, and  
21 they can pay. And these are not the only people that are doing  
22 it. A lot of the SROs are in the same game, just like LAHSA.  
23 They're killing people off.

24 And there's a place called the LA Mission. Trey  
25 Vaughn, everybody know him. Yeah, Mr. Trey Vaughn. We know

1 Trey Vaughn. He's crooked, too. He is so crooked, he told me,  
2 Ricky, what you got about you now? You got to get the hell out  
3 of here. And he came and told me that. I ain't getting  
4 ignorant. But I walked up to him and said, let me holler at  
5 you, Mr. Trey Vaughn. Why do you have a camera and trying to  
6 use me? You probably saw the picture work that he had on me  
7 one day. One day recently. I said, Trey Vaughn, don't go  
8 around telling nobody about no 1.5 around me.

9 **THE COURT:** Listen.

10 **MR. WESCO:** I'm getting there.

11 **THE COURT:** Yeah. You're getting there.

12 **MR. WESCO:** Yeah, what I'm saying. Then all it is  
13 about is the money. They're not bringing no voucher. Karen  
14 Bass won't talk to me. Soon as she see me, she walk off, and I  
15 know why. There's a lot of things that's going on here with  
16 LAHSA. LAHSA don't even answer the phone call. I'll go up to  
17 the office. I can't even get in there to get an apartment.  
18 They won't give me my discovery. Nobody won't do nothing at  
19 all. And all I'm seeing is women dying. It's not only rape  
20 around the Women's Center. It's insurance claim. Everybody's  
21 done it. Thank you.

22 **THE COURT:** Now, once around the room, if you have  
23 any comments, but this is what I'm going to ask. I need some  
24 kind of guarantee today that this will be taken back to the  
25 council for the \$440,000 that you want clarity on. Okay?

1 I understand that the council can't give me the  
2 representation that they'll vote for that. But I'm asking that  
3 that go back to the council because this is ridiculous. And  
4 this delay, whether it's the City, the County, or LAHSA is  
5 costing money. Now, I'll wait to see what you do before I  
6 decide what I do. I don't want to get ahead of this. I'm  
7 going to assume you're successful, okay? But I want that  
8 \$440,000, and I want to stop this bill from going up. Okay?

9 And I'd like to get some kind of indication today  
10 without embarrassing anybody or bringing somebody in. I can  
11 take the representation of somebody who is responsible, either  
12 through the mayor's office or the president of the council, but  
13 I don't want it from you. I want it from leaders now. I want  
14 it for people who have to make the decision, and that's not  
15 denigrating you, but you're here representing them and you  
16 don't have that authority.

17 I'm asking that this be worked out for the \$180,000.  
18 And, Mira, I understand in a few moments you're going to say I  
19 don't have jurisdiction, but Lindsey's right. You are LAHSA.  
20 And it seems to me that a spot check of another 10, which is  
21 minimal with these hundreds of contracts, would be  
22 extraordinarily helpful for A&M to verify because otherwise  
23 I've got three choices. One is to adopt the findings of the  
24 auditor controller. Number two, to pursue this further, you  
25 know, take your emergency up to the circuit, okay? Or number

1 three, to do nothing. And the last is something I'm not  
2 willing to do, okay?

3 So I'm humbly asking, take this back to Catherine or  
4 somebody and see if this 440,000 for spot checking is  
5 reasonable because, first of all, I'm starting to believe, and  
6 I hope I'm wrong, that this is the tip of the iceberg. And we  
7 need to get that out and find out with at least 10 more  
8 samplings how bad that is. And if it's bad, it can't get any  
9 worse than being portrayed right now in reading the LA Times  
10 and LA Ist. This came up on the internet last night like  
11 gangbusters. You can't miss it.

12 Okay, now we're going to go once around the room, but  
13 I have to tell you and ask you what time do you want me to come  
14 back? I want the name of those providers with the \$50 million.  
15 And I don't want to embarrass anybody, so tell me how I'm going  
16 to get it through the auditor, controller, or through LAHSA.  
17 And I can come back at one o'clock. I can come back at five  
18 o'clock. I can come back, believe it or not, with my hours at  
19 eight o'clock tonight. But I want those names.

20 So now, LA Alliance, it's your turn and I'll be  
21 quiet.

22 **MS. MITCHELL:** Thank you, Your Honor. I think it's  
23 important to remember that this audit is not a voluntary audit.  
24 This was a stipulated sanction as a result of LA City not doing  
25 what it was required to do under the agreement. And because it

1 is a stipulated sanction and because every step of the way  
2 there has been a requirement and a caveat that the Court could  
3 modify, if necessary, it is well within the Court's power to do  
4 so.

5 So I want to make that very clear and while we are  
6 all playing nicely and I appreciate the voluntariness of the  
7 language here, that this is a sanction for bad conduct and it  
8 has to continue. And I think the problem is what we're seeing  
9 is systemic.

10 We're seeing it from the audit that we just saw from  
11 the County. We're seeing repeatedly from A&M coming back to  
12 tell us either the data is incomplete or it doesn't exist or  
13 it's bad, right? And so I think the problem is when we don't  
14 have the systems that are in place to ensure financial  
15 accountability, but I also don't think we have the systems in  
16 place to assure substantive and procedural accountability,  
17 right? So that's why we asked for not just a financial audit,  
18 but also an audit of the operations, right? We wanted to see  
19 whether what they're actually doing is working. And I think  
20 part of the problem is if the financial controls are this bad,  
21 how is LAHSA doing at tracking its programs and clients, right?

