



COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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OSCAR VALDEZ
AUDITOR-CONTROLLER

CONNIE YEE
CHIEF DEPUTY AUDITOR-CONTROLLER

August 7, 2025

TO: Each Supervisor

FROM: Oscar Valdez
Auditor-Controller

Robert G. Campbell
Assistant Auditor-Controller / Chief Audit Executive

SUBJECT: **ANTI-RECIDIVISM COALITION – A DEPARTMENT OF YOUTH
DEVELOPMENT CREDIBLE MESSENGERS PROGRAM SERVICES
PROVIDER - FISCAL COMPLIANCE REVIEW**

With the support and active participation of the Department of Youth Development (DYD) and Anti-Recidivism Coalition (ARC or Agency), we completed a fiscal compliance review of ARC. DYD contracts with ARC to provide Credible Messengers (CM) Program services. The purpose of our review was to determine whether the Agency appropriately accounted for and spent CM Program funds to provide the services outlined in their County contract.

We noted opportunities for ARC to improve and strengthen controls over their CM Program expenditures. Specifically, ARC:

- Billed DYD and was reimbursed for \$249,000 in subcontractor expenditures when services were not provided in accordance with the subcontractor agreement.
- Did not maintain adequate internal controls to ensure CM Program funds were properly accounted for and safeguarded as required.

For details of our review, please see Attachment I. The Agency's response (included in Attachment II) indicates agreement with our findings and recommendations.

We thank DYD and ARC management and staff for their cooperation and assistance during our review. If you have any questions please call us, or your staff may contact Jeffrