

FROM WARNING SIGNS TO CRIMINAL CASE

Part One: The SSG/Abundant Blessings Matter and the Case for Independent Oversight

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EXECUTIVE SUMMARY

This paper examines the Lakiya Malone case, one of three separate federal homelessness-corruption cases announced in September 2026, together with the related proceedings involving Alexander Soofer. Malone was employed at Special Service for Groups/Homeless Outreach Program Integrated Care System (SSG/HOPICS); Soofer is executive director of Abundant Blessings. It asks a narrow institutional question — not whether any individual is guilty, but whether Los Angeles had an independent function capable of catching a problem like this one, tracing it across the agencies that touched it, and confirming it was actually fixed.

The central finding is this: three independent oversight bodies — the Los Angeles County Auditor-Controller, a court-appointed independent assessor (Alvarez & Marsal), and the U.S. Department of Housing and Urban Development’s Office of Inspector General — documented significant weaknesses in how homelessness spending was tracked, monitored, and verified. The reviews show that independent reviewers identified specific problems. The review reports and records reviewed for this paper do not document a complete path from each identified problem to a decision, an enforcement action, and independent confirmation that the underlying problem was resolved. That documented gap between findings and verified closure is the institutional weakness this paper examines, independently of what the Malone/Soofer matter ultimately proves in court.

This paper does not establish that Lakiya Malone committed a crime. She has been indicted, not convicted, and the allegations against her are presented here strictly as allegations. The two other federal cases announced the same week — against Michael Young of Home At Last and Donye Mitchell of Big Blue Umbrella — are outside this part’s scope; this paper makes no factual claim about either case. Later work may assess them against the relevant primary filings. What this paper does establish, because Alexander Soofer signed a plea agreement and personally certified the underlying facts as true, is a detailed account of how a bribery, ghost-participant, and fraudulent-billing scheme operated inside Los Angeles’s homelessness-funding system.

Based on this record, the paper recommends that Los Angeles establish an independent Homelessness Inspector General with cross-agency jurisdiction, compulsory records access, forensic transaction-tracing capacity, participant and service verification authority, and a mandatory public duty to track every oversight finding and corrective action through independently verified closure — complementing, not replacing, prosecutors, auditors, or service providers, and making visible what happened after a warning sign was identified.

1. WHY THIS PAPER COVERS THIS MATTER NOW

In September 2026, federal prosecutors announced three separate criminal cases connected to Los Angeles homelessness-services organizations: cases involving Home At Last, Big Blue Umbrella, and SSG/HOPICS. The announcement also described the related Soofer proceedings, including his signed plea agreement. This paper addresses Malone’s case and the related Soofer proceedings because primary court filings — the indictment, plea agreement, and related charging documents — are available and have been read in full. The Home At Last and Big Blue Umbrella cases are outside this part’s scope; no factual conclusion is drawn about them here. A later part may assess them against the relevant primary filings and records.

Every factual claim below is attributed to a specific document and marked according to what that document actually establishes: an official oversight finding, a criminal allegation that has not been proven, a fact Alexander Soofer personally certified as true in his signed plea agreement, or BeaconStone’s own analysis connecting those sources. A short methodology note explaining this system appears near the end of this paper.

2. LOS ANGELES WAS ALREADY SEEING WARNING SIGNS

Three independent reviews, conducted years apart by three different bodies, converge on the same underlying picture: a system capable of generating financial and compliance warning signs, but whose tools for tracking, verifying, and resolving them were themselves incomplete. Those findings are official conclusions of the respective review bodies; they are not criminal adjudications.¹

County Auditor-Controller review (issued November 19, 2024). The Los Angeles County Auditor-Controller’s review of the Los Angeles Homeless Services Authority (LAHSA) documented sixteen findings, ten of them rated Priority 1 — the audit’s highest severity category.¹ Among the specific findings: approximately \$50.8 million in multi-year Measure H working-capital advances to providers were outstanding without formal repayment agreements;² roughly \$8 million of those advances were already aged as of July 2024;³ a sample of the advances found approximately \$5 million inadequately supported by documentation;⁴ LAHSA was unable to provide auditors with comprehensive contract data on request;⁵ contracts were being executed well after the applicable service period had already begun;⁶ and the audit found no adequate contract-monitoring plan or documented standards sufficient for the Auditor-Controller to determine whether subrecipients were being properly monitored at all.⁷ These are the audit body’s own findings, not BeaconStone’s characterization of them, and they do not establish fraud in any specific case — they establish the condition of the financial-control environment that any provider-level warning sign would have had to pass through.