22 I think -- we're hearing repeatedly that services  
23 are not reaching the streets, services are not reaching interim  
24 housing, services are not being provided a permanent supportive  
25 housing. And we at the Alliance have repeatedly asked for that



1 data to back it up, but because of the lack of the data,  
2 because of archaic systems, because of the inability for these  
3 systems to even talk to each other, we can't even verify the  
4 veracity of what we're hearing. And so when we, the Alliance,  
5 entered into this agreement, we presupposed that the systems  
6 and the infrastructure existed to accomplish the goals of the  
7 agreement.

8           The problem is over the last year, we're slowly  
9 finding that those systems either don't exist, they don't  
10 sufficiently exist, or whether they existed at one point, they  
11 are broken now. And so while we talk about finances and  
12 finances, and obviously it's important, particularly because we  
13 have the, you know, now pleading poverty, as I listened to the  
14 Homeless and Housing Committee yesterday talking about shutting  
15 down some of these interim sites, right, which is hugely  
16 problematic, but yet you see hundreds of millions of dollars  
17 that have been poured into the system by the City, by the  
18 County over the last seven years without proper controls over  
19 where the money is going. And it's obviously not going to the  
20 streets.

21           So I think by presupposing these systems were in  
22 place, it's now becoming apparent that I don't know that the  
23 City and County can meet their obligations under the agreement.  
24 And I think that's what the audit is starting to show. I think  
25 that's what we saw with the County response, and I appreciate

1 the City's cooperation in trying to figure out what's going on  
2 with LAHSA, but these data systems don't exist. Nobody is  
3 actually tracking outcomes, it appears, both with what's  
4 happening with the money and what's happening with individuals  
5 in the street. We're just pouring money into a broken system  
6 and it's all being funneled away.

7           And so I think, you know, my team and I have been  
8 working on over the last month trying to map the system and  
9 identify the problems in the system. And what we're finding is  
10 more problems than system. And I think it is becoming very  
11 apparent to everyone in this court that things are broken, as  
12 we just heard. And I don't know the way forward here.

13           I think we are starting to see the cracks very  
14 clearly, and I'm very concerned. And I think I want to just go  
15 back to the point where this is a stipulated sanction for a  
16 reason. So whether people agree to pay the money or don't  
17 agree to the money, in my opinion, it's frankly irrelevant  
18 because it's within this Court's rights and jurisdiction to  
19 order them to pay the money to get this done so we can actually  
20 see what's going on.

21           **THE COURT:** Okay, let me turn to the City and get  
22 your position.

23           **MS. FLORES:** We would like to confer with the clients  
24 over the lunch break, but we will come back with a statement on  
25 the 440.

1           **THE COURT:** Tell me the time that's convenient for  
2 you.

3           **MS. FLORES:** On that question, I think we could be  
4 back by 1:30.

5           **THE COURT:** 1:30, okay.

6           **UNIDENTIFIED SPEAKER:** Make it 2 o'clock.

7           **THE COURT:** No, that's fine, that's fine. 1:30 is  
8 fine.

9           Okay, anything else you'd like to say?

10          **MS. FLORES:** No, that's it.

11          **THE COURT:** Then let me turn to the County. Mira.

12          **MS. HASHMALL:** Thank you, Your Honor. There's no  
13 doubt that homelessness is a crisis. And I think the  
14 testimonials that we heard today from individuals living in  
15 Skid Row really bring that tragedy to life. That's why the  
16 Board of Supervisors declared a state of emergency. And that's  
17 why it's been looking at this so carefully to figure out how at  
18 the state, federal, and local levels things can be done better.  
19 That's why you saw such a thorough analysis from the County's  
20 auditor's controller's office about what can be done better.

21                 As it relates to the audit, my understanding is that  
22 the City agreed in an engagement letter with A&M back in May.  
23 It was at the August 29th hearing where A&M's team said that  
24 they'd like to better understand the County's services and  
25 wanted to have information about those services in support of

1 their audit of the City's programs, specifically Inside Safe,  
2 Roadmap, and Alliance.

3           And so we worked through September. We had a series  
4 of conversations because you have to understand what the County  
5 does to support those programs in order for the auditor team to  
6 formulate information requests, right? They can't really ask  
7 for data in the abstract. I think we did those discussions so  
8 that they could formulate their asks, grounded in what services  
9 we're actually providing relevant to those City programs. And  
10 it was in October where our chair, Lindsey Horvath, made clear  
11 that the City audit was important to everyone and that the  
12 County would support the audit by providing information.

13           It was also in October where the County took the  
14 initiative to provide a draft engagement agreement because we  
15 do think having a direct contract with the auditor team is  
16 important. The information that's being asked of the County is  
17 very, very confidential treatment and health records of  
18 individuals who may be experiencing homelessness, but they have  
19 the same rights of privacy as everyone else. And the County  
20 departments that service those folks take those obligations  
21 very seriously.

22           We needed a contract to make sure that we're  
23 complying with our obligations to those individuals. We also  
24 took the initiative of submitting a protective order to the  
25 Court for its consideration to facilitate the sharing of that

1 data. In the process, the information requests were refined  
2 and conveyed to the County, and we provided that data in early  
3 November.

4 My understanding is that the A&M team is still  
5 working through that draft engagement agreement that we gave  
6 them in October. We're obviously looking forward to any edits  
7 or questions or comments that they have on that. That was all  
8 within the agreed parameters of \$180,000 in costs that the  
9 County has agreed to pay. The County has agreed to the data  
10 request. The County has given the data.

