



Public Integrity Assessment

**Status of City Contracts and Grants
With Rudolph Dwayne Jones and
Related Entities After Criminal
Charges and Suspension**



Office of the Controller
City Services Auditor
Audits Division

March 11, 2025

Assessment Summary

Overview of Public Integrity Assessments

Public Integrity Assessments Provide Transparency When City Officials, Employees, and/or Contractors Are Involved in Criminal Conduct

Immediately after the January 2020 arrest of former Public Works Director Mohammed Nuru on charges of public corruption, the Office of the Controller (Controller) and Office of the City Attorney (City Attorney) launched a joint investigation. The City Attorney focused on employee and contractor wrongdoing, and we undertook a public integrity review of city contracts, purchase orders, and grants to identify any red flags that could indicate process failures. Since then, in coordination with the City Attorney, we have issued 12 public integrity reports and 3 follow-up reports. These reports present our findings and recommendations to policymakers and the public. Our most recent [report](#), issued in August 2024, provides an update on the implementation status of each public integrity recommendation made in these reports since 2020.

In coordination with the City Attorney, we will continue to provide these public integrity assessments when city officials, employees, and/or contractors are involved in criminal conduct.

Background

In August 2023 the Office of the District Attorney (District Attorney) criminally charged Rudolph Dwayne Jones (Jones) with bribing a former employee of the Office of the City Administrator (City Administrator), Lanita Henriquez (Henriquez), to secure city contracts and grants through the Community Challenge Grant program. The criminal conduct allegedly occurred from July 1, 2016, through July 1, 2020.

A week after Jones and Henriquez were charged, the City Administrator and City Attorney moved to suspend Jones and five related entities from receiving future city funding.¹ At the same time, the Mayor's Office, City Attorney, City Administrator, and Controller jointly directed all city departments to terminate existing contracts and grants with the suspended entities to the extent legally feasible.²

At the City Administrator's request, we reviewed the 2023 solicitation process used for the Community Challenge Grants. In October 2023 we issued an assessment report that found that Henriquez was untruthful with her superiors about the solicitation process and that the process itself was deeply flawed.³ Most significantly, the assessment found that Henriquez fabricated applicants' scores to favor some applicants over others. Consequently, the City Administrator conducted a new solicitation process for the fiscal year 2023-24 Community Challenge Grants.

¹The suspension order and charging documents can be found here: <https://www.sfcityattorney.org/wp-content/uploads/2023/09/2023.09.07-Order-of-Suspension-1.pdf>.

² The letter to city departments is in [Appendix B](#).

³ [Community Challenge Grant's 2023 Solicitation Process Was Deeply Flawed and Needs to Be Redone Properly](#) (October 17, 2023)

Scope and Summary

Part One: City Payments to Jones-Related Entities from July 2016 through December 2024

The first part of this report itemizes city funding provided to Jones and companies and nonprofit organizations related to him going back to 2016. Referred to here collectively as the “Jones-Related Entities,” they are:

- 20ROC Holdings, LLC - **suspended**
- RDJ Enterprises, LLC (RDJ) - **suspended**
- RDJ-Project Complete, LLC - **suspended**
- Southeast Consortium for Equitable Partnerships (SECEP) - **suspended**
- Urban Ed Academy, Inc. (UEA) - **not suspended**
- Urban Equity, LLC - **suspended**

To provide a full picture of all funding to suspended entities related to Jones that resulted from city contracting decisions, the assessment included funding these entities received through the Social Impact Partnership (SIP) Program at the San Francisco Public Utilities Commission (SFPUC). All city contracts and grant agreements with the suspended entities and UEA have now expired or been terminated. Because SIP Program funding is provided by a prime city contractor, the City cannot terminate that funding. But as of January 2025, all SIP Program funding to the Jones-Related Entities has been expended, and there are no new SFPUC contracts that include SIP funding commitments to any of the Jones-Related Entities.

As described in detail below, the Jones-Related Entities **received \$15.2 million** from 11 city entities from July 2016 through December 2024. In that same period, the Jones-Related Entities **paid** the Recreation and Park Department (Rec and Park) and Airport Commission (Airport) **\$1.4 million**, primarily related to three space leases at the Airport.

Scope and Summary

Part Two: Review of City Grants to Urban Ed Academy

In addition to itemizing city money paid to the suspended entities, the assessment also considered city funds paid to a nonprofit organization founded by Jones in 2012 that was not suspended, Urban Ed Academy Inc. (UEA). UEA was not suspended based on the criminal charges against Jones, and UEA is not barred from bidding on city contracts. The assessment looked at open grants to UEA that were current in September 2023, when Jones was suspended, and determined whether grants were properly awarded and adequately monitored.

Part Two of this report presents the irregularities the assessment found in the award processes by both the Human Rights Commission (HRC) and the Office of Economic and Workforce Development (OEWD) that, at a minimum, create the perception of favoritism to UEA. The assessment also found that HRC and OEWD did not adequately monitor UEA's performance under their grants or review UEA's invoices to confirm the eligibility of expenses UEA billed to the City. The assessment further found a general lack of transparency around grants to UEA from multiple city departments and that many of the grants to UEA have overlapping scopes of work that create a risk that UEA could have double billed the City.

All grants to UEA have now expired or been terminated. However, because it was not suspended after Jones was criminally charged, UEA may bid on new city contracts. UEA has new leadership and is fully cooperating with the assessment.

Overview of Criminal Charges Against Jones and Two Former City Employees: Lanita Henriquez and Stanley Ellicott

In August 2023 Jones and Henriquez were charged with multiple felony counts of misappropriation of public money, bribery, and aiding and abetting financial conflicts of interest. The criminal complaint alleges that, in exchange for bribes and kickbacks, Henriquez steered city funds to three now-suspended Jones-Related Entities: RDJ Enterprises, LLC; RDJ-Project Complete, LLC; and SECEP.

In January 2024 Stanley Ellicott (Ellicott), a former manager in the Department of Human Resources (Human Resources), was charged with multiple counts of misappropriation of public money, aiding and abetting financial conflicts of interest, and receiving stolen property for his role in the scheme with Jones and Henriquez. The criminal complaint alleges that Ellicott profited from the sale of electronics that were purchased by SECEP with Community Challenge Grant Program funds and intended as earthquake supplies for neighborhood groups. In March 2024 Ellicott was charged for a separate scheme in which he allegedly embezzled more than \$600,000 of city funds in his role as a manager at Human Resources.

All three have pleaded not guilty. No trial dates have been set.

Criminal Defendants' History of Relationships With the City

Rudolph Dwayne Jones

- Before forming RDJ in 2011, Jones served as director of the Mayor's Office of Community Development and deputy chief of staff for Mayor Gavin Newsom from 2004 through 2010.
- In 2011 RDJ partnered with SFPUC to create the Community Benefits (now SIP) Program. From 2011 through 2016, before the period reviewed by the assessment, RDJ provided consulting services to contractors bidding on SFPUC projects under that program.
- In 2017 Jones was the ratepayer advocate, a paid city role, during Recology's rate-setting process, which was then overseen by Mohammed Nuru, the Public Works director at the time.
- Until late 2020 Jones's companies provided technical assistance and community outreach on behalf of the Community Challenge Grant Program. His companies also managed an emergency preparedness project that was to assist neighborhood groups and facilitate events and workshops, including the Annual Neighborhood Empowerment Network Awards ceremony at City Hall.

Criminal Defendants' History of Relationships With the City *(continued)*

Lanita Henriquez

- Henriquez was director of the Community Challenge Grant Program under the City Administrator from 2011 to 2023 and had staffed the program since 1999 when it was called the Mayor's Office of Neighborhood Beautification and Graffiti Clean-Up Fund.
- Henriquez directed 22 grant agreements and 1 professional services agreement, in which she had a financial stake, to Jones-Related Entities beginning in 2016 and ending in 2020. The steering of grants to Jones-Related Entities appears to have stopped in 2020, after the arrest of former Public Works Director Mohammed Nuru.
- Henriquez was a member of the advisory committee for the City Administrator's Grants for the Arts Program in fiscal years 2019-20, 2020-21,⁴ 2021-22, and 2022-23.
- From 1993 through 1999, Henriquez worked in the Mayor's Office, including as Mayor Willie Brown's scheduling secretary and executive assistant to the chief of staff.

⁴ Grants for the Arts could not confirm who the advisory committee members were in fiscal year 2020-21. Based on Henriquez's participation on the committee in 2019-20 and in 2021-22 and 2022-23, CSA presumes Henriquez was also a member in 2020-21.