Court-ordered Alvarez & Marsal assessment (filed May 14, 2025). A separate, court-ordered independent review, filed in the federal *LA Alliance for Human Rights* litigation, reached a structurally similar conclusion through a different lens. Alvarez & Marsal states that its work does not constitute a formal review or audit under applicable accounting standards; this paper therefore calls it an assessment, and refers to these sources together as “the review record” only for convenience. The reviewers reported that they could not fully quantify total City spending on homelessness programs from the records provided, due to fragmented accounting across City departments, and specifically could not verify the number of shelter beds the City reported.⁸ The report also found that LAHSA did not contemporaneously verify that service-provider invoices reflected services actually delivered before approving payment for them, and that City contracts, on average, were not executed until 82 days after their service term had already begun.⁹

HUD Office of Inspector General audit (issued January 20, 2022). The earliest of the three reviews, at the federal level, found that LAHSA did not always administer its HUD Continuum of Care grant funding in accordance with federal requirements.¹⁰ Specific findings included \$3.5 million in grant funds that expired unused, tied in part to a finding that LAHSA did not monitor subgrantees during the term of their grants;¹¹ \$879,847 in payroll and rent costs that HUD-OIG found unsupported by adequate documentation;¹² and untimely submission of required annual performance reports, an average of 208 days late.¹³ HUD-OIG's current public tracker lists three of the report's nine individual recommendations as open (2022-LA-1001-002-A, 002-B, and 002-C) and six as closed (001-A through 001-D and 003-A and 003-B).¹⁴ The tracker status does not, by itself, establish whether overlapping control weaknesses found in later audits resulted from failed implementation, recurrence, or a different control. This finding is treated here narrowly: it establishes a longstanding pattern of grant-administration and documentation weakness at the funding-agency level, not that HUD-OIG identified any specific instance of fraud.

What these three findings share. None of the three reviews is, by itself, evidence of criminal misconduct by any provider, and none should be read that way. What they share, and what makes them relevant to an institutional-design question rather than a case-specific one, is a common thread: each found that the systems responsible for tracking money from award to service delivery — contract execution, advance repayment, documentation of costs, invoice verification, performance monitoring — were not reliably capturing or verifying what was happening on the ground. A warning sign generated inside a control environment with these documented weaknesses is a warning sign that may not travel reliably from detection to resolution. Section 3 examines that chain directly.

3. THE ACCOUNTABILITY CHAIN: MONITORING, DETECTION, ESCALATION, DECISION, ENFORCEMENT, VERIFICATION

BeaconStone's accountability framework, first developed in Policy Paper No. 4 and applied here, breaks any oversight system into six sequential functions.¹⁵ A warning sign has to pass through all six — not just the first one — before it results in a corrected outcome. The three reviews summarized in Section 2 speak most directly to the first two links in that chain, and to the last one.

Monitoring. This is the ongoing, routine function of tracking whether a funded provider is spending money as contracted and delivering the services it was paid to deliver. The Auditor-Controller's finding that LAHSA lacked an adequate contract-monitoring plan, and the Alvarez & Marsal finding of fragmented, poorly verified invoice and spending data, both describe weaknesses at this first link.¹⁶ A monitoring function that cannot reliably answer whether a given contract is being properly monitored cannot be assumed to catch every provider-level problem as it develops.

Detection. This is the point at which a specific warning sign — a missing repayment agreement, an unsupported cost, a late contract, or an expired unused grant — is identified. The reviews show that independent reviewers identified specific problems. The records reviewed here do not establish whether LAHSA's operating systems had identified each problem before these reviews. What happened at each finding after it was reported requires the underlying review workpapers and LAHSA's documented responses; this paper does not draw a conclusion about that unreviewed record.

Escalation. This is the step where a detected problem is formally routed to someone with the authority to act on it — a supervisor, a compliance office, a contracting authority, or, where warranted, a law-enforcement referral. None of the three reviews examined here documents a closed-loop escalation record — a trackable path from “finding identified” to “responsible party notified and

required to respond by a date certain.” The Alvarez & Marsal finding that invoices were not contemporaneously verified before payment is directly relevant here: when a payment is approved before the underlying claim is checked, the independence of the step that is supposed to catch a problem before money moves is structurally weaker.⁹

Decision. This is the point at which someone with authority decides what will be done about an escalated problem — corrective action, a payment hold, enhanced monitoring, suspension, referral, or a determination that no action is warranted. The review record examined for this paper does not include documentation of specific decisions made in response to each Priority 1 finding; that is a distinct research task — tracking recommendation status to closure — rather than something this paper can establish from the reviews’ summary findings alone.