11 So to the extent now that there's an ask for \$440,000  
12 regarding the site visits, we just need to better understand  
13 what that's about. This is a backwards-looking audit.

14 **THE COURT:** Right.

15 **MS. HASHMALL:** So site visits to our facilities,  
16 which are treating individuals with specialized health needs, I  
17 mean, it heightens the privacy concerns on a really significant  
18 level, number one.

19 Number two, that anyone you see in a facility in  
20 November of 2024 isn't going to be within sort of the data or  
21 the time frame of the City audit. So that just creates some  
22 questions.

23 We're happy to have some conversations with A&M to  
24 better understand what they think is productive. We have to  
25 talk to our subject matter experts to make sure we're not

1 violating anyone's privacy or interfering with the provision of  
2 mental health and substance abuse services in those locations.

3           So we're happy to have those conversations. We  
4 weren't really clear where the 440 came from as it relates to  
5 site visits. We've given all the data. We're willing to pay  
6 the amount that was the agreed terms. We provided a draft  
7 engagement agreement. We've done the protective order to make  
8 sure we could give that data in compliance with federal law.  
9 And, you know, so I think, you know, from the County's  
10 perspective, we have gone, I think, above and beyond to  
11 expeditiously provide that information.

12           And if the Court is doing a lunch break, what we will  
13 do during a lunch break is run down whether we can identify  
14 these sub-providers that you flagged with regards to finding  
15 number one in the auditor controller's report, which I'm still  
16 analyzing and understanding. I understand the Court is as  
17 well.

18           **THE COURT:** Yeah, all night long analyzing it.

19           **MS. HASHMALL:** It's very informative. There's no  
20 doubt about it. So I just need to talk to our folks on that  
21 information request.

22           **THE COURT:** Fair enough. We know that the auditor  
23 controller has those names. In other words, to do this audit,  
24 your auditor controller has those names. LAHSA's got those  
25 names.

1           **MS. HASHMALL:** I think that's right, Your Honor. I  
2 don't think this is going to be a big hurdle.

3           **THE COURT:** Yeah. I don't either.

4           The second thing is I agree with you. There has to  
5 be a reasonable number. You can't walk in to any agreement  
6 concerning site visits with just an arbitrary number. I don't  
7 know what that is. I'll have you and Ann talk to each other  
8 about what is sufficient verification.

9           So, Diane, what do you think?

10          **MS. RAFFERTY:** That's fine. But I do need to address  
11 that issue. Yes, the County provided a contract with us  
12 because --

13          **THE COURT:** Use the mic, because we're on CourtSmart,  
14 and I apologize. We can't pick up the voice.

15          **MS. RAFFERTY:** I think there was some confusion  
16 regarding PHI, which we said we do not want, we should not have  
17 it, it is not pertinent, we do not want that information,  
18 period. But I also understand you felt that we could not work  
19 with the City on your behalf to bill the City and then you pay  
20 the City. I understand that.

21           I also explained very clearly we cannot sign a  
22 contract issued by you unless it goes through our legal  
23 department, because there are liability and indemnity clauses  
24 in your contract that we will not accept. So that is the legal  
25 fight on that end.

1 I think we're trying to work with each other in good  
2 faith, but unfortunately it's not -- it's, oh, we sent you a  
3 contract. I cannot -- I am -- can sign contracts with my firm,  
4 not without legal review, and a lot of the terms in your  
5 contract our company will never agree to. So that's where  
6 we're going to have to look and say can we come to some  
7 reasonable terms. So we'll do that.

8 **MS. HASHMALL:** So you've had it for a month. We're  
9 happy to sit down and workshop that with your lawyers.

10 **MS. RAFFERTY:** And I emailed you and said we cannot  
11 sign this contract.

12 **THE COURT:** I've seen those emails by the way through  
13 Michele, back and forth.

14 **MS. HASHMALL:** It's a standard county contract, but  
15 that doesn't mean we aren't willing to reconsider provisions.  
16 We just have to have that conversation grounded in the  
17 document.

18 **MS. RAFFERTY:** Correct. Correct.

19 **THE COURT:** Okay, well, we can do that over lunch.  
20 We've got a lot to do today.

21 **MS. RAFFERTY:** Correct.

22 **THE COURT:** There's no reason to go into recess for a  
23 couple weeks now.

24 So I'm humbly asking, you know, what that number  
25 might be, just starting off. And I've only arbitrarily chosen



1 10 because we never went above 10 sampling in any sampling that  
2 the auditor controller did. So I think more than that's  
3 unreasonable.

4           Number two, I agree with you, 440,000, maybe more,  
5 maybe less. I mean, what do we need? I don't -- so I'm not  
6 quibbling about the 440 necessarily, but there has to be some  
7 additional money, and here's why. When the auditor controller  
8 did your audit, they're auditing in a sense process, procedure,  
9 contracts, data. There has to be some comfort level in a spot  
10 audit that those services are actually being performed. There  
11 has to be somebody that goes out there and verifies that.  
12 Otherwise, we're dealing with bureaucratic numbers, which may  
13 be correct and may not be. That's the problem.

14           So we can certainly limit it, but enough confidence  
15 so that when we're writing this, there's enough credibility  
16 that we've made enough site visits to get a cross-section, and  
17 I'm just suggesting 10. That's not a ruling by the court, of  
18 course. And I think maybe we could talk over the lunchtime,  
19 and Michele might be able to get involved with you. She's been  
20 intimately involved before, okay?

