



FOR IMMEDIATE RELEASE

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Controller's FWA Unit Prompts Immediate Corrective Action from LAHSA after Observing Inside Safe Provider's Food Inventory Consists Almost Entirely of Instant Noodles

LOS ANGELES – On July 19, 2024, Los Angeles City Controller Kenneth Mejia's Office's Fraud, Waste, and Abuse (FWA) Unit conducted an on-site visit of an Inside Safe location as part of its initial fact finding in response to a hotline tip alleging contractor fraud by an Inside Safe service provider. During the visit, the FWA Unit observed the following:

- The service provider's food inventory consisted almost entirely of instant ramen noodles.
 - The small remaining portion of other food inventory consisted only of instant oatmeal, canned soup, canned corn, and canned refried beans. The food selection appeared to fall short of fulfilling daily nutritional requirements
 - The only instant ramen noodles varieties were beef, chicken, and shrimp. They did not accommodate vegetarian, vegan, or other common dietary restrictions.
- There was no fresh food provided by the contractor for the residents. Fresh food was available in the common area, but it had been donated to the facility by others.

The FWA Unit's preliminary observations revealed serious immediate issues about the level of care and services provided at this Inside Safe location. The FWA Unit sought immediate corrective action to provide vulnerable residents with nutritious meals by contacting LAHSA, requesting that they outline their plans to verify the issues and identify a sustainable solution as quickly as possible.

After the FWA Unit raised its concerns, LAHSA is now requiring the contractor to provide three nutritious meals a day. Residents are now receiving these meals. LAHSA has also committed to ensuring that the contractor continues to properly feed participants.

The FWA Unit is also formally launching an investigation into allegations of contractor fraud by the service provider. The investigation includes determining whether the contractor provided food services in accordance with their contractual obligations, as well as taxpayer dollars paid to the contractor.

Controller Mejia stated, "Taxpayer money goes heavily into homeless services in our city. Our current homelessness budget is approximately \$950 million. Angelenos should be able to reasonably expect their investment to return decent meals for our unhoused neighbors - not instant ramen for almost every meal.

“Inadequate shelter and services discourages unhoused people from accepting or remaining in shelter. LA cannot meaningfully lower our unhoused population unless the City provides adequate housing and services.

“We are encouraged that LAHSA took quick action to correct the immediate situation. We will continue our investigation into the allegation of contractor fraud, including determining their contractual obligations and how they used taxpayer dollars.”