Enforcement. This is the point at which a decision is actually carried out — a clawback, a suspension, a referral acted upon. The three reviews examined here document conditions and findings, not enforcement actions taken in response to them. HUD-OIG’s tracker currently lists three of the report’s nine individual recommendation entries as open; that status is evidence of the tracker’s follow-up category, not proof of a local enforcement action or its absence.¹⁴

Verification. This is the step that closes the loop: confirming that a corrective action actually fixed the underlying problem, rather than simply being logged as complete. A 2024 county audit and a 2025 court-ordered assessment independently found overlapping categories of control weakness — contract monitoring, invoice verification, and documentation adequacy. HUD-OIG’s current tracker lists six of the report’s nine recommendation entries as closed and three as open. That status is relevant to follow-through, but by itself does not establish whether the later audit findings reflect failure to implement a closed recommendation, recurrence after implementation, or a different control. The overlap is a reason to test whether controls remained effective, not proof that a specific 2022 finding remained unresolved.¹⁴

Working conclusion from the review record alone. The review record supports concern about a gap between identified findings and independently verified resolution. The reviews show that independent reviewers identified warning signs. The records reviewed here do not establish whether each was escalated, decided upon, enforced, and verified to closure; that would require documents beyond the three reviews’ summary findings. This is a bounded factual conclusion about the records reviewed and the institutional-design question that follows.

4. CASE RECONSTRUCTION: THE SSG/ABUNDANT BLESSINGS MATTER

Different filings, different evidentiary tiers — and what each one establishes. Four primary federal filings are in hand for the Soofer/Malone matter — Soofer’s plea agreement (Doc. 63), the First Superseding Information (Doc. 68), the January 2026 criminal complaint against Soofer, and the Malone indictment — and this paper tracks them separately rather than blending them. Alexander Soofer signed a plea agreement on September 11, 2026, filed with the court on September 16, 2026, in which he agreed to plead guilty to wire fraud, charged in the case’s single-count Indictment under 18 U.S.C. § 1343, and to money laundering, charged in a single-count First Superseding Information under 18 U.S.C. § 1957.¹⁶ That agreement includes a twelve-page statement of facts that Soofer personally certified as true.¹⁷ The U.S. Attorney’s Office’s September 16, 2026 press release describes Soofer as having “agreed to plead guilty” and says he “is expected to plead guilty to the felony charges in the coming weeks.”¹⁶ The separately filed First Superseding Information (Doc. 68), filed September 21 and

entered September 24, charges one money-laundering count under 18 U.S.C. §§ 1957 and 2(b), based on an approximately \$90,000 wire dated January 16, 2024, and includes a forfeiture allegation. Its operative charge and forfeiture language matches Exhibit A to Doc. 63; the differences are Doc. 68's filing endorsement/date and docket pagination. The charge and forfeiture request remain allegations, not court findings. Doc. 70 set a change-of-plea hearing for October 15, 2026; the October 1 docket check showed no plea-acceptance entry.¹⁶ This paper reports Soofer's signed agreement and certified admissions; it does not treat Doc. 68 as his admission or claim that a court accepted a plea. That distinction does not soften what Soofer himself put in writing: he personally certified the facts below as true, and this paper states them directly, without hedging, as his own admission — not as an accusation. Soofer admitted running a scheme that defrauded the City of Los Angeles, the County of Los Angeles, HUD, and LAHSA out of homelessness funds through false billing, fabricated documentation, and a fictitious board of directors, and admitted paying bribes and kickbacks to a Los Angeles homeless-services employee he identifies in his own statement of facts only as "Co-conspirator 1" ("CC-1").¹⁸ Separately, a federal grand jury indicted Lakiya Malone, by name, on September 15, 2026, charging her with being the recipient of those payments.¹⁹ That indictment is an allegation: Malone has not pleaded guilty and has not been convicted of anything, and nothing in it is established fact. The documents corroborate each other closely on mechanism and dollar figures, but Soofer's own admission never names Malone; only the indictment does. A sentence asserting that Soofer admitted paying Malone specifically would overstate what either document alone supports, and this paper avoids that formulation while still stating Soofer's own admitted conduct plainly and without hedging.

What Soofer admitted. Soofer admitted that, through Abundant Blessings from Above, Inc. and Abundant Blessings, Inc., he obtained homelessness-services funding from the City, the County, and HUD through contracts administered by LAHSA, and separately obtained funding through contracts with SSG/HOPICS.²⁰ He admitted falsely representing how that money would be spent and diverting millions of dollars to himself; billing LAHSA for construction costs his contracts did not cover; diverting more than \$1 million in purported vendor and landlord payments to his own accounts while fabricating invoices, and at times stealing the names, addresses, and logos of real companies to make the fabrications convincing; and falsely representing that participants received three meals a day as required, when in fact he at times provided only items such as ramen noodles, canned beans, and breakfast bars.²¹ He admitted fabricating a board of directors, naming individuals who either did not exist or had never heard of Abundant Blessings.²²