Criminal Defendants' History of Relationships With the City *(continued)*

Stanley Ellicott

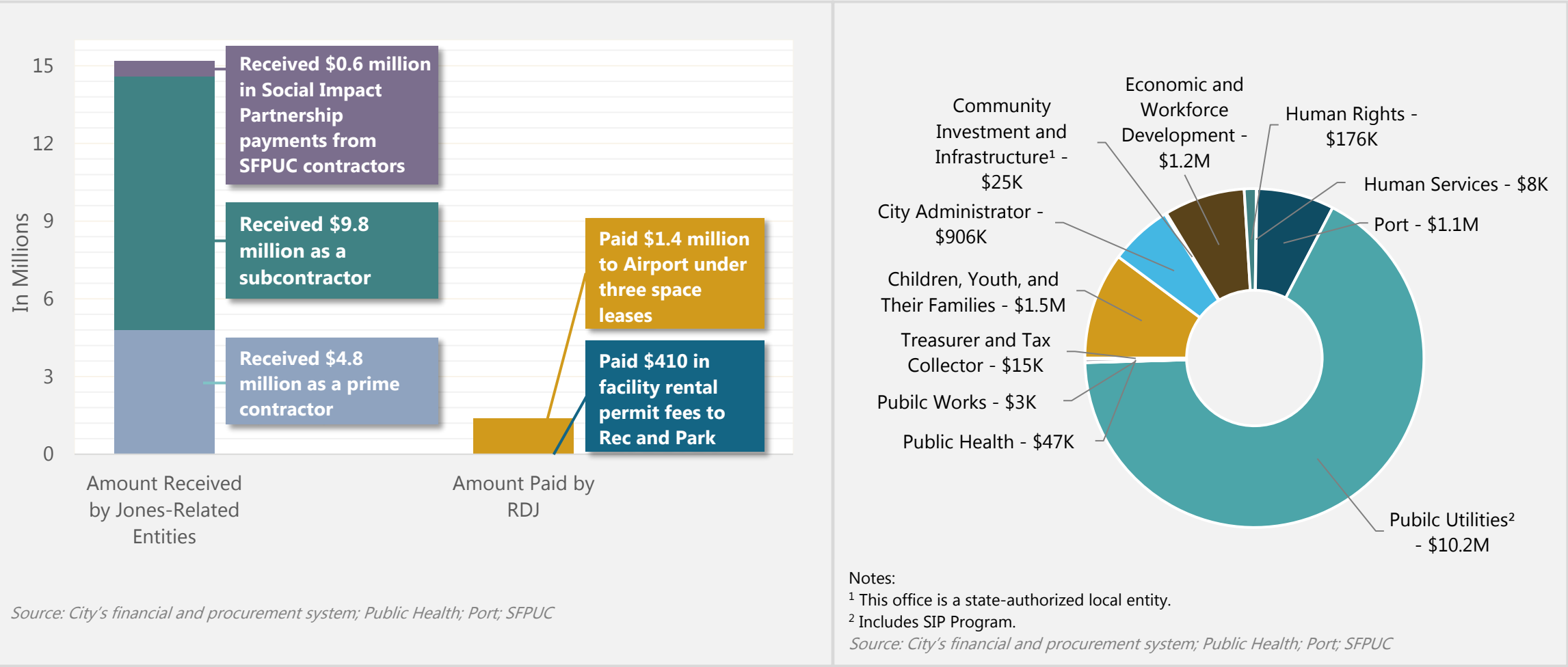
- Ellicott was employed by OEWD in 2012 and by the City Administrator from 2013 through 2017, with a break in his city employment between 2014 and 2016. While a senior administrative analyst at the City Administrator, Ellicott helped Henriquez monitor and develop the Community Challenge Grant program budget in 2013 and 2014.
- Ellicott returned to city employment in 2016, and in July 2017 became the assistant director of finance and technology for the Workers' Compensation Division at Human Resources.
- Ellicott was a member of the advisory committee for the City Administrator's Grants for the Arts Program in fiscal years 2015-16 through 2017-18.

PART ONE:

City Payments to Jones-Related Entities from July 2016 through December 2024

Summary of Payments to and From Jones-Related Entities

The graph below shows Jones-Related Entities received \$15.2 million⁵ in payments from 11 city departments/entities and paid two departments \$1.4 million from July 1, 2016, through December 31, 2024.



⁵ Includes payments received by UEA, an entity Jones created in 2012 and that the City has not suspended.

City Payments to Jones-Related Entities as a Prime Contractor

Jones-Related Entities received \$4.8 million from the City as a prime contractor and from non-contract payments for July 1, 2016, through December 31, 2024.

Department/Entity	RDJ and Related Entities			Total
	RDJ Enterprises, LLC	Southeast Consortium for Equitable Partnerships	Urban Ed Academy ^a	
Children, Youth, and Their Families	\$-	\$-	\$1,547,031	\$1,547,031
City Administrator	94,999	811,374	-	906,373
Community Investment and Infrastructure ^b	-	-	25,000	25,000
Economic and Workforce Development	-	-	1,172,405	1,172,405
Human Rights	-	-	175,547	175,547
Human Services	8,034	-	-	8,034
Port	362,389	-	-	362,389
Public Utilities	533,089	-	7,000	540,089
Public Works	3,124	-	-	3,124
Treasurer and Tax Collector	-	-	15,000	15,000
Total	\$1,001,635	\$811,374	\$2,941,983	\$4,754,992

Notes:
^a Not suspended by City.
^b This office is a state-authorized local entity.
Source: City's financial and procurement system

City Payments to Jones-Related Entities as a Subcontractor

RDJ and UEA⁶ were subcontractors on city contracts, receiving a total of \$9.8 million as a subcontractor on one Department of Public Health (Public Health) contract, two Port Commission (Port) contracts, and five SFPUC contracts.

- RDJ Enterprises, LLC, is listed as a subcontractor for contracts with the Airport, County Transportation Authority, and Public Works, but no payments were made on any of these subcontracts before their termination.
- UEA is listed as a subcontractor for Public Health.

The table below shows payments made to Jones-Related Entities as a subcontractor.

Contract Number	Contract Description*	Public Health	Port	SFPUC	Total
1000008917	DPH PROGRAM ADMIN & SUPPORT	\$47,488	\$-	\$-	\$47,488
1000000112	HSIP PROF & ENGINEERING SUPPORT	-	-	230	230
1000007631	PRT SEAWALL COMMUNICATION 17	-	33,819	-	33,819
1000008391	PRT SEAWALL DESIGN 17/18	-	726,675	-	726,675
1000013564	PUC AS-NEEDED WW & STORMWTR SVC	-	-	10,651	10,651
1000005952	PUC CMGC SEP BIOSOLID DIGESTER	-	-	2,677,577	2,677,577
1000000556	PUC SEWPCP NEW HEADWORKS FCLTY	-	-	845,168	845,168
1000000051	SSIP PROGRAM MANAGEMENT	-	-	5,501,242	5,501,242
Total		\$47,488	\$760,494	\$9,034,868	\$9,842,850

* Note: Contract description provided by departments and taken verbatim from their systems because the City's financial and procurement system does not have complete subcontractor information.

Source: Public Health; Port; SFPUC

⁶ The City has not suspended UEA.

SIP Program Payments to Jones-Related Entities

Jones-Related Entities received \$0.6 million in Social Impact Partnership Program payments under seven SFPUC contracts from July 1, 2016, through December 31, 2024.

Supplier Name	Fiscal Year	Contract Number/Firm Name ^a	Amount
Southeast Consortium for Equitable Partnerships	2017-18	WW-628 SUNDT CONSTRUCTION/WALSH CONSTRUCTION JV	\$55,792
	2018-19	DB-126 EMERSON	9,700
	2018-19	CS-165 AECOM/PARSONS JV	10,000
	2019-20	CS-235 BROWN AND CALDWELL	26,775
	2019-20	PRO.0068 ARCADIS	1,000
	2019-20	WW-628 SUNDT CONSTRUCTION/WALSH CONSTRUCTION JV	183,891
	2019-20	WW-647R MWH WEBCOR	5,000
	2020-21	DB-126 EMERSON	1,750
Urban Ed Academy ^b	2016-17	CS-235 BROWN AND CALDWELL	42,039
	2016-17	CS-165 AECOM/PARSONS JV	5,000
	2022-23	CS372.B SOHA-MBE JV	450
	2022-23	WW-647R MWH WEBCOR	250,000
Total			\$591,397

^a Contract descriptions provided by SFPUC and taken verbatim from its system; JV = joint venture.

^b Not suspended by City.

Source: SFPUC

Amounts Paid by Jones-Related Entities to City Departments

Jones-Related Entities paid \$1.4 million to two departments from July 1, 2016, through December 31, 2024:

- \$1.4 million in rent payments to the Airport, as a 10 percent joint venture partner with HG SFO Retailers 2017 JV,⁷ for three space leases to operate a bookstore, retail store, and newsstand at San Francisco International Airport.
- \$410 in facility rental permit fees to Rec and Park for Urban Ed Academy summer camp picnics held on ten dates in June and July 2023.

Department	Amounts Paid to City Departments by:		Total
	RDJ Enterprises, LLC	Urban Ed Academy	
Airport	\$1,406,500	-	\$1,406,500
Rec and Park	-	\$410	\$410
Total	\$1,406,500	\$410	\$1,406,910

Source: City's financial and procurement system; Airport; Rec and Park

⁷ This joint venture (JV) has three participants: Hudson Group Retail, LLC; RDJ Enterprise, LLC; and Stewart Manhattan Investments, Inc.

Termination of Contracts With the Suspended Entities

In response to the September 7, 2023, directive from the Mayor, City Administrator, City Attorney, and Controller, city departments took the following actions to terminate financial relationships with the suspended⁸ entities:

- In October 2023 the Airport issued a memo requiring one joint venture tenant with three concession leases to terminate its relationship with RDJ and Jones to the extent legally feasible. The tenant sent termination notices to RDJ in December 2023, with an effective date of October 1, 2023.
- In September 2023 the Port issued ten memos⁹ confirming it took all actions to terminate any active contracts with RDJ as either a prime contractor or subcontractor. The department issued payments through February 2024 to pay any outstanding invoices for work performed before the suspension order was issued. The Port's only direct contract with RDJ is now terminated, and the Port has informed all its contractors that have subcontracted with RDJ that the Port will not pay for any additional work by RDJ.
- In September 2023 SFPUC stated in a memo that it took action to terminate all contracts with RDJ as a prime contractor or subcontractor.
- The City Administrator determined that Southeast Consortium for Equitable Partnerships' proposal was no longer eligible to receive funding for the Community Challenge Grant program's 2023 solicitation cycle and removed its proposal from the evaluation process. The City Administrator did not have any other active contracts with Jones-Related Entities.

⁸ The City has not suspended UEA.

⁹ The Office of Contract Administration terminated one additional Port contract with RDJ because it was procured under Admin. Code Chapter 21.

Part Two:

Review of City Grants to Urban Ed Academy

Summary

Part Two of this report includes findings related to all open grants to UEA from four city departments—Children, Youth, and Their Families (DCYF), Public Health, HRC, and OEWD—in September 2023, when Jones was suspended. Jones was not formally associated with UEA in September 2023, and the City has not suspended UEA. However, consistent with UEA’s 2012 founding documents, Jones referred to himself as the organization’s founder in his personal social media accounts.

Our review of grants to UEA revealed irregularities in the award to and oversight of grants to UEA at both HRC and OEWD, including:

- UEA’s gift of a \$5,500 portrait to former HRC director Sheryl Davis (Davis) less than one month before Davis signed a grant to UEA.
- The service of UEA’s former executive director, Randal Seriguchi, Jr. (Seriguchi), on the DKI Community Oversight Committee even though UEA received DKI funding.
- HRC and OEWD grant awards to UEA even when UEA received lower scores than other nonprofits competing for funding.

All city grants to UEA have expired or been terminated as of January 2025. UEA has new leadership and is fully cooperating with the assessment.

History of Urban Ed Academy in San Francisco

- UEA's 2012 founding documents describe Jones as UEA's incorporator and executive director.
- Jones' spouse, Veronica McCright-Jones, was president or chair of UEA's Board of Directors from 2012 until 2017. Since then, neither Jones nor his spouse has been listed as an officer, director, or employee of UEA.
- In September 2023 UEA's website featured photographs of Jones, and on Jones' Facebook page he referred to himself as the nonprofit organization's founder.
- According to public filings, UEA payroll records, and UEA, Seriguchi was UEA's executive director from 2016 through January 2024.
- According to UEA:
 - Its mission is to ensure every student gets the chance to learn from a Black male educator.
 - Its SMART+ program provides accessible Science, Technology, Engineering, and Math (STEM) programming and project-based learning for San Francisco students led by Black and Brown men.
 - In 2018 UEA created Man the Bay, a four-year educator fellowship program to support Black men becoming teachers, including free housing and stipends.

Status of City Grants to Urban Ed Academy

Through December 31, 2024, the City had paid UEA \$3.2 million under six city grants that were active in fiscal year 2023-24. All six grants now have expired or were terminated. They are summarized below.

Department	Grant Purpose	Grant Start Date	Grant End Date	Grant Award Amount	Payment Amount	Remaining Balance
Children, Youth, and Their Families	SMART+ and Focus on Continued Success (Middle School Program)	4/24/2018	9/13/2024	\$899,202	\$865,397	\$33,805
Economic and Workforce Development	Dream Keeper Initiative – Industries of Opportunity	7/1/2021	6/30/2025 ^a	1,192,500	337,405 ^b	855,095
	Dream Keeper Initiative – Economic Vitality Incubation Hub for Youth Entrepreneurship	7/1/2021	6/30/2024	650,000	650,000	-
	Dream Keeper Initiative – Love Letters to Our Neighborhoods Event Series	4/1/2023	6/30/2024	185,000	185,000	-
Human Rights	Dream Keeper Initiative – Community Support and Engagement	1/1/2024	12/31/2024	270,000	171,547 ^b	98,453
Public Health	Program Admin and Support	8/1/2023	7/31/2024	50,000	47,488	2,512
Total				\$3,246,702	\$2,256,837	\$989,865

Notes:

^a Original end date. Due to unanticipated annual budget reductions, OEWD terminated the grant effective 7/1/2024.

^b Amount paid through 12/31/2024. According to HRC, OEWD, and UEA, some outstanding (unpaid) invoices remain.

Source: City's financial and procurement system; Public Health

Finding 1: The HRC Grant and OEWD's Dream Keeper Initiative (DKI) Grants to UEA Are Tainted by UEA's Gift of a Portrait to Former HRC Director Sheryl Davis, Former UEA Executive Director Seriguchi's Participation on the DKI Community Accountability Committee, and Davis's Participation in DKI Funding Decisions.

Finding 1.1: UEA commissioned and gave former HRC Director Sheryl Davis a \$5,500 portrait of herself just before she approved a \$270,000 grant to UEA.

In June 2023 UEA submitted a proposal to receive grant funding from HRC, making UEA a restricted source for Davis. A restricted source is a person or entity seeking to contract with or that has a contract with a department.¹⁰

In December 2023 Davis posted on Instagram a photo of a portrait painting of herself and thanked the artist and “@urbaned.sf for commissioning.” The portrait was hanging in Davis’s office in September 2024 when she resigned. UEA commissioned the portrait and paid artist Jermaine Dante \$5,500.¹¹

On January 1, 2024, less than one month after Davis received the portrait, HRC entered into a grant agreement with UEA for \$270,000. Not only does this appear to violate the City’s ethics rules but it also creates at least the appearance of a bribe and undue influence. Further, Davis did not disclose the gift on her Form 700 filed for 2023, nor did she disclose it on her Leaving Office Form 700 filed in October 2024.

UEA also paid \$5,500 for a portrait painting of Supervisor Shamann Walton that was presented to him at an event in June 2023.

¹⁰ San Francisco Campaign & Governmental Conduct Code, Section 3.216.

¹¹ UEA split the payment into two, one paid on July 11, 2023, and the other paid on November 1, 2023.

Finding 1.2: While executive director of UEA, Seriguchi was on DKI's Community Accountability Committee and UEA received DKI funding.

OEWD's and HRC's grants were funded by the DKI, an initiative launched in February 2021¹² and spearheaded by HRC under the leadership of former HRC Director Davis. Most of the annual DKI funding was initially budgeted through the Mayor's Office of Housing and Community Development, OEWD, and Public Health, as well as HRC, but HRC had input into all DKI funding decisions, even those ostensibly made by other departments. Davis provided directions and participated in meetings to review funding allocations.

[Request for Proposal \(RFP\) 122](#) (from which the Industries of Opportunity grant was awarded), issued by OEWD and funded through DKI, explicitly states that OEWD met with Davis in 2019 to discuss goals and objectives for the RFP and that the \$6 million in funding under RFP 122 would be "invested in program recommendations developed by dozens of community members across months of meetings hosted by Director Davis and the Human Rights Commission." Davis participated in roundtables and listening sessions with the public to determine the program areas to be funded in the RFP issued by OEWD. [RFP 216](#) (from which the Economic Vitality Incubation Hub for Youth Entrepreneurship grant was awarded) states that "investment areas were heavily informed by community roundtables conducted by the Human Rights Commission."

Seriguchi served on the DKI Community Accountability Committee (CAC)¹³ from October 2023 through January 2024, a period in which he was UEA's executive director and UEA had three active DKI-funded grants from OEWD and one active DKI-funded grant from HRC.¹⁴ Also, in August 2023 HRC reopened the committee member application period for the sole purpose of allowing Seriguchi to apply after he missed the application deadline, creating the appearance of favoritism toward UEA.

¹² A citywide effort launched in 2021 to reinvest \$60 million annually into San Francisco's diverse Black communities. The initiative was part of former Mayor Breed's roadmap for reforming public safety and addressing structural inequities in San Francisco. More information about the Dream Keeper Initiative can be found at: <https://www.dreamkeepersf.org/>

¹³ Formerly known as the Community Oversight Committee.

¹⁴ HRC's grant was effective January 1, 2024, and Seriguchi served on the CAC through January 31, 2024.

Finding 1.3: HRC did not obtain legislative authority to pay stipends to CAC members and circumvented the City’s financial and procurement system by making the payments through a grantee.

HRC established the CAC comprising 16 members and paid stipends to its members. The City Attorney has advised that members of city commissions or committees can receive stipends only if the Board of Supervisors expressly authorizes it via an ordinance. The Board of Supervisors has not authorized the payment of stipends to the CAC members. Therefore, HRC has no legal authority to do so.

DKI Community Accountability Committee: Responsibilities and Member Stipend	
Responsibilities	• Reviews, monitors, and supervises DKI grants. • Ensures scope of work has proper, measurable outcomes and deliverables. • Provides DKI grantees with accountability to ensure success.
Member Stipend	HRC provides CAC members a “nominal” monthly “honorarium” (stipend) of up to \$500 for their service, which includes: • Monthly meetings (approximately two hours per month) • Community event attendance (field observation – at least one per month) • Survey administration/data collection • Interviewing program participants • Grantee communication

Source: HRC CAC applications

Finding 1.3 *(continued)*

CAC members' stipends were paid from a grant to a nonprofit organization, resulting in a lack of transparency.

Unlike stipends paid to members of other city commissions or committees, which are processed, tracked, and paid through the City's financial and procurement system, stipends for CAC members were paid through an HRC grant with a community-based organization, Young Community Developers (YCD). HRC added a grant for this purpose via an amendment to YCD's original grant agreement although the payment of stipends to CAC members is unrelated to the original grant's purpose. Not only does this process lack transparency, but it is also inefficient because committee members are not paid directly through the City's financial and procurement system. Instead, with the multi-tiered payment structure it created for the stipends, HRC must verify meeting attendance with YCD to determine which committee members are eligible for stipends and then obtain proof of payment. Moreover, YCD receives a 12.5 percent (budgeted at \$10,500) fee for administering checks that HRC could and *should* have issued directly through the City's financial and procurement system.

Finding 1.4: HRC changed its internal selection process to ensure that certain members of the CAC were not disqualified or conflicted from serving on the CAC, giving the appearance of favoritism toward UEA.

At the direction of former director Davis, HRC modified the conflict-of-interest definition for CAC members after it had selected the members in 2021.

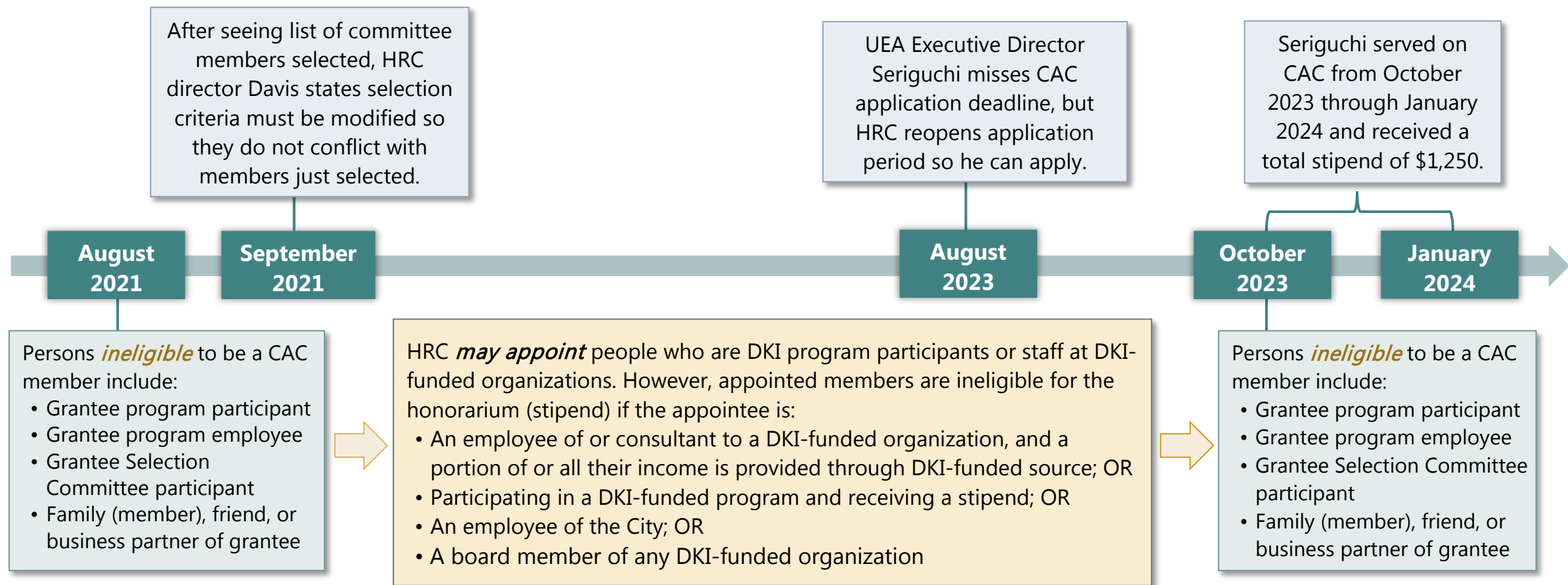
After seeing the list of committee members selected in September 2021, former Director Davis stated that the selection criteria needed to be modified so they did not conflict with (or disqualify) members who had just been selected, specifically highlighting that certain members were from organizations that received DKI grant funding at the time. Selecting employees or board members of grantee organizations to serve on a committee whose purpose is to oversee the same grant program and its grantees' performance is an explicit conflict that should have disqualified them from selection, exactly as was intended by the original criteria.

HRC misstated the conflict-of-interest rules in its CAC member application in an attempt to ensure that certain prospective members were not disqualified or ineligible to be committee members.

The August 2023 application for prospective CAC members includes new rules on what constitutes a conflict of interest. For example, the new criteria allow a member to be an employee of a DKI-funded organization if their salary is not funded by the organization's DKI grant(s). Although the language in the application changed, an October 2023 committee structure document shared with 2023 committee members shows conflicting member eligibility criteria. This document includes the 2021 application language, stating that grantee program participants, grantee program employees, Grantee Selection Committee participants, and family (members), friends, or business partners of grantees are ineligible to be committee members.

Finding 1.4 *(continued)*

The timeline below shows CAC’s conflict-of-interest policy change and the appearance of preferential treatment by HRC toward UEA.



Source: CSA analysis; HRC CAC applications

Finding 2: Irregularities in HRC's Award and Oversight of Grant to UEA

Finding 2.1: HRC did not comply with the competitive award process required by Administrative Code Chapter 21G or its own selection criteria.

HRC undermined competitive award rules when it awarded UEA a grant.

HRC issued a Request for Qualifications (RFQ), [RFQ 82](#), for Community Support and Engagement on May 19, 2023, to create a pre-qualified list of organizations from which to award grants for specific projects and programs. Administrative Code (Admin. Code), Chapter 21G, effective January 1, 2022, requires all city grants to be competitively awarded. RFQ 82 resulted in a pool of 20 prequalified organizations.¹⁵ According to the RFQ, HRC could enter into grants with prequalified organizations either by awarding to the highest available ranked grantee(s), by requesting proposals from the pool from which to select, or by awarding grants below the minimum competitive amount.¹⁶ However, we found that HRC did not competitively award under Chapter 21G or its own selection criteria. Rather, of the 20 prequalified organizations, 7 were awarded grants by HRC, none of which were ranked in the top four. Of the 7 organizations that were awarded grants, 3 were ranked 18th, 19th, and 20th.

¹⁵ Although RFQ 82 lists 18 prequalified organizations [online](#), HRC's scoring documentation reviewed by CSA shows 20 applications, with San Francisco Housing Development Corporation listed three times to be the fiscal sponsor for three organizations.

¹⁶ Admin. Code Chapter 21, [Section 21.02](#), lists minimum competitive amounts for commodities and professional services (\$200,000) and general services (\$1,000,000) for any contracts awarded from January 1, 2020, through December 31, 2024. Although Chapter 21G is silent on RFQs, HRC presumably modeled its grant selection processes on those set forth in Chapter 21.

Finding 2.1 *(continued)*

The table below summarizes the list of prequalified organizations in rank order, their scores, and whether they received grant funding.

Rank	Organization Name	Average Score	Grant Funding
1	Friends of the Children - SF Bay Area	99.5	None
2	Heluna Health (SisterWeb)*	98.0	None
3	Wah Mei School	96.0	None
4	Mission YMCA of San Francisco	95.5	None
5	West Bay Local Development Corporation	95.0	\$500,000
6	Special Needs Network Inc.	93.5	\$100,000
7	Tenderloin Neighborhood Development Corporation	93.0	None
8	San Francisco Housing Development Corporation (Two Jacks)*	91.5	\$250,000
9	PJS Consultants	90.5	None
10	San Francisco Housing Development Corporation (In the Black)*	90.0	None
11	Young Community Developers (African American Parents Advisory Council)*	89.0	None
12	Bay Area Community Resources	88.0	\$450,000
13	San Francisco Housing Development Corporation (Culinary, Hospitality and Food Service)*	86.0	None
14	Family Equity Partners	84.5	None
15	Homeless Children's Network	84.0	None
16	UpTogether	83.0	None
17	Community Works West	82.5	None
18	Restorative Justice of Oakland Youth	81.5	\$350,000
19	Urban Ed Academy	81.0	\$270,000
20	New Leadership Community Foundation (Mackey's Korner)*	76.0	\$110,000

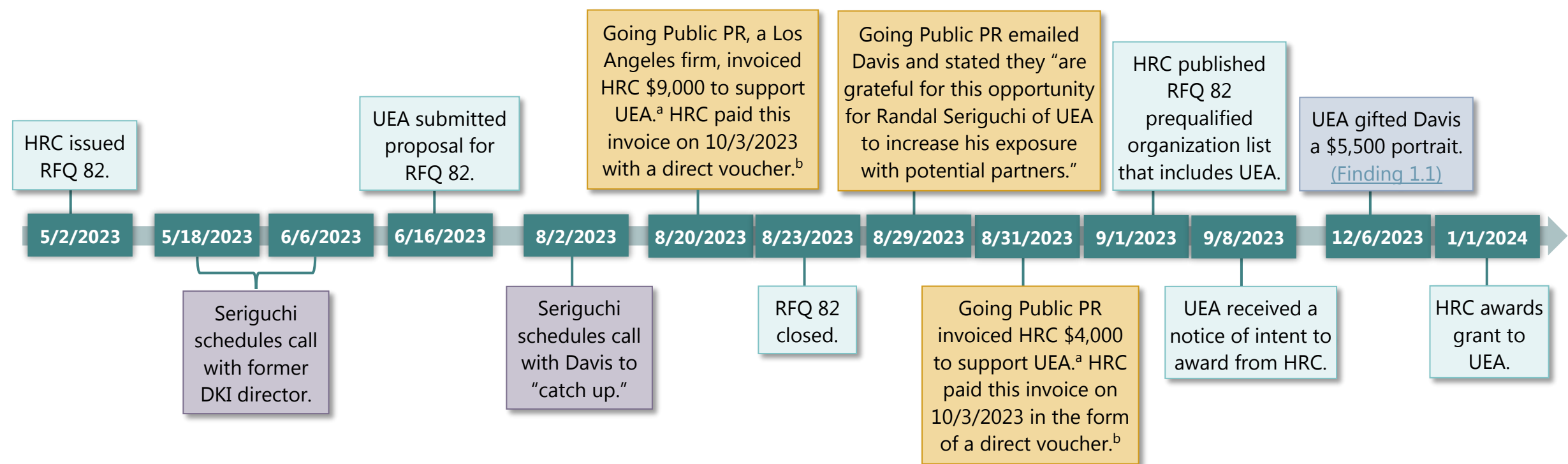
* Organizations include fiscal sponsors and their subcontractors.