21           **MS. RAFFERTY:** Thank you, Your Honor.

22           **THE COURT:** Is 1:30 okay with you, Mira?

23           **MS. HASHMALL:** Yes, Your Honor.

24           **THE COURT:** Okay. Shayla.

25           **MS. MYERS:** Your Honor, just one observation looking

1 at this from the outside is that the service providers, the  
2 City, and the County are being asked to provide homeless  
3 services in the middle of a crisis where scarcity is what is  
4 driving this crisis. The reality is we have simply too little  
5 affordable housing in the City of Los Angeles.

6 I know I echo that sentiment all of the time, but I  
7 think intervener's frustration with this process as we're  
8 talking about this is that as a result of the LA Alliance's  
9 litigation, as a result of the settlement agreements, the  
10 roadmap, the City and the County have scaled up significant  
11 resources to provide band-aids that don't actually address the  
12 underlying issue of the lack of affordable housing. And as a  
13 result of that, what we are seeing is that system that was  
14 slapped together has not been able to respond to the crisis,  
15 and I think that's what we're seeing right now.

16 This system is about providing services to folks who  
17 are unhoused when what we actually need to do is provide  
18 housing to folks who are unhoused. No amount of audits of the  
19 services that are being provided are going to tell us what's  
20 needed for folks who are on the streets. What we're talking  
21 about is we're talking about billing failures. We're talking  
22 about contracting failures. And at the end of the day,  
23 irrespective of whether those things are fixed, whether the  
24 City or the County discovers any underlying problems that the  
25 services or providers are providing, the reality is people are

1 still unhoused and fixing these -- the system that Ms. Mitchell  
2 keeps talking about is a system that is perpetuating  
3 homelessness. We're not actually getting to the root causes of  
4 it.

5           And so just -- as we talk about audits, backward-  
6 looking audits of systems, understanding that these systems are  
7 being developed in a crisis and they're not being developed to  
8 actually address these issues. And we just want to continue to  
9 uplift that, particularly as folks from Skid Row are coming in  
10 to uplift the issues they're seeing. We just want to make it  
11 clear the systems that are -- that are being perpetuated and  
12 when we talk about this.

13           **THE COURT:** Michele, any thoughts?

14           **MS. MARTINEZ:** Judge, just finally --

15           **THE COURT:** I want to turn to LAHSA. Michele, can I  
16 hold off with your thought for one moment?

17           **MS. MARTINEZ:** Yes.

18           **THE COURT:** I apologize. Let me turn to LAHSA, my  
19 apologies. I'm going to request you folks come back at 1:30  
20 also. And if you notice, I didn't ask Dr. Adams Kellum to come  
21 in. I didn't ask the mayor to come in today. I didn't ask  
22 Lindsey Horvath. I wanted no embarrassment to the political  
23 officials today. I wanted to have this conversation with you,  
24 and then where we go from here is up to all of you.

25           Come down use the mic just because we're on

1 CourtSmart, and we can't pick up your voice.

2 **MR. YAP:** Your Honor, in terms of the audit, we are,  
3 as I've indicated, we'll continue to provide whatever records  
4 we do have, complying with the deadlines. We are -- our staff  
5 is also trying to find --

6 **THE COURT:** Right over there is A&M. You can talk to  
7 them over the lunch time.

8 **MR. YAP:** Will do, Your Honor. And we are also  
9 trying to find and identify those providers that you've -- you  
10 mentioned about the -- that's mentioned on the report.

11 **THE COURT:** Okay. Because we're here until we do.  
12 We're going to find out who's gotten a free float and a gift  
13 out there.

14 Okay. Okay, Michele, my apologies.

15 **MS. MARTINEZ:** Yes, Judge Carter, based on the 1:30  
16 conversation when we come back, both the City and County going  
17 to their to the to the principals in regards to the funding for  
18 the engagement letter, I think it -- it's important for A&M to  
19 also provide us today one or two options, a timeline of when,  
20 if both the City and County agree and A&M agrees to doing its  
21 own engagement in contract with the County and the City agrees,  
22 having that in addition to the current pending data that is out  
23 there of requests, whether it's from law enforcement, LAHSA,  
24 City CAO's office, housing department, on and so forth,  
25 providing a time certain of when that information needs to be

1 produced to ultimately getting to when we will be getting a  
2 draft report assessment to the Court, and also obviously for  
3 review for both the City, County, and LAHSA.

4 I think it's imperative that we continue to have  
5 these timelines and understand that this timeline is the last  
6 timeline, Judge Carter. There is no more. And so today, we  
7 need to lay out that final timeline of when we will be getting  
8 this report based on the pending data and also the pending  
9 engagement letters and changes to the funding for the City and  
10 County

11 **THE COURT:** Well, let's go into recess now, if it's  
12 acceptable, because you've got a lot of conversation that can  
13 take place. Okay? And hopefully you resolve that yourself and  
14 the Court's not put in the position of remedying this for you.

15 **(Recessed at 11:43 a.m.; to reconvene at 1:41 p.m.)**

16 **THE COURT:** We're back on the record, and let me just  
17 state that all counsel are present. So counsel, I'm going to  
18 turn this over to you. I don't know what the discussions were  
19 during the lunchtime or what's been accomplished.

20 **MS. FLORES:** Your Honor, this is Valerie Flores for  
21 the City of Los Angeles. Over the lunch break and after the  
22 clarifications of this morning, the council president will be  
23 scheduling the item regarding consideration of the \$440,000  
24 additional payment to A&M next -- well, the week of December  
25 2nd. The council is dark next week.

1           **THE COURT:** All right. Thank you. I'll wait to see  
2 what the results of the council are.

3           Now for A&M, how much more of a delay does this cost  
4 you? Come on up for a moment. Does it cost you in terms of  
5 two weeks? What can you move forward with? They have to go  
6 into session, and they obviously can't this week. Next week,  
7 they're out of session, so.

8           **MS. COLLIER:** At this point, then, we would be  
9 looking at late February for presuming that that would also  
10 include the County data analysis and fieldwork. If that is  
11 approved, that would be -- we're looking at a draft report to  
12 the court by late February.

13           **THE COURT:** I'll work with the council because I need  
14 to get those -- I need to get an excellent audit. This is our  
15 opportunity. Okay. Anything else?

16           **MS. HASHMALL:** Your Honor, Mira Hashmall for the  
17 County of Los Angeles.

18           So you asked us for the list of providers that are  
19 referenced in the first finding by the Auditor Controller's  
20 Office in its analysis of certain LAHSA matters. And so we  
21 have emailed that list to Special Master Martinez.

22           **THE COURT:** Can I see it? I want to print it.

23           **UNIDENTIFIED SPEAKER:** I'm in the process of emailing  
24 it.

25           **THE COURT:** Okay, wait. It'll come to you in a

1 moment, Michele, and then if you could just bring it up, we'll  
2 print it.

3 Anything else while we're waiting for that list?

4 **MS. HASHMALL:** The only other thing, Your Honor, is  
5 that before we resumed court, we did speak with A&M and we're  
6 going to have a continuing dialogue about what they're looking  
7 for with regards to field work as it relates to the County.  
8 We're going to get some clarity about that so we can bring it  
9 back to the Board.

10 **THE COURT:** So the \$180,000 of the 620 is something  
11 that you both agreed to. It's that other 440, and what I'm  
12 concerned about is that I do need some verification because  
13 County Auditor didn't verify. They worked in a different menu.  
14 Yours will be much more qualitative and much more quantitative,  
15 and I need a certain amount of sampling, so I've arbitrarily  
16 come up with 10 because that's the most sampling I saw that  
17 came from the County Auditor.

18 When would I get the response? When's your best  
19 guess, Mira?

20 **MS. HASHMALL:** So we sort of expressed our concerns.  
21 I mean, as I kind of -- as I mentioned earlier, our subject  
22 matter experts get a little bit concerned about the concept of  
23 site visits writ large because of the privacy concerns, and so  
24 what we've talked about is what they're looking for and what  
25 programs or services they want to better understand. They're

1 going to refine that with the benefit of what they think will  
2 facilitate their analysis and send it to us with a cost  
3 estimate. We're going to take it to our client.

4 **THE COURT:** Why not now? Is it the cost estimate?  
5 In other words, it seems to me we've got to have the basic  
6 parameters first before you give a cost estimate, and I'm  
7 concerned that we haven't even arrived at that yet. I've got  
8 all day, so you tell me because what we're not going to do is  
9 just go into another continuance and back with nothing. That  
10 way the County has a chance to approve it or disapprove it.

11 **MS. COLLIER:** Absolutely. Diane, feel free to chime  
12 in.

13 **THE COURT:** You don't have to disclose that to me.  
14 Go back to the back and talk. I'll xerox this off, and I'm  
15 here as late as you want to be.

16 Okay. Michele, you can go talk. Give me the list.  
17 So why don't you have a seat? We're here maybe until midnight.  
18 I don't know. We'll find out. Because I agree, the council  
19 doesn't know -- I mean, the Board doesn't know what to vote on.

20 **MS. COLLIER:** Right.

21 **THE COURT:** That's not fair to the Board. By the  
22 same token, you two need to have a dialogue, and I don't think  
23 going through Thanksgiving is going to be very helpful. So  
24 you're all here. I've got unlimited time.

25 **MS. MARTINEZ:** Judge, we had dialogue. We have



1 narrowed what the scope is going to be. It's just really up to  
2 A&M that they need to make changes and revisions to the cost  
3 estimate.

4 **THE COURT:** Okay. So what do I do now?

5 **MS. COLLIER:** If we continue with the number of sites  
6 of 10, we imagine the cost would not change from the 440. We  
7 would still, then, take into the sensitivity of understanding  
8 the continuum of care and how these participants or clients  
9 entered into these units that were being created by the County  
10 or funded by the County, that would look into permanent  
11 supportive housing under Alliance and Roadmap.

12 **THE COURT:** Okay.

13 **MS. COLLIER:** We understand the sensitivity of going  
14 to mental health-set beds, as well as -- but potentially, we  
15 would like to get clarification of maybe in high service need  
16 interim housing beds.

17 **THE COURT:** Okay.

18 **MS. COLLIER:** But at this point in time, I think  
19 we've at least come to an agreement that at least permanent  
20 supportive housing we will happily do 10 spot checks.

21 **THE COURT:** Then maybe I do this. Maybe I just take  
22 good faith on all parties' parts, let you work with Michele.  
23 She'll get back to me in terms of the dates, so I'm not setting  
24 a date certain and then having to either back away or force you  
25 in early.

1           **MS. HASHMALL:** Yes, and I imagine the Board is also  
2 in recess for Thanksgiving, although I don't know that for  
3 sure.

4           **THE COURT:** Okay. So my guess is I'm going to hear  
5 something the first or second week of December, and depending  
6 upon what everybody does, then I'll either schedule another  
7 date or not.