On the SSG/HOPICS side, Soofer admitted paying kickbacks, disguised in check memos as "consulting" fees, to CC-1 in exchange for priority referrals of participants to his sites, calculated by the number of referrals CC-1 made each month.²³ He admitted that CC-1 also referred so-called "ghost" participants — people who were never actually staying at or receiving services from his sites — whom he then billed SSG/HOPICS for anyway, and that CC-1 directed him and his staff to lie to anyone who asked about the ghost participants' whereabouts.²⁴ He admitted that CC-1 supplied fabricated "Welcome Letters" for the ghost participants, and that he fabricated or directed the fabrication of false Homeless Observation Forms — the document used to certify a person's eligibility for homeless services — and forged or directed the forging of ghost participants' signatures on daily sign-in sheets, submitting all of it to SSG/HOPICS in support of monthly invoices.²⁵ He admitted splitting the proceeds of the ghost-participant billing with CC-1, delivering CC-1's share in person at prearranged meeting spots outside Abundant Blessings' and SSG/HOPICS's offices.²⁶ In total, Soofer admitted paying CC-1 approximately \$180,000 in bribes and kickbacks between approximately January 2020 and January 2025.²³

Soofer admitted that his schemes, taken together, caused the City, the County, HUD, LAHSA, and SSG/HOPICS to disburse more than \$23 million into bank accounts he controlled, of which he personally misappropriated more than \$2 million for his own enrichment and for businesses unrelated to homeless housing.²⁷ He admitted that a specific \$90,000 wire transfer on January 16, 2024, from a JPMorgan Chase account he controlled, was drawn from those fraud proceeds and used to pay down a personal credit card — the transaction underlying his money-laundering charge.²⁸ He agreed that his conduct qualifies for sentencing enhancements for use of sophisticated means — including back-dated check-request forms and fabricated bids and invoices — and for acting as a leader or organizer of criminal activity involving five or more participants, having directed at least four Abundant Blessings staff members to help create the false records.²⁹ Separately, Soofer agreed to a forfeiture money judgment of \$1,960,463.39 and acknowledged restitution of more than \$2,000,000, of which he had already paid approximately \$1,245,757.50 to one victim as of the date of the agreement.³⁰

One figure worth noting precisely, because it illustrates why this paper separates tiers at all. The U.S. Attorney’s Office’s January 23 press release said Soofer “pocketed at least \$10 million” and described alleged personal purchases.³¹ The underlying January 21 complaint uses distinct measures: it says Soofer misappropriated more than \$8 million through purported vendor and landlord payments, while investigators estimated total losses of over \$10 million, including additional amounts still under investigation.³¹ By contrast, Soofer’s September plea agreement records his certified admission of more than \$2 million in personal enrichment.²⁷ These figures describe different categories and stages, not a simple before-and-after revision. This paper attributes each to its source and does not treat the complaint or press-release allegations as proven.

What the indictment alleges about Malone. Per the indictment’s background allegations, Malone held a series of positions at SSG/HOPICS over the relevant period: Senior Manager for Family Interim Housing, then Family Crisis Housing Program Manager, then Supervisor, then Lead Placement Coordinator for Family Crisis Housing.³² The indictment alleges that Soofer paid Malone approximately \$180,000 between roughly May 2020 and January 2025 — a start date several months later than the January 2020 date in Soofer’s own admission, a discrepancy this paper preserves rather than resolves — funneled through checks made out to Malone personally and to an entity she allegedly controlled, “Grateful Hearts Realty & Consulting,” with check memos falsely describing the payments as consulting fees.³³ The indictment alleges that Soofer billed and received more than \$17 million from SSG/HOPICS for Abundant Blessings participants, including ghost participants.³⁴ It further alleges that two additional, unnamed co-conspirators — identified only as “CC-3” and “CC-4” — worked for Soofer at Abundant Blessings and helped fabricate documents and mislead auditors.³⁵

The indictment alleges thirty-five overt acts between May 2020 and January 2025 and tracks four alleged ghost participants by initials over time.³⁶ Among them, it quotes text messages allegedly exchanged between Malone and Soofer, including an August 2023 exchange allegedly coordinating a new “ghost client” and a January 2024 exchange in which Malone allegedly proposes to “split the ghost? Half and half?”³⁷ These are vivid, but they are charged conduct, not established fact, and are presented here strictly as allegations. The indictment charges Malone with twenty-one counts: conspiracy; wire fraud, tied to nine specific dated emails between December 2021 and November 2024; and bribery concerning programs receiving federal funds, tied to eleven specific dated checks ranging from \$1,800 to \$6,900 — plus a forfeiture allegation.³⁸

Applying the accountability chain. Section 3’s framework can now be tested against this matter, though only partially. On detection: DOJ’s January 2026 public statement announcing the Soofer complaint said City and County investigators had received hotline complaints, found billing and

service discrepancies, conducted site visits, and questioned Soofer about Abundant Blessings' governance before DOJ's own case developed.³¹ That account indicates local investigators had received reports and identified discrepancies before federal prosecution, but it is DOJ's characterization, not the underlying hotline, site-visit, or referral records. It does not establish which local body received the first complaint, when it arrived, how it was escalated, whether payments stopped, or whether a local criminal referral was considered. The account supports examining the detection-to-enforcement chain; by itself, it does not establish that Los Angeles's operating systems identified the full scheme or that enforcement failed. On monitoring, this matter connects to BeaconStone Policy Paper No. 4's chronology of Abundant Blessings' May 6, 2024 high-risk designation and subsequent contract history, which this paper does not repeat here but flags as the relevant cross-reference.¹⁵ Escalation, decision, enforcement, and verification at the granularity this framework requires remain open research questions pending the underlying hotline complaint log, site-visit reports, and any documented local referral decision.

5. WHAT AN INDEPENDENT HOMELESSNESS INSPECTOR GENERAL COULD ADD

An independent Los Angeles Homelessness Inspector General ("HIG") would not replace prosecutors, auditors, or service providers; it would independently trace findings, records, corrective actions, and verification across the agencies that touch a single dollar of homelessness funding. Mapped strictly to the gaps documented in Sections 2 through 4 — not to any unresolved criminal allegation beyond what those sections already attribute precisely — an HIG could add the following, each tied to a specific demonstrated problem:

Cross-agency jurisdiction, mapped to the fragmentation finding. The Alvarez & Marsal assessment's finding of fragmented, poorly verified spending data supports the case for an oversight body whose jurisdiction runs across the City, County, and LAHSA funding chain — including to prime contractors and subrecipients — rather than being confined within any single agency's own walls.⁸

Compulsory records access, mapped to the "unable to provide comprehensive contract data" finding. The Auditor-Controller's finding that LAHSA could not produce comprehensive contract data on request directly supports giving an HIG its own compulsory-access and subpoena authority, subject to appropriate legal safeguards, rather than depending on the audited agency's voluntary cooperation.⁵

Mandatory tracking of findings and corrective actions to closure, mapped to the verification gap. The overlapping weaknesses identified across the 2022 HUD-OIG, 2024 County Auditor-Controller, and 2025 Alvarez & Marsal reviews, alongside three 2022 HUD-OIG recommendation entries still listed as open, directly supports a mandatory, public recommendation-tracking function: a requirement that every finding be tracked, with an owner and a deadline, until independently verified as resolved, not simply closed on the audited agency's own representation.¹⁴

Independent invoice and payment verification, mapped to the Alvarez & Marsal invoice-verification finding. The finding that service-provider invoices were not contemporaneously verified against actual services delivered before payment supports a structural requirement that an HIG's monitoring and verification authority sit organizationally apart from whatever function approves and disburses payment.⁹

Forensic and transaction-tracing capacity, mapped to the advances/documentation findings. The

Auditor-Controller’s findings on undocumented advances and inadequately supported costs support giving an HIG dedicated forensic-accounting capability — the tools to trace whether a specific dollar was spent as represented — rather than relying solely on the contracting agency’s own compliance review.^{2,4}

A public, standing reporting function, mapped to the overlap problem itself. The fact that three independent bodies, years apart, found overlapping categories of weakness — without a public record showing whether earlier findings were independently verified as resolved — is itself the strongest case for a standing, independent, publicly reporting oversight function — one whose findings and recommendation status are visible outside the audited agency on an ongoing basis, rather than surfacing only when a new one-time review happens to be commissioned.

Participant and service verification authority, mapped to the ghost-participant admission and allegations. Soofer’s own admission of a ghost-participant billing scheme — fabricated Homeless Observation Forms, forged sign-in sheets, and fictitious Welcome Letters — and the indictment’s allegations of the same mechanism alleged across thirty-five overt acts spanning May 2020 to January 2025, describe exactly the kind of claim an HIG with independent participant/service-verification authority would be positioned to test directly, rather than relying on the referring organization’s own paperwork.^{25,36} This recommendation does not assert that it alone would have caught this particular scheme; it illustrates the type of gap it addresses.

Beneficial-ownership and related-party review, mapped to the Grateful Hearts allegation. The indictment alleges that bribe payments were routed through checks to an entity Malone allegedly controlled, disguised in check memos as unrelated consulting fees.³³ Whether or not that specific allegation is proven, it illustrates why beneficial-ownership and related-party screening — checking who actually stands behind an entity receiving payment, not just whether the entity exists on paper — is a distinct control from routine invoice review, and why an HIG’s mandate should include it explicitly.

Each of these is traceable to a specific, cited primary-document finding above — an oversight finding (Section 2) or a charged allegation or certified admission now in hand for the SSG/Abundant Blessings matter (Section 4). The broader design questions associated with Home At Last and Big Blue Umbrella — including hotline intake and referral protocols — are outside this part’s case reconstruction and are reserved for later analysis against their case-specific primary filings and relevant oversight records.

6. LIMITS AND SAFEGUARDS

An institutional-design argument is only as credible as the limits it accepts on itself. BeaconStone’s recommendation for an HIG is bounded by the following safeguards, each addressing a specific risk that expanded oversight authority could otherwise create:

Due process. An HIG’s findings should carry the status of independent review findings — not adjudications of guilt or liability. Nothing in an HIG’s design should authorize it to determine criminal or civil liability; that authority remains with prosecutors and courts. Any provider or individual named in an HIG finding should have a documented right to respond, and that response should be published alongside the finding, not merely received.

Privacy. Verification authority over participant and service records — confirming that a claimed service was actually delivered to a real person — necessarily touches personally identifiable and potentially sensitive information about people experiencing homelessness. An HIG’s access to that data should be scoped to what is necessary for verification, subject to the same privacy protections

that govern the underlying homeless-services data systems, and should not become a general-purpose case-management database outside its oversight function.

Continuity of service. An HIG's authority to recommend a payment hold, suspension, or corrective-action plan against a provider should be exercised with explicit attention to continuity of care for people currently being served by that provider. The goal of oversight in this space is to protect the resources intended for people experiencing homelessness, not to interrupt their services as a side effect of an enforcement action against the organization serving them.

Nonduplication. The review record examined in this paper already comes from three distinct bodies — a county auditor-controller, a court-appointed independent assessor, and a federal inspector general — plus, separately, prosecutorial and law-enforcement authorities. An HIG should be designed to fill the specific, demonstrated gap identified in Section 3 — closed-loop tracking of findings to independently verified resolution — rather than duplicating existing review, prosecutorial, or law-enforcement functions those existing bodies already perform.

Protection against politicized oversight. An oversight body with cross-agency jurisdiction and compulsory-access authority is powerful enough to be misused for reasons unrelated to its stated purpose. Its design should include independence protections in how its leadership is appointed and removed, a budget insulated from retaliatory control by the agencies it oversees, and a publication authority that cannot be blocked or delayed by any single audited agency — paired with the due-process and nonduplication limits above, so that independence does not become a license to act without accountability of its own.

7. WHAT THIS PAPER DOES NOT ESTABLISH

This paper does not conclude that Lakiya Malone committed a crime; the indictment against her is an accusation a grand jury found sufficient to charge, not a finding of guilt, and she is presumed innocent unless and until convicted. It reaches no conclusion about the separate federal cases involving Michael Young/Home At Last or Donye Mitchell/Big Blue Umbrella; they are outside this part's scope. DOJ's public statements are not treated here as proof of their allegations. Sections 2 and 3 draw on the published findings of the County Auditor-Controller, the Alvarez & Marsal assessment, and HUD-OIG, together with HUD-OIG's public recommendation tracker and the accountability framework from BeaconStone Policy Paper No. 4. Section 4 draws on the Malone indictment; Soofer's plea agreement and statement of facts; the First Superseding Information and docket entries in his case (Docs. 68 and 70); the January 2026 criminal complaint; DOJ press releases, identified as attributed statements; and Policy Paper No. 4, with every claim attributed to its specific evidentiary tier. Later analysis of the other cases may confirm, qualify, or complicate the institutional-design argument made here. This part addresses only the portion of the fuller record supported by sources examined here; it does not preview conclusions about any individual in later parts. Before publication, BeaconStone sent a review copy of this paper to LAHSA, SSG, Abundant Blessings, and counsel for Lakiya Malone on September 21, 2026, inviting comment by September 29, 2026. None responded by that deadline. Their silence is not treated as agreement or as evidence of wrongdoing.

METHODOLOGY NOTE: HOW THIS PAPER SOURCES ITS CLAIMS

Every substantive claim in this paper is attributed to one of five categories, and the language used to describe it reflects that category:

Oversight finding: a conclusion published by an independent audit or review body — the County Auditor-Controller, the court-appointed assessor Alvarez & Marsal, or HUD-OIG. These are official, and this paper states them directly, but they are not criminal findings and do not establish wrongdoing by any individual.

Allegation: a fact charged in the Malone indictment. A grand jury found the allegation sufficient to bring charges; it has not been proven, and the person charged is presumed innocent.

Admission: a fact Alexander Soofer personally certified as true in his signed plea agreement and statement of facts. The agreement reflects Soofer’s agreement to plead guilty. The separate Doc. 68 information contains a money-laundering charge and forfeiture allegation; its operative language matches Exhibit A to Doc. 63. Both remain allegations unless and until adjudicated. The October 1 docket check listed a change-of-plea hearing for October 15 and no plea-acceptance entry. This paper does not treat the agreement as an accepted guilty plea or Doc. 68 as an admission.¹⁶ This paper nonetheless states Soofer’s certified admissions directly and without hedging, because they are his own signed, written admissions — not accusations — regardless of the court calendar.

Attributed statement: a claim sourced to a named party’s own public statement — for example, a DOJ press release — and identified as such rather than adopted as established fact.

BeaconStone analysis or recommendation: this paper’s own reasoning connecting the sources above, clearly marked as BeaconStone’s conclusion rather than attributed to any primary source.

Citations follow each claim in numbered endnotes, giving the issuing body or court, the document title, the date, the case and docket number where applicable, and a page or paragraph pin cite. A full list of primary sources appears below.

SOURCES AND COURT FILINGS

- A. Los Angeles County Auditor-Controller, *Los Angeles Homeless Services Authority — Finance, Contracts, Risk Management, and Grants Management Review*, Report No. C24004 (Nov. 19, 2024). Available at: [Official County Auditor-Controller report \(PDF\)](#).
- B. Alvarez & Marsal, *Independent Assessment of City-Funded Homelessness Assistance Programs: Financial and Performance Assessment Report of the Roadmap Program — Freeway Agreement, Alliance Program, and Inside Safe Program*, filed as Dkt. 905, *LA Alliance for Human Rights v. City of Los Angeles*, No. 2:20-cv-02291-DOC-KES (C.D. Cal. filed May 14, 2025). Available at: [Court-filed Alvarez & Marsal assessment \(PDF\)](#).
- C. U.S. Department of Housing and Urban Development, Office of Inspector General, *The Los Angeles Homeless Services Authority, Los Angeles, CA, Did Not Always Administer Its Continuum of Care Program in Accordance With HUD Requirements*, Report No. 2022-LA-1001 (Jan. 20, 2022). Available at: [HUD-OIG audit report \(PDF\)](#).
- D. U.S. Department of Housing and Urban Development, Office of Inspector General, individual recommendation status records for Report No. 2022-LA-1001 (recommendations 001-A through 003-B), status as of Oct. 1, 2026. Example record: [HUD-OIG recommendation 2022-LA-1001-001-D](#).
- E. *United States v. Lakiya Malone*, No. 2:26-cr-00595-SPG (C.D. Cal.), Indictment, Doc. 1, filed Sept. 15, 2026. The caption on Doc. 1 uses SPG; its ECF footer retains MWF from the earlier assignment. Obtained via PACER; a copy is maintained in BeaconStone Foundation’s source archive. Public copy also available on [CourtListener \(RECAP\)](#).

- F. *United States v. Alexander Soofer*, No. 2:26-cr-00077-MWF (C.D. Cal.), Plea Agreement (with Exhibit A, First Superseding Information; Exhibit B, USAO Asset Agreement; and Exhibit C, Statement of Facts), Doc. 63. Public copy hosted by [DocumentCloud](#); source copy is maintained in BeaconStone Foundation's source archive.
- G. *United States v. Alexander Soofer*, No. 2:26-cr-00077-MWF (C.D. Cal.), First Superseding Information, Doc. 68 (filed Sept. 21, 2026; entered Sept. 24, 2026), and order setting change-of-plea hearing, Doc. 70 (Sept. 28, 2026). Obtained via PACER; copies are maintained in BeaconStone Foundation's source archive.
- H. *United States v. Alexander Soofer*, No. 2:26-mj-00317-DUTY (C.D. Cal.), Criminal Complaint and Affidavit, Doc. 1 (Jan. 21, 2026). Available at: [public PDF copy](#).
- I. U.S. Attorney's Office, Central District of California, *Executive Director of South L.A.-Based Charity Arrested on Federal Complaint Alleging \$23 Million Swindle of Homelessness Funds*, press release (Jan. 23, 2026). Available at: [January 2026 DOJ press release](#).
- J. U.S. Attorney's Office, Central District of California, *2 Defendants Employed at L.A.-Area Homeless Nonprofits Arrested on Federal Charges Alleging Misuse of Millions of Taxpayer Dollars*, press release (Sept. 16, 2026). Available at: [September 2026 DOJ press release](#).
- K. BeaconStone Foundation, *When a Provider Is Flagged High-Risk, Why Does Public Money Keep Flowing?*, Policy Paper No. 4 (Aug. 2026), documenting Abundant Blessings' May 6, 2024 high-risk designation and subsequent contract history. Available at: [BeaconStone Policy Paper No. 4](#).

ENDNOTES

1. LA County Auditor-Controller, Report No. C24004 (Nov. 19, 2024), Attachment I cover, p. 1 (16 findings; Priority 1–3 framework).
2. *Id.*, Issue No. 1, p. 2 (\$50.8 million in outstanding Measure H working-capital advances).
3. *Id.*, Issue No. 2, p. 3 (approximately \$8 million of advances aged as of July 2024).
4. *Id.*, Issue No. 7, pp. 8–9 (approximately \$5 million in advances inadequately supported by documentation).
5. *Id.*, Issue No. 3, p. 4 (inadequate, unreliable contract data).
6. *Id.*, Issue No. 8, p. 9 (retroactive contract execution).
7. *Id.*, Issue Nos. 9–10, pp. 10–12 (no documented contract-monitoring risk process; monitoring conclusions not supported by adequate workpapers).
8. Alvarez & Marsal, Dkt. 905 (May 14, 2025), pp. 4–5 (inability to fully quantify City spending from records provided; inability to verify reported shelter-bed counts).
9. *Id.*, p. 5 (LAHSA did not contemporaneously verify service-provider invoices against actual services delivered before approving payment; contracts executed an average of 82 days after the service term began).
10. HUD-OIG, Report No. 2022-LA-1001 (Jan. 20, 2022), cover page (title finding).
11. *Id.*, p. 6 (\$3.5 million in Continuum of Care grant funds expired unused; no subgrantee monitoring during the grant term).