Source: CSA analysis; HRC

Finding 2.1 *(continued)*

HRC and UEA violated communication rules in RFQ 82.

Seriguchi communicated with HRC city officials, specifically the former HRC executive director and former DKI director, during a period in which the RFQ explicitly prohibits any communication with any party other than the contract administrators named in the RFQ, which they were not. The timeline below shows Seriguchi communicated with former DKI director and Davis between the issuance and award of RFQ 82 to UEA.



Notes:
^a Stated purpose of invoiced service was to support UEA communications strategy and "position" UEA's then-Executive Director Seriguchi as "a thought leader in education." This payment did not adhere to city rules, and its stated purpose has no connection with HRC.
^b In general, the use of direct vouchers does not conform to the City's standard procurement practices. Direct vouchers are payments without prior encumbrance and require written justification, which these payments lacked.

Source: CSA analysis; HRC

Finding 2.2: HRC paid UEA for ineligible and questionable expenses.

As of December 31, 2024, HRC had paid UEA \$171,547 (64 percent) of the \$270,000 in available grant funding. As shown in the table below, HRC reimbursed UEA for at least \$26,675 in questionable or ineligible expenses. Without justification or itemization, HRC cannot be sure that it is reimbursing a grantee only for eligible items. Gift cards cannot be purchased without having a departmental policy approved by the Controller detailing internal controls for the purchase, handling, and distribution of gift cards, and this grant did not have a Controller-approved gift card policy. UEA categorized this grant as general operating support and did not clearly document some purchases to show how they are related to the grant's intended purposes.

The table below lists the ineligible or questionable expenses HRC reimbursed to UEA, as of December 31, 2024.

Ineligible or Questionable Expenses	Expense Description	Quantity	Amount
Questionable Expenses			
Expenses Without Justification (\$19,834)	Briones International, LLC (for office and operational expenses)	8	\$12,834
	TM Consulting and Counseling Services, PLLC (for consultation)	3	3,750
	Crystal Mouton (for consultation)	1	1500
	Afiya Williams (for consultation)	1	875
	Mitchell Therapeutic Services (for consultation)	1	875
Non-Itemized Receipts (\$3,954)	Uber Eats	6	1,666
	Billing Receipt for BMEC (Black Men in Education Convening)	1	1,596
	Instant Imprints	1	334
	Amazon Purchase	1	256
	Restaurant (<i>Restaurant Name Not Provided</i>) Receipt	1	63
	Barney's Beanery	1	39
Ineligible Expenses			
Gift Cards (\$2,875)	\$250 Instacart Gift Cards	9	2,250
	\$50 Target Gift Cards	4	200
	\$150 DoorDash Gift Card	1	150
	\$50 Amazon Gift Card	2	100
	\$25 Amazon Gift Cards	4	100
	\$75 DoorDash Gift Card	1	75
Alcoholic Beverage (\$7)	Sake	1	7
Ride Cancellation Fee (\$5)	Uber Cancellation Fee	1	5
Total			\$26,675

Source: CSA analysis; HRC

Finding 3: Irregularities in OEWD's Award and Oversight of Grant to UEA

OEWD's Industries of Opportunity Grant Program Request for Proposal 122

- In February 2021 OEWD issued a competitive solicitation, RFP 122, with funding for 39 program areas. At that time, city law did not require a competitive process for grant awards. However, a consensus agreement reached in September 2018 among the City Attorney, Controller, Human Resources, and Office of Contract Administration required that city grantees be selected through a competitive process. This changed on January 1, 2022, when Admin. Code Chapter 21G became effective, requiring an open and competitive solicitation process with some exceptions. In December 2021, after the issuance of RFP 122, the City's Office of Contract Administration issued related rules and regulations to clarify when exceptions for sole-source contracting are appropriate.
- RFP 122 states that:
 - The "goal of OEWD's RFP process is to fairly and objectively select organizations most qualified to implement workforce programs in San Francisco."
 - Each proposal will be considered individually and only the highest-scoring ones will be considered for grant awards.
 - A Review Committee will read and score all complete and eligible proposals.

Background on OEWD's Industries of Opportunity Grant

- RFP 122 included funding opportunities in several program areas, including programs designed to promote economic justice for San Francisco's Black and African American community. In one such program, Industries of Opportunity, proposers were to create, vet, and implement curricula that effectively equip unemployed and underemployed job seekers with the knowledge, skills, and certifications required to attain employment in a designated industry.
- The Industries of Opportunity grant is funded by DKI.
- In March 2021 OEWD received eight proposals for the Industries of Opportunity program area, which were reviewed and scored by three panelists.
- Although UEA received the seventh highest score out of the eight proposals, in July 2021 OEWD awarded UEA an Industries of Opportunity grant for \$350,000 without any explanation for its decision.

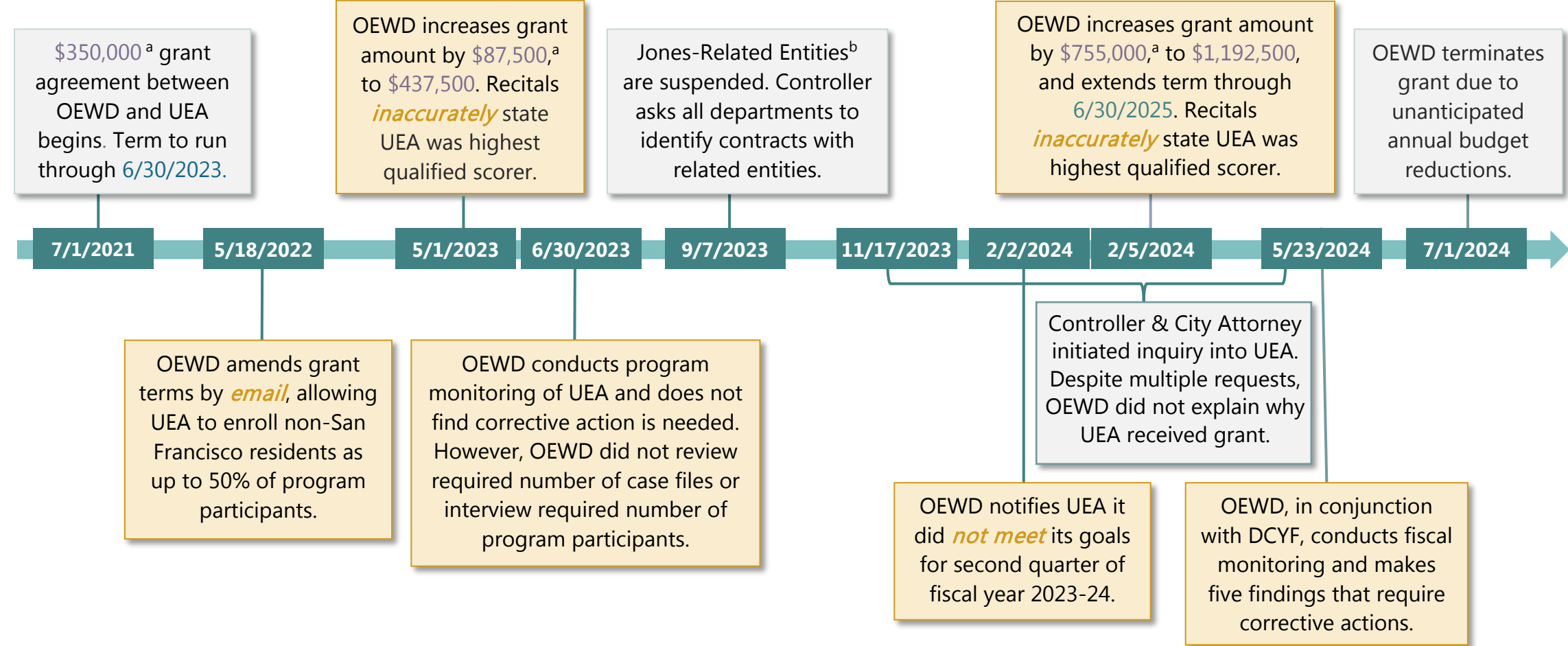
Summary of Scores, Recommendations, and Awards for OEWD’s Industries of Opportunity Grant Program (part of RFP 122)

The table below summarizes information from the score sheets and award decisions, by total score. Despite scoring second-lowest and not being recommended for funding, UEA was granted the award.

Rank & Proposer	Total Score (out of 100)	Recommendation for Funding	Awarded Grant?
1. PRC	96.33	Highly Recommend	Yes
2. Centers for Equity and Success, Inc.	95.00	Highly Recommend	Yes
3. Children’s Council of San Francisco	88.83	Recommend	Yes
4. Job Hackers	85.33	Highly Recommend	No
5. National Coalition of 100 Black Women, Inc.	84.33	Highly Recommend	Yes, after protest
6. FACES	78.33	Recommend	No
7. Urban Ed Academy	69.50	Not Recommended	Yes
8. Jarmstead, Inc.	66.83	Recommend “with Reservations (with fiscal [sponsor])”	Yes, once Homeless Children’s Network was added as fiscal sponsor after scoring and award to Jarmstead.

Source: Solicitation documents for the Industries of Opportunity grant provided by OEWD.

The timeline below shows OEWD’s Industries of Opportunity Grant to UEA, including increases that more than tripled it from \$350,000 to \$1,192,500.



Notes:
^a UEA’s grant budget item breakdown is in [Appendix A](#).
^b UEA is not a suspended entity but was included in the Controller’s request.
Source: CSA analysis; OEWD

Finding 3.1: OEWD’s scoring and award process for its Industries of Opportunity grant program under RFP 122 was flawed.

Although RFP 122 was issued before Admin. Code Chapter 21G took effect, OEWD did not adhere to its own solicitation and award process to ensure a fair, competitive selection process, as summarized in the table below.

Flaw Identified	What Happened
Unexplained award to grantee despite low score and panel recommendation of “not recommended”	- OEWD awarded UEA a grant although its proposal received the second lowest score (ranked seventh of eight) and was <i>not</i> recommended for funding by the scoring panel. Also, for two grant amendments made after Admin. Code Chapter 21G took effect, OEWD confirmed it did not change the contract template (default) language, which inaccurately states UEA was selected as the “highest qualified scorer.” - In November 2023 the Controller and City Attorney initiated an inquiry into UEA grants. Despite repeated requests from our offices from January through May 2024, OEWD failed to respond or provide an explanation for the award’s basis. Only during a compelled interview conducted by the City Attorney in May 2024 did OEWD confirm it had no documented explanation for awarding the grant to UEA.
Did not award to highly recommended eligible proposer	- OEWD initially declined to fund the proposal of National Coalition of 100 Black Women, Inc., San Francisco Chapter (NCBWSF), despite the panel’s high recommendation and its proposal’s score, which was almost 15 points higher than that received by UEA’s proposal. - In a letter to NCBWSF, OEWD stated it was funding five proposals and NCBWSF ranked fifth of eight proposals. NCBWSF protested and subsequently received a grant award.
Awarded grant to grantee with a fiscal sponsor that was not part of original proposal	- OEWD awarded a grant to Homeless Children’s Network (HCN), an organization that did not submit a proposal. - Jarmstead, Inc., (Jarmstead) submitted a proposal, and the scoring panel recommended an award to Jarmstead “with Reservations (with fiscal).” Although Jarmstead’s proposal did not include a fiscal sponsor, HCN received a grant to act in this role. There is no record of how HCN was selected to act as Jarmstead’s fiscal sponsor.

Source: CSA analysis; OEWD

Finding 3.2: OEWD did not follow best practices or its retention policies and procedures for its competitive solicitation process for four DKI grants.

- OEWD did not follow best practices for the DKI Industries of Opportunity grant because it:
 - Shared the list of proposed awards with the Mayor's Office *before* the awards were finalized. According to OEWD, this was common practice at the department. However, sharing information about proposed awards outside the department during the selection process—after scoring by a panel but before final award—is inconsistent with best practices and undermines the integrity of the competitive process by creating the appearance of potential bias.
 - Did not maintain individual score sheets for panelists as part of its selection practice. Instead, OEWD staff facilitated group discussions and consolidated each panelist's scores and comments into one document. In response to our request, OEWD staff transcribed the consolidated scores and comments into individual score sheets.
- OEWD did not follow its retention policies to maintain solicitation documents for five years for four DKI grants. Specifically, OEWD *did not* retain:
 - Award letter for one grantee under its DKI Community Arts grant.
 - Initial award letter for two grantees under its DKI Event Series and DKI Industries of Opportunity grants.
 - Signed award letter for one grantee under its DKI Economic Vitality Incubation Hub grant.

Finding 3.3: The Industries of Opportunity grant agreement with UEA does not mention the program the grant funds and is ambiguous on the grant's purpose.

- UEA's proposal for an Industries of Opportunity grant states that the funding would be used in its Man the Bay Program, which UEA describes as a four-year fellowship program that "recruits, trains, and houses Black males to teach in elementary schools in San Francisco." According to UEA, the program's goal is to increase the number of Black male teachers living in San Francisco and working in San Francisco schools. UEA also stated that the program would support Black homeownership in San Francisco by placing fellows in San Francisco homes (generating rental income for San Francisco homeowners).
- Despite what UEA's proposal states, OEWD's grant agreement with UEA does not mention the Man the Bay Program. Rather, the scope of work in the grant agreement and its amendments uses generic workforce development language, stating only that the target population is San Francisco residents and explains the (unnamed) program's goal is to ensure "Black and African American residents of San Francisco receive the opportunity to access workforce services to break the cycle of poverty and enhance overall equity."
- The original budget and subsequent budget increases, made via amendments, were largely for space rental and "other" categories. However, nowhere is it explained what "other" means, and the budget was increased without any change to the scope of work.

Finding 3.4: OEWD did not follow its monitoring and oversight policies and procedures to properly monitor its grant to UEA.

The table below lists OEWD’s program oversight and program and fiscal monitoring process.

Program Oversight	Program Monitoring	Fiscal Monitoring
Per OEWD, it reviews and monitors program goals and/or metrics monthly and notifies grantees that are not meeting their goals and/or metrics to determine cause and to help them get back on track.	Per OEWD, it annually reviews all workforce-funded programs for program compliance as follows: • Conducts site visits. • Interviews at least two participants per program area. • Reviews at least five case files per program. • Reviews monthly or quarterly participant case files, including case notes and summaries. Case notes must include dates of service, description of services provided, staff name or initials, and case closures and exits, and any next steps.	Per OEWD, as part of joint citywide fiscal monitoring, it annually reviews each program’s performance goals and required components, which may include program goals, general ledgers, payroll records, and/or statement of work, and participant plan.

Source: OEWD

Finding 3.4 *(continued)*

We reviewed OEWD’s program monitoring of UEA’s Man the Bay Program—funded by the Industries of Opportunity Grant although the program is not mentioned in the grant agreement—for program years 2021-22 through 2023-24 and found that OEWD *did not*:

- Interview at least two participants and review at least five participants case files for program year 2022-23 as required by its monitoring and oversight policies and procedures.
- Provide participant case files and notes for program years 2022-23 through 2023-24 upon request because it did not properly document and store such documents.

The table below summarizes what OEWD did and did not do in its program monitoring of UEA under its Industries of Opportunity Grant, by program year.

Program Monitoring Requirement	2021-22	2022-23	2023-24
Pre-monitoring (desk) review that provides basis for on-site/remote review	✓	✓	✓*
Site visit to observe staff in action and review location’s physical and programmatic accessibility	✓	✓*	✓*
Interview at least 2 participants per program area	✓	✗	✓
Review no fewer than 5 case files, including case notes, per program area	✓	✗	✓*
Number of program participants	11	16	14

Legend	
✓	Yes
✓*	Not Documented
✗	No

* Note: OEWD stated it performed these program monitoring requirements, but did not provide supporting documentation for CSA to verify they were completed.

Source: CSA analysis; OEWD

Finding 3.5: OEWD did not adequately monitor key measures to ensure UEA met program goals and metrics for its grant.

- Through December 2024 OEWD had paid UEA **\$337,405** under its Industries of Opportunity grant, but OEWD could not answer questions about participants' progress in the Man the Bay Program funded by the grant. OEWD did not track participant or housing stipends or verify whether program participants residing in leased locations also received housing stipends, potentially resulting in duplicate payments. OEWD had lease agreements on file but never confirmed that program participants were residing in the leased spaces. OEWD failed to take simple steps to monitor for possible fraud or double billing by UEA or its program participants.
- OEWD had not requested or received any information related to stipends (such as proof of payment) to verify whether amounts received by participants were accurately and appropriately disbursed because, according to OEWD, it is not the department's standard practice to do so. In May 2024, only after our offices escalated our requests, OEWD asked UEA for more information related to enrolled participants receiving housing subsidies and stipends and proof of payments, among other documents. In June 2024 UEA submitted all documents requested by OEWD for July 2023 through April 2024, but OEWD subsequently terminated UEA's grant effective June 30, 2024. OEWD's last payment to UEA was made in August 2023.

Finding 3.6: OEWD improperly attempted to amend UEA’s grant agreement by email and did not verify that UEA met the amended terms.

- According to the grant agreement, OEWD is committed to ensuring that the funded program’s target population of Black and African American *residents of San Francisco* receive the opportunity to access workforce services to break the cycle of poverty and enhance overall equity.
- OEWD purports to have amended the terms of the grant *by email*—in a message it sent to UEA on May 18, 2022—to allow UEA to enroll up to 50 percent of program participants from outside San Francisco, prioritizing residents of the Oakland-to-Richmond corridor. Such an amendment would have been inconsistent with the RFP’s description of the target population of the grant. More importantly, the terms of the grant require that amendments be made by a written instrument executed and approved in the same manner as the original agreement. An email communication from a program manager at OEWD is insufficient to amend the terms of a city grant.
- According to OEWD, it did not verify whether 50 percent of UEA’s program participants resided in San Francisco.
 - We found that this threshold was not met, as only 45 percent of UEA’s Man the Bay participants were San Francisco residents after May 18, 2022. The remaining 55 percent of participants resided outside of San Francisco, specifically in Concord, Hayward, Oakland, Palo Alto, and San Mateo.

Finding 3.7: Although UEA fell far short of meeting its program goals, OEWD increased the grant amount by \$755,000, a 173 percent increase.

- As part of the grant agreement, UEA is required to meet service objectives and provide monthly progress reports for participant enrollment, completion, and employment placement.
- According to OEWD, it tracks, notifies, and asks grantees who fall below 80 percent of the target for any program goal with a quantitative target to submit a letter of explanation with a performance improvement plan to ensure goals will be met by the end of the program year.
- On February 2, 2024, OEWD notified UEA that it was at 43 percent of target for its employment placement goals for the second quarter of program year 2023-24. Despite this, three days later, on February 5, 2024, OEWD amended the grant agreement with UEA, increasing its grant amount by \$755,000, thereby more than doubling it from \$437,500 to \$1,192,500, a rise of 173 percent. This was in addition to a previous \$87,500 increase that occurred on May 1, 2023.
- On May 15, 2024, according to OEWD, UEA's program was at 60 percent of its annual enrollment goal and 45 percent of its annual placement goal.

Finding 3.8: OEWD failed to identify UEA's lease with a suspended Jones-Related Entity.

- Included in the supporting documentation UEA provided to OEWD is a two-year lease under which UEA rents space from [20ROC Holdings, LLC, \(20ROC Holdings\)](#), a Jones-Related Entity. The lease, executed on April 28, 2023, and effective May 1, 2023, requires UEA to pay 20ROC Holdings **\$3,600 in monthly rent for a three-bedroom residence in Oakland.**
- On May 1, 2023, the same day that UEA's lease with 20ROC Holdings began, OEWD amended its grant agreement with UEA to cover reimbursement of rental costs.
- On September 7, 2023, 20ROC Holdings was suspended and all city departments were directed to identify existing contracts with the suspended Jones-Related Entities, including 20ROC Holdings. All city departments were further directed to cancel contracts and subcontracts with 20ROC Holdings to the extent legally feasible. According to OEWD, it was unaware of a lease agreement between UEA and 20ROC Holdings because its standard practice for DKI grants does not include requesting documentation beyond payroll registers. However, OEWD had the lease agreement on file, but failed to identify it, as required by the directive.
- According to UEA, it did not seek reimbursement from OEWD for expenses under this lease. The timing of the grant amendment under prior leadership, the same day as the effective date of the lease, suggests that UEA might have submitted these expenses to OEWD for reimbursement if not for the subsequent criminal charges against Dwayne Jones and suspension of 20ROC Holdings.

Finding 4: Issues Related to Grant Disclosure and Overlapping Scopes of Work for UEA Grants

Summary of Findings on Grant Disclosure and Overlapping Scopes of Work for UEA Grants

The table below summarizes the findings related to transparency around the City’s multiple grants with UEA.

Department	Grant Purpose	Issue Identified for Each Grant	
		Grant agreement discloses grants with other departments	Scopes of work overlap with other grants
Children, Youth, and Their Families	SMART+ and Focus on Continued Success (Middle School Program)	✓	✓
Economic Workforce Development	Dream Keeper Initiative – Economic Vitality Incubation Hub – Youth Entrepreneurship	✗	✓
	Dream Keeper Initiative – Love Letters to Our Neighborhoods Event Series	✗	✗
	Dream Keeper Initiative – Industries of Opportunity	✓	✓
Human Rights	Dream Keeper Initiative – Community Support and Engagement	✗	✓
Public Health	Program Admin and Support	N/A – Subcontractor agreement does not have disclosure requirement	✗

Legend	
✓	Yes
✗	No

Source: CSA analysis; DCYF; HRC; OEWD; Public Health

Finding 4.1: A lack of transparency about grant funding across city departments increases the risk the City will overpay for services.

The City’s grant agreement template (Form G-100) requires grantees to list all other agreements they have with the City. (This is usually done in Appendix D – Interests in Other City Contracts.)

- This form is included with the final, executed agreement. However, it is not available to departments when they are making the award and finalizing the scope of work or when the City Attorney is reviewing the agreement as to legal form.
- Grant agreements are not always uploaded to the City’s financial and procurement system. Therefore, even if an interest is disclosed by one funding department, another may be unable to see the scope of work.

The table below shows the grant agreements between UEA (as a prime contractor) and city departments and whether UEA disclosed contracts and/or grants it had with other departments.

Department	Grant Description	Grant Agreement Date	Disclosed All Contracts/Grants With Other Departments?
Children, Youth, and Their Families	Urban Ed Academy UEA SMART+ and Focus on Continued Success (Middle School Program)	April 24, 2018	YES
Economic and Workforce Development	Dream Keeper Initiative – Industries of Opportunity	July 1, 2021	YES
	Dream Keeper Initiative – Economic Vitality Incubation Hub – Youth Entrepreneurship	July 1, 2021	NO
	Dream Keeper Initiative – Love Letters to Our Neighborhoods Event Series	April 1, 2023	NO
Human Rights	Dream Keeper Initiative – Community Support and Engagement	January 1, 2024	NO

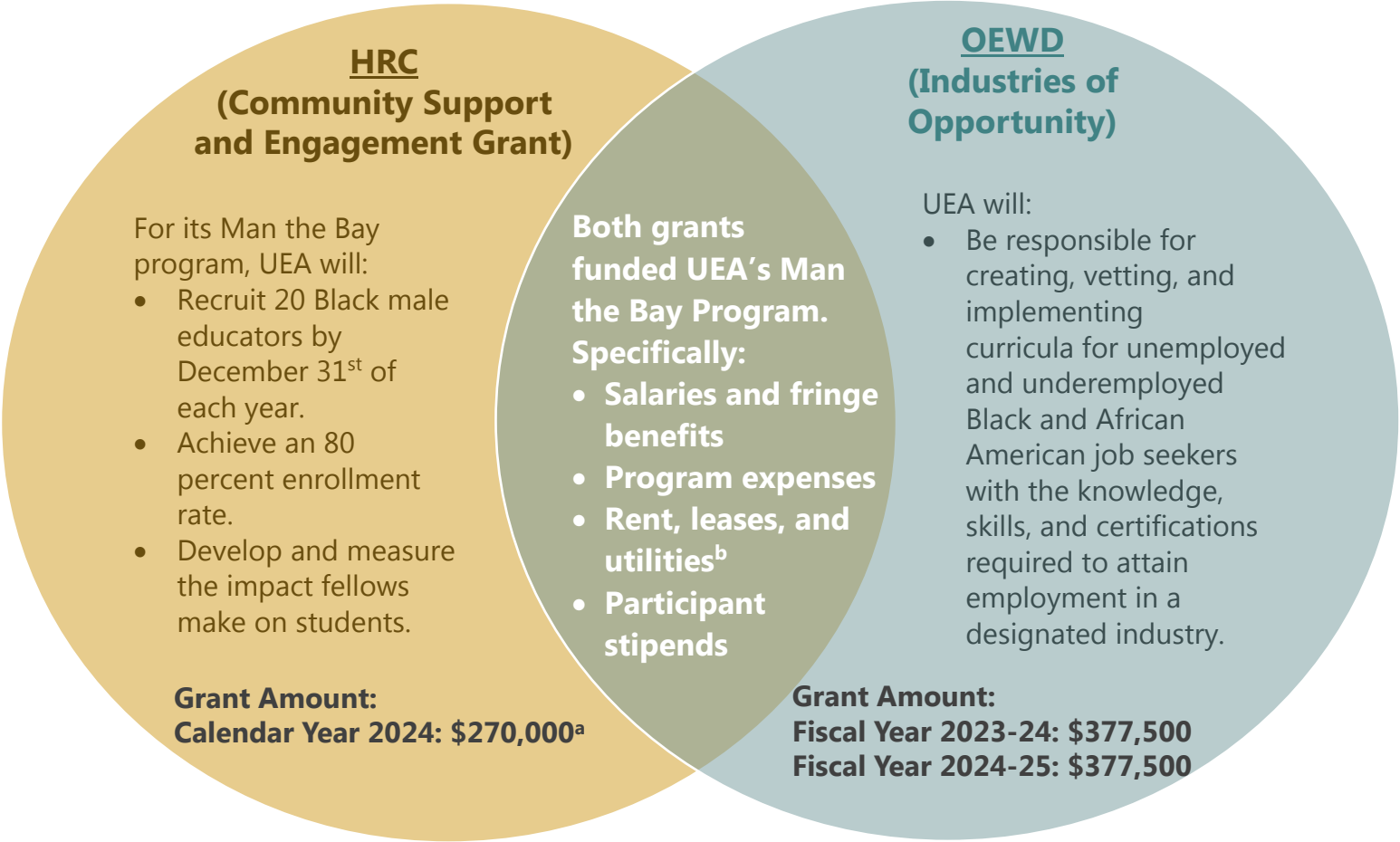
Source: DCYF; HRC; OEWD

Finding 4.1 *(continued)*

- Inconsistent disclosure of funding from departments makes it difficult for them to prevent duplicate services being provided and/or billed.
 - The grant agreements with OEWD for the Economic Vitality Incubation Hub and Love Letters to Our Neighborhoods Event Series grants did not include all other city funding received by UEA as required.
- On January 1, 2024, UEA entered into a grant agreement with HRC for the \$270,000 Community Support and Engagement grant that covers the staffing, participant stipends, program materials, operational costs (facility rent, utilities, and transportation), reporting and auditing, and contingency funding for its Man the Bay program and SMART+ program.
 - The second amendment to UEA's grant agreement with OEWD, dated February 2, 2024, includes funds for salaries, space rental, participant stipends, and "other."
 - OEWD's Industries of Opportunity grant and HRC's Community Support and Engagement grant both risk the City paying for overlapping services or double billing. OEWD only began scrutinizing invoices in May 2024, after our inquiries into UEA grants, while HRC received its first invoices from UEA in August 2024. This timing suggests the potential for duplicate payments that may have gone unnoticed without our assessment and inquiry into these grants to UEA.