8           **MS. COLLIER:** And we'll have it written out for the  
9 County by the end of tomorrow.

10           **THE COURT:** Michele, does that work for you? Does  
11 that work for you?

12           **MS. MARTINEZ:** Yes.

13           **THE COURT:** Does that work for you?

14           **MS. HASHMALL:** Yes, Your Honor.

15           **THE COURT:** Let's do that.

16           **MS. HASHMALL:** Thank you.

17           **THE COURT:** Okay. Would you print another copy?  
18 Let's put this up on the board.

19           **(Pause)**

20           **THE COURT:** Michele or Karlen. Karlen, give this --  
21 Karlen, I want to have this docketed.

22           Okay. First is 1736 Family Crisis Center. Total  
23 advances issued, \$914,593. Advances recouped, \$60,266.  
24 Balance, \$854,327.

25           LAHSA, what efforts have you undertaken to retrieve

1 this money from this entity? In other words, have you filed a  
2 civil suit, letters have gone out, U.S. Attorney. What's been  
3 done with it? I'm going to go down one by one.

4 **MS. TREJO:** Janine Trejo, CFO for LAHSA.

5 I can't give you specifics on each one without having  
6 to go back and reference the records, but what I can tell you  
7 is that LAHSA has issued out advance recouplements and repayment  
8 letters to the service providers that the service providers  
9 have signed and agreeing to a repayment schedule.

10 **THE COURT:** Fine.

11 **MS. TREJO:** I'd have to look at the date for that.

12 **THE COURT:** That's okay. Get on the computer. I'm  
13 here.

14 **MS. TREJO:** Okay.

15 **THE COURT:** Okay? And come back to me and tell me  
16 when those letters were issued.

17 Second, 211 L.A. County. \$73,938. Advances recoup,  
18 \$73,938. Excellent.

19 Third, Coalition for Responsible Community  
20 Development, \$268,421. Balance? We've collected nothing from  
21 them. What's the status of those folks? Letters issued?  
22 Okay. Keep checking. I'm going to go down each one. Then you  
23 can walk down each one with me.

24 Community Partners, FBO, Safe Place for Youth,  
25 \$64,274. Advances recouped. I want to know when these

1 advances were recouped also. In other words, if they were  
2 recouped a year ago, two years ago, what activity we're having  
3 in these. \$3,570. So they owe \$60,704. Same question to  
4 LAHSA.

5 Fifth, Covenant House of California, \$491,468.  
6 Advances recouped, \$13,652. Amount owed, \$477,816. So what  
7 I'm interested in is when our efforts started, when were the  
8 last letters, what we're doing to recoup this in real time.

9 Six, First to Serve, \$755,528. They have no  
10 recoupment. Amount owed, \$755,528.

11 Seven, Harbor Interfaith Services, Inc., \$2,229,945.  
12 The amount recouped is \$10,603. Balance owed, \$2,219,342.

13 Eight, Hathaway Sycamore Child and Family Services.  
14 Advances issued, \$1,128,937. Nothing's been recouped. Balance  
15 owed, \$1,128,937.

16 **MR. YAP:** Your Honor, this is Robert Yap, counsel for  
17 LAHSA. The LAHSA representatives here are working to try to  
18 obtain this information. However, they need to contact staff  
19 and it's going to take time to determine each of these  
20 contracts.

21 **THE COURT:** I've got all day. I've got all night.  
22 I've got all day tomorrow. We're in continuous session until I  
23 get it.

24 **MR. YAP:** I just want to point out that --

25 **THE COURT:** I just want to inform you. We're in

1 continuous session until I get it.

2 **MR. YAP:** Understood, Your Honor. It's just that we  
3 didn't -- you know, the order was for today was about delays  
4 that was docketed --

5 **THE COURT:** I'm not going to let you go home for a  
6 week. We're staying here until I get it. It could be today or  
7 tomorrow. That's an order.

8 **MR. YAP:** Understood, Your Honor. I just want to --

9 **THE COURT:** Okay. Thank you very much. We're done  
10 with the discussion now. Have a seat.

11 Number eight --

12 **MR. YAP:** This wasn't enough notice, Your Honor.

13 Thank you.

14 **THE COURT:** You've got plenty of notice because I'm  
15 not going out of session, counsel, and I'll sit here until hell  
16 freezes ver. Got it? Now you get busy.

17 Nine, Home At Last Community Development Corporation,  
18 \$797,681. Balance owed, \$797,681. No recoupment.

19 Ten, Homeless Healthcare LA, \$299,682. What's been  
20 recouped is \$5,344. Balance owed is \$294,338.

21 And the reason I want this information is maybe there  
22 was a token payment six years ago or five years ago or four  
23 years ago, and then everybody just walked away, a gift to the  
24 provider. Or maybe you've got recent efforts and I want to  
25 know what those are. This is outlandish.

1           Number 11, Hope of the Valley Rescue Mission,  
2 \$68,250. Amount recouped, zero. Balance owed, \$68,250.

3           Twelve, Giovanni's Inc., \$449,117. Advance is  
4 recouped, as of 7/8, \$92,425. Balance owed, \$356.69. And what  
5 I'm going to be looking at, counsel, is if in fact there was  
6 some recoupment three or four years ago, why didn't that  
7 recoupment continue on? You know, what has been our exerts or  
8 are we just walking away from this?

9           LA Family Housing Corporation, \$6,373,401. Amount  
10 recouped is \$629,807. Balance owed, \$5,743,594. Who's the CEO  
11 of that, Michele? Do you know who the CEO is that --

12           **MS. MARTINEZ:** Of who?

13           **THE COURT:** Of the LA Family Housing Corporation?

14           **MS. MARTINEZ:** Yes. Stephanie.

15           **THE COURT:** Stephanie?

16           Fourteen, Lamp Community, \$2,464,714. Recouped,  
17 \$26,623. Balance, \$2,438,091.

18           National Health Foundation, number 15, \$52,317.  
19 Recouped, \$52,317. No balance owed. Congratulations.

20           New Directions, Inc., \$34,347. No recoupments.  
21 Balance still owed, \$34,347.

22           Ocean Park Community Center, doing business as the  
23 People's Concern, \$453,868. There's been no recoupment.  
24 Balance still owed, \$453,868.

25           People Assisting the Homeless, PATH, \$8,274,239.

1 We've recouped \$40,581. Balance owed, \$8,233,658. Balance  
2 owed.

3 Rainbow Services, \$118,317. There's been no  
4 recoupment. Still owing, \$118,317.

5 Sanctuary of Hope, \$344,884. Recoupment, \$96,280.  
6 Balance still owing, \$248,604.

7 Special Services for Groups, Inc., \$6,674,335.  
8 Recoupment, \$814,377. Balance owed, \$5,859,958.

9 Michele, do you know where that group is located, by  
10 any chance?

11 **MS. MARTINEZ:** Not off the top of my head, but I can  
12 look it up.

13 **THE COURT:** Who the CEO is?

14 **MS. MARTINEZ:** No.

15 **THE COURT:** 22, St. Ann's Maternity Home. Advances,  
16 \$326,067. Advances recouped, \$50,289. Owing. Balance,  
17 \$275,778.

18 St. Joseph's Center, \$2,930,300. Recouped, \$120,005.  
19 Balance owing, \$2,810,295.

20 Testimonial Community Love Center, \$388,684. There's  
21 been nothing recouped. Balance still owing, \$388,684.

22 Midnight Mission, \$448,950. Nothing's been recouped.  
23 Still owing, \$448,950.

24 The People's Concern, \$893,505. The recoupment's  
25 been \$22,766. The balance owed, \$870,739.

1 Village Family Services, \$869,561. \$70,915 have been  
2 recouped. \$798,646 is the balance owing.

3 The Whole Child, \$914,426. There's been no  
4 recoupment. Balance still owing, \$914,426.

5 Union Station Homeless Services, \$2,035,055.  
6 Recoupment has been \$45,203. Still owing, \$1,989,852.

7 United Friends of the Children, advances \$783,533,  
8 recoupment \$43,530, owing \$740,003.

9 United Victims Initiative, Inc., advance \$229,119.  
10 There's been no recoupment, balance still owing \$229,119.

11 Upward Bound House, advances \$262,105, recouped  
12 \$56,197, balance owing \$205,908.

13 Valley Oasis, formerly Antelope Valley Domestic  
14 Violence Council, \$2,684,614, recouped is \$24,669, balance  
15 owing is \$2,659,945.

16 Volunteers of America of Los Angeles, advances  
17 \$5,050,169, recouped has been \$135,725, balance owing  
18 \$4,914,444.

19 Winegard Center Association, advances \$436,051,  
20 there's been no recoupment, owing \$436,051.

21 Whittier Area First Aid Coalition, \$206,833 advances,  
22 nothing has been recouped, still owing \$206,833.

23 The total of advances issued is \$50,791,228,  
24 recoupment is \$2,489,083, balance still owing \$48,302,145. Now  
25 I want to check that against this report for just a moment from



1 the auditor controller.

2 And for our purposes, the auditor controller's  
3 figures match up for my record, he just rounded off a couple  
4 thousand dollars. So we've got \$48.3 million non-recouped,  
5 still owing, and we've collected \$2.5 million.

6 Okay, Karlen, you can docket this. Here's what I'm  
7 interested in. I'm trying to see what the activity is here.  
8 In other words, was there an early recoupment here and then we  
9 walked away? Or has there been recent activity, you know,  
10 where we made that effort recently to recoup something that had  
11 laid dormant before this administration took place. Just  
12 trying to find out the activity level on that. Okay?

13 So how do we do that without having you here the rest  
14 of your life? Your two talk, because you hold the keys to  
15 leaving today, tonight, tomorrow in your own hands. Tell me  
16 how we're going to go about this. I'll take a recess while you  
17 discuss that. Discuss it with the County, the City if you want  
18 to, because you're all ordered to remain until we come up with  
19 some plan on getting this information to the court and the  
20 public.

21 **(Recessed at 2:05 p.m.; to reconvene at 2:27 p.m.)**

22 **THE COURT:** Back on the record, and all counsel are  
23 present, and counsel representing LAHSA.

24 **MR. YAP:** Your Honor, so Ms. Trejo's staff is putting  
25 together the information that you that you requested. The

1 thing is that it's going to take time.

2 **THE COURT:** Okay. That's fair.

3 **MR. YAP:** And they want to get it right, and they're  
4 requesting -- we're requesting, until close of business on  
5 Monday to submit something to the Court.

6 **THE COURT:** Why don't we make it Tuesday?

7 **MR. YAP:** Thank you.

8 **THE COURT:** That's -- that gives you a chance on  
9 Friday, and you don't have to work all weekend that way. Fair  
10 enough. Tuesday, 12 noon?

11 **MR. YAP:** 12 noon, Your Honor.

12 **THE COURT:** Strike that. Five o'clock Tuesday. Is  
13 that acceptable? Are you sure?