12. *Id.*, p. 10 (\$879,847 in payroll and rent costs unsupported by adequate documentation).
13. *Id.*, p. 14 (Annual Performance Reports submitted an average of 208 days late).
14. HUD-OIG individual recommendation records for Report No. 2022-LA-1001 list 002-A, 002-B, and 002-C as open; 001-A, 001-B, 001-C, 001-D, 003-A, and 003-B as closed. Status as of Oct. 1, 2026. HUD-OIG record: [recommendation status page](#). These statuses describe recommendation tracking and do not by themselves establish whether later systemwide weaknesses resulted from failed implementation.
15. BeaconStone Foundation, *When a Provider Is Flagged High-Risk, Why Does Public Money Keep Flowing?*, Policy Paper No. 4 (Aug. 2026) (accountability-chain framework; Abundant Blessings May 6, 2024 high-risk designation and subsequent contract history).
16. Plea Agreement, United States v. Soofer, No. 2:26-cr-00077-MWF, Doc. 63, at 1–2, 23 (C.D. Cal., signed Sept. 11, 2026, filed Sept. 16, 2026) (agreement to plead guilty to wire fraud and money laundering); current docket, Docs. 68, 70 (separate First Superseding Information and scheduled change-of-plea hearing; no court-acceptance entry in latest check); U.S. Attorney’s Office, C.D. Cal., Two Defendants Employed at L.A.-Area Homeless Nonprofits Arrested on Federal Charges Alleging Misuse of Millions of Taxpayer Dollars, press release (Sept. 16, 2026) (“Soofer has agreed to plead guilty to one count of wire fraud and one count of money laundering” and “is expected to plead guilty to the felony charges in the coming weeks”).
17. *Id.*, Ex. C (Statement of Facts) at 39–50; certification at 50.
18. *Id.*, Ex. C at 39–46.
19. Indictment, United States v. Malone, No. 2:26-cr-00595-SPG, Doc. 1 (C.D. Cal., filed Sept. 15, 2026; ECF footer retains MWF from the earlier assignment).
20. Plea Agreement, Ex. C at 39.
21. *Id.*, Ex. C at 40–42.
22. *Id.*, Ex. C at 42.
23. *Id.*, Ex. C at 44, 46 (kickback mechanism and approximately \$180,000 paid to CC-1 between approximately January 2020 and January 2025).
24. *Id.*, Ex. C at 44–45.
25. *Id.*, Ex. C at 45–46.
26. *Id.*, Ex. C at 46.
27. *Id.*, Ex. C at 46–47 (more than \$23 million disbursed into accounts Soofer controlled; more than \$2 million personally misappropriated).
28. *Id.*, Ex. A (First Superseding Information) at 27, and Ex. C at 47 (\$90,000 wire transfer, Jan. 16, 2024, JPMorgan Chase account).
29. *Id.* at 15, ¶ 19 (Sentencing Guidelines factors); Ex. C at 48–49 (sophisticated means; leader/organizer of five or more participants; direction of at least four staff members).
30. *Id.* at 7, ¶ 4.a (\$1,960,463.39 forfeiture money judgment); at 11–12, ¶ 13 (restitution of more than

\$2,000,000; approximately \$1,245,757.50 already paid to one victim).

31. U.S. Attorney’s Office, C.D. Cal., press release (Jan. 23, 2026) (describing the complaint and alleging that Soofer “pocketed at least \$10 million for personal use”); Criminal Complaint and Affidavit, United States v. Soofer, No. 2:26-mj-00317-DUTY, Doc. 1, ¶¶ 5, 8 (C.D. Cal. Jan. 21, 2026) (alleging more than \$8 million misappropriated through purported vendor and landlord payments; estimating total losses over \$10 million, with additional amounts under investigation). Public PDF copy available [here](#).

32. Indictment, Doc. 1, at 2, ¶ 1.c.

33. *Id.* at 5, ¶ 3.c–e.

34. *Id.* at 8, ¶ 4.

35. *Id.* at 3, ¶ 1.h–i.

36. *Id.* at 8–14 (Overt Acts Nos. 1–35; ghost participants tracked by initials Q.B., T.H., T.M., and J.C.).

37. *Id.* at 11 (Overt Act No. 19, Aug. 2, 2023); at 12 (Overt Act No. 26, Jan. 15, 2024).

38. *Id.* at 4, ¶ 2 (Count One, conspiracy); 15–16 (Counts Two through Ten, wire fraud); 17 (Counts Eleven through Twenty-One, bribery); 18–19 (forfeiture allegation).

This paper addresses the SSG/Abundant Blessings matter only; later work may address other cases after their primary filings and related records are reviewed.