Finding 4.1 *(continued)*

The diagram below compares two grants UEA used to fund its Man the Bay Program.



Notes:

^a Grant funds UEA's Man the Bay and SMART+ programs, but grant agreement does not break down the funding allocated to each.

^b HRC provides funding for facility rent, utilities, and transportation, and OEWD provides funding for space rental.

Source: HRC; OEWD

Finding 4.1 *(continued)*

We compared the invoices and deliverables UEA provided to DCYF and OEWD and found at least three instances of significant overlap in services provided for which UEA billed both departments. According to UEA, there was no double billing because staffing costs were billed to and paid by DCYF, and costs paid to entrepreneurs were billed to and paid by OEWD. However, without consistent disclosure of contracts with other departments by grantees, departments cannot ascertain whether duplicate services are being provided and take measures to prevent potential double billing.

The table below shows that in January 2024 UEA submitted expenses related to the same event, a three-day youth entrepreneurship workshop, to both DCYF and OEWD.

DCYF (UEA SMART+ and Focus on Continued Success [Middle School Program])		OEWD (Economic Vitality Incubation Hub – Youth Entrepreneurship)														
<u>Work performed:</u> UEA and Majorwavez Lab, Inc., organized a three-day workshop in January 2024 for students to draw, label, and design custom sneakers.																
<table><tr><th>Budget Item</th><th>Expenses</th></tr><tr><td>Adult Staff</td><td>\$8,417.40</td></tr><tr><td>Fringe Benefits</td><td>1,149.00</td></tr><tr><td>Materials and Supplies</td><td>1,445.11</td></tr><tr><td>Other Program Expenses</td><td>41.30</td></tr><tr><td>Administrative</td><td>1,532.97</td></tr><tr><td>Total</td><td>\$12,585.78</td></tr></table>		Budget Item	Expenses	Adult Staff	\$8,417.40	Fringe Benefits	1,149.00	Materials and Supplies	1,445.11	Other Program Expenses	41.30	Administrative	1,532.97	Total	\$12,585.78	Deliverable-Based: \$15,000
Budget Item	Expenses															
Adult Staff	\$8,417.40															
Fringe Benefits	1,149.00															
Materials and Supplies	1,445.11															
Other Program Expenses	41.30															
Administrative	1,532.97															
Total	\$12,585.78															

Source: CSA analysis; invoice summaries provided by DCYF; deliverables provided by OEWD

It is unclear if DCYF and OEWD split the workshop’s cost (each paid for approximately half) or if DCYF paid the workshop’s full cost and OEWD paid for the same workshop that DCYF fully paid for, which would be a duplicate payment.

Finding 4.2: Inadequate subcontractor reporting in the City's financial and procurement system undermines tracking, oversight, and transparency.

In addition to UEA being a direct grantee of several departments, it was also a subcontractor under a Department of Public Health grant. However, because departments are not required to enter subcontractor grant awards and payment information into the City's financial and procurement system, we would not have known UEA was a subcontractor if UEA had not informed us or unless we had manually reviewed all the City's grant agreements.

In OEWD's Love Letters to Our Neighborhoods Event Series grant, under [RFP 223](#), UEA applied in collaboration with program lead, A Little x. However, A Little x was not listed as a permitted subgrantee in the grant agreement.

Recommendations

The Human Rights Commission and Office of Economic and Workforce Development should:

1. Comply with requirements of Chapter 21G of the San Francisco Administrative Code related to solicitation for all future grants.
2. Ensure grant documents do not contain misstatements, including in any boilerplate or default language. (The funding department is responsible for ensuring the factual accuracy of all recitations in grant documents.)
3. Ensure the scope of work in each grant agreement describes the unique services covered by the grant, in part to prevent grantees from billing two or more city departments for the same expenses.
4. Adhere to the Controller's Office Accounting Policies and Procedures regarding invoice reviews.
5. Ensure grantees provide complete and accurate disclosures of funding across city departments in grant agreements before grant execution, as required in the City's grant agreement template (Form G-100), Appendix D – Interests in Other City Contracts.

The Office of Economic and Workforce Development should:

6. Comply with its retention policies and procedures to retain documentation of the award process.
7. Document the justification if it selects a low-scoring proposer for a grant award.
8. Ensure awarded grants meet the objective(s) and scope of the grant request for proposal.
9. Conduct program monitoring to ensure grantees meet the targets set for required performance metrics. If targets are not met, collaborate with grantees to assess the targets, metrics, and/or budget, and amend agreement if necessary.
10. Change grant agreements only via written, approved amendments. Any change to a grant agreement, including a performance target, performance metric, or budget, should be formally documented in accordance with city rules and the department's policies and procedures. Grant budget changes should be reflected in the City's financial and procurement system.

The Office of Contract Administration should:

11. Consider modifying rules and regulations related to Chapter 21G of the San Francisco Administrative Code to require that grant *proposals* disclose any city funding the grant applicant receives and the scope of work associated with such funding to help ensure departmental grants do not unwittingly overlap.

The Controller's Office Systems Division should:

12. Consider adding functionality to the City's financial and procurement system to allow or require departments to enter information on sub-grant awards and payments in the system.

Appendix A

Budget Items for UEA's Industries of Opportunity Grant Agreement and Amendments

Original Contract (Entered on July 1, 2021)			First Amendment (Entered on May 1, 2023)			Second Amendment (Entered on February 5, 2024)	
Line	Budget Item	Original Annual Budget	Line	Budget Item	Original Annual Budget	Budget Item	Original Annual Budget
		Column A			Column A		Column A
1	Salaries	\$0.00	1	Salaries	\$10,610.00	Salaries	\$45,025
2	Fringe Benefits	\$0.00	2	Fringe Benefits	\$1,890.00	Fringe Benefits	\$9,005
3	Contractual Services	\$0.00	3	Contractual Services		Contractual Services	\$0
4	Equipment	\$0.00	4	Equipment		Equipment	\$0
5	Insurance	\$0.00	5	Insurance		Insurance	\$0
6	Travel/Conferences	\$0.00	6	Travel/Conferences		Travel/Conferences	\$0
7	Space Rental	\$0.00	7	Space Rental		Space Rental	\$445,000
8	Telecommunications	\$0.00	8	Telecommunications		Telecommunications	\$0
9	Utilities	\$0.00	9	Utilities		Utilities	\$0
10	Supplies	\$0.00	10	Supplies		Supplies	\$0
11	Other	\$350,000.00	11	Other	\$75,000.00	Other	\$255,970
12	Indirect Cost	\$0.00	12	Indirect Cost		Indirect Cost	\$0
13	Total (Lines 1-12)	\$350,000.00	13	Total (Lines 1-12)	\$87,500.00	Total (Lines 1-12)	\$755,000

Source: OEWD

Appendix B

Letter to Department Heads



September 7, 2023

Dear Department Heads;

On August 29th, the District Attorney announced multiple felony charges against Lanita Henriquez and Rudolph Dwayne Jones (Dwayne Jones), two individuals involved in the City's Community Challenge Grant Program. The allegations include bribery, misappropriation of public funds, and financial conflicts of interest occurring between 2016 and 2020.

Based on those charges, last week the City Administrator and City Attorney commenced the process of suspending Dwayne Jones, RDJ Enterprises, and certain identified affiliates. At the City Administrator's request, the City Attorney and Controller also initiated a public integrity review of the City's Community Challenge grant portfolio, and grantmaking procedures. In the meantime, the Community Challenge Grant Program's director, Lanita Henriquez, was placed on administrative leave.

Today, the City filed and served Dwayne Jones, RDJ Enterprises and a number of other related entities listed below, with a formal suspension order. This order prohibits these individuals and entities from applying for and receiving future city funded contracts and subcontracts. The suspension order also allows the City to terminate existing contracts with the suspended contractors.

Some City departments may have current contracts with the below named individual and entities or have received responses to active procurements and solicitations that are pending review. As such, each department should immediately:

- Identify for the Mayor's Budget Office, Controller, and City Attorney any such existing contracts with and solicitation responses to active procurements from the below named individual and entities and coordinate an individual assessment of each with the City Attorney and Controller. This should include any such existing contracts where the below named individual and entities are listed as a subcontractor.
- Move to suspend, terminate, or otherwise close out such existing prime contracts unless the department identifies any exceptional or emergency circumstances and obtains approval to continue those contracts on a limited basis in writing by the City Attorney's Office in consultation with the Mayor's Office; and
- Where appropriate, and in consultation with the City Attorney's Office, direct the cancellation of existing subcontracts with the below named individual and entities.

1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

Letter to Department Heads *(continued)*



Suspended Individual and Entities:

- Dwayne Jones
- RDJ Enterprises
- Project Complete
- Southeast Consortium for Equitable Partnerships Inc.
- Urban Equity LLC
- 20ROC Holdings LLC

As the public integrity review continues, we may add other individuals and entities to this list. The Controller will also place the suspended individual and entities on their publicly available list located on their website.

Additionally, consistent with Mayoral Executive Directive 20-01, all departments must cooperate fully and with the utmost urgency with any requests made by the City Attorney and the Controller. All City employees and departments must proactively share any information that they believe could be helpful to the investigation. They can do so by contacting the City Attorney's Office and the Controller's Office directly by email at publicintegrity@sfgov.org or phone at (415) 554-7657.

Sincerely,

A handwritten signature in blue ink, appearing to read "London Breed".

Mayor London N. Breed

A handwritten signature in blue ink, appearing to read "David Chiu".

City Attorney David Chiu

A handwritten signature in black ink, appearing to read "Carmen Chu".

City Administrator Carmen Chu

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

Controller Ben Rosenfield

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