14 **MS. TREJO:** Thank you. Yes.

15 **THE COURT:** Okay.

16 **MR. YAP:** Thank you, Your Honor.

17 Your Honor, one housekeeping matter, if I could  
18 request.

19 **THE COURT:** Sure.

20 **MR. YAP:** There was earlier part about the -- there  
21 was an item that I put on the Elmo, and I was wondering if we  
22 could request it -- that it be docketed today.

23 **THE COURT:** And what was that item? I'm happy to  
24 docket anything.

25 **MR. YAP:** Oh, it was just the timeline that we put

1 together.

2 **THE COURT:** Absolutely, absolutely.

3 **MR. YAP:** Okay. I'll give it to the clerk.

4 **THE COURT:** Yeah, absolutely. That gives you a fair  
5 shot showing what you were doing. Okay?

6 **MR. YAP:** Okay. Thank you, Your Honor.

7 **THE COURT:** We'll docket that through Karlen.

8 **MR. YAP:** Thank you.

9 **THE COURT:** Then I'll wait till the first week of  
10 December for the City's response on the vote.

11 **MS. FLORES:** Yes, Your Honor.

12 **THE COURT:** Wait for the meeting between A&M and the  
13 County to work out the parameters and a good-faith cost  
14 estimate to take to the Board.

15 I won't set a date for going back into session now,  
16 because it may be too soon or too late. I'd ask you to work  
17 through the special master, Michele, who you all know, and she  
18 calls me at three o'clock in the morning, believe it or not, so  
19 she's always working.

20 Beyond that, I don't think that there's any further  
21 business unless I move around the room for just a moment. Let  
22 me move to Diane. This is A&M.

23 **MS. RAFFERTY:** Thank you, Judge Carter. Based on the  
24 information that LAHSA wants docketed on the schedule, is that  
25 the schedule pertaining to our requests and your response?

1           Okay. We would like to also produce a document that  
2 totally contradicts what they have sent, because we also have  
3 emails. So I want to clarify something.

4           If A&M requested something on a Monday and you sent  
5 us an email on Tuesday saying we've received your data, or  
6 we've received your request, that's a response, but that's not  
7 a response we can use. So we have email verification of every  
8 single request, and when we received that information, and it  
9 is not -- it doesn't jive with your information.

10           So if they're going to docket that, we will produce  
11 our own document with email proof of the requests to receive --

12           **THE COURT:** Why don't you two just meet informally  
13 and see the positions? That's an order. Stand up and go talk  
14 to each other for just a moment before we get in too deep of  
15 water here.

16           **MS. RAFFERTY:** Okay.

17           **THE COURT:** No, just go back and just make sure how  
18 far of the line we want to go down with this, okay?

19           **MS. RAFFERTY:** Okay.

20           **THE COURT:** Because remember, the Court has contempt  
21 powers. So you go back and talk for a moment. So if we don't  
22 have to travel down that road, we won't. Otherwise, you'll  
23 supply the contra documents and the emails.

24           **MS. MARTINEZ:** And Judge -- Your Honor? As well, A&M  
25 tomorrow will be submitting the proposal of timeline based on

1 the options of both the City and County going to their  
2 respective elected body as well.

3 **THE COURT:** Excellent. So it's docketed --

4 **MS. MARTINEZ:** So we'll be sending that to you  
5 tomorrow as well.

6 **THE COURT:** All right. It's docketed on the record,  
7 not just --

8 **MS. MARTINEZ:** Yes, with the last week of February  
9 potential draft report.

10 **THE COURT:** Okay. Now remember, I haven't even  
11 started into the 15 million dollars in advances. I've just let  
12 those off to the side for the moment. So, we've got 48 million  
13 and I haven't even started into the 15 million. I don't think  
14 I'll start tonight. You know what I expect out of that next  
15 session, an explanation.

16 And just say to the City while we're waiting, you'll  
17 run the City, but when these advances are made 25 percent or 40  
18 percent, historically, they're set up to for the providers.  
19 They were set up to get providers paid. But it's causing an  
20 immense amount of trouble because if the providers were paid in  
21 a timely fashion with the invoices and supporting information,  
22 you could turn that around in seven, ten, thirty days, whatever  
23 that time period is. We wouldn't then have to be waiting for  
24 documents that we're never receiving. We wouldn't be in this  
25 position.

1           So, I leave that to you. You'll run the City you  
2 want to, but it's causing a lot of concern about getting  
3 accurate information after this money gets fronted. So I'll  
4 leave that to you and the Council, Kamithian (phonetic), all  
5 the folks involved.

6           **(Pause)**

7           **(Recessed at 2:36 p.m.; to reconvene at 2:50 p.m.)**

8           **THE COURT:** Why don't you come on up then, and we'll  
9 go back on the record with your respective positions.

10          **MR. YAP:** So, Your Honor, LAHSA will request -- I  
11 will withdraw that request to docket whatever I had put on the  
12 Elmo.

13          **THE COURT:** Okay.

14          **MR. YAP:** Thank you.

15          **THE COURT:** Then you're granted, then we're in  
16 recess, and have a good weekend, okay?

17          **UNIDENTIFIED SPEAKER:** Thank you, Your Honor. Have a  
18 good Thanksgiving.

19          **MS. FLORES:** Thank you, Your Honor.

20          **(Proceeding concluded at 2:50 p.m.)**

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CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



November 22, 2024

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Signed

Dated

*TONI HUDSON, TRANSCRIBER*