



January 23, 2026

RE: FRAUD, WASTE, AND ABUSE INVESTIGATION ON HOMELESS SERVICE PROVIDER

In July 2024, and as previously reported by our Office, the Controller's Fraud, Waste, and Abuse (FWA) Unit received a hotline tip alleging contractor fraud by a service provider at an Inside Safe hotel. Upon receiving the allegation, our FWA investigators conducted an on-site visit of the location, interviewed residents and staff, and launched a formal investigation into allegations of contractor fraud. This formal investigation included determining whether the contractor provided food services to unhoused residents in accordance with their contractual obligations. In conjunction with the investigation, the FWA Unit was able to secure immediate relief for vulnerable residents by ensuring corrective action that led to the provision of nutritious meals for residents at the Inside Safe site.

The FWA Unit's timely and thorough investigative efforts garnered the attention of local and federal law enforcement agencies. Today, the United States Attorney's Office arrested Alexander Soofer, executive director of Abundant Blessings, on a federal criminal complaint charging him with fraudulently obtaining \$23 million in public money intended to combat homelessness.

Allegations about contractor fraud are especially concerning because the City spends billions on goods and services each year. Multiple performance audits conducted by our Office in recent years have shown a significant lack of contractor oversight by City departments. These conditions increase the risk that taxpayer funds are being wasted, which leaves less money available to deliver critical services to residents during the City's ongoing fiscal emergency.

As a result of the FWA Unit's investigative findings, our investigators will be conducting proactive inspections of shelter facilities to ensure that contractors are providing services in accordance with established requirements. This critical oversight function is imperative as failure to meet those minimum requirements can harm unhoused residents and waste valuable taxpayer funds.

The FWA Unit's efforts in this case underscore the importance of having an independently elected government watchdog in Los Angeles. However, our Office's ability to provide the transparency and accountability that Angelenos demand is constrained by a lack of resources. We have only five fraud, waste, and abuse investigators and the team is responsible for hundreds of cases each year. Last year, the FWA Unit received over 700 claims. With the FWA Unit's proven track record of bringing transparency and accountability, it is

incumbent upon the City to make a meaningful investment in the Unit. Our Office is continuing to fight to obtain more positions through next fiscal year's budget process so that the independent FWA Unit can continue to bring results across all departments and throughout the City.

Homelessness funds are growing more scarce due to federal funding cuts and ongoing state and local budget deficits. The City has a responsibility to safeguard these crucial dollars to ensure that they are used to provide unhoused community members with a humane standard of care. The Controller's Office remains committed to protecting government integrity and serving as the taxpayers' watchdog. The four million people of Los Angeles deserve true accountability and proper use of their tax dollars.

ABOUT THE CONTROLLER'S OFFICE FRAUD, WASTE, & ABUSE UNIT

The Controller's Office aims to bring transparency and accountability to the use of taxpayer funds in the City of Los Angeles. The Controller's Fraud, Waste, and Abuse (FWA) Unit investigators assess allegations of potential misconduct submitted to their public hotline and are tasked with identifying, stopping, and preventing the misuse of City resources.

We strongly encourage people to report allegations of fraud, waste, and abuse involving City resources to the Controller's Fraud Hotline. To make an online report please visit controller.lacity.gov/fwa. We encourage users to file a report online as you will have the ability to upload documents and information, respond to questions from our unit, and provide additional details if new information becomes available. Otherwise, to make a report by phone during business hours, call (866) 428-1514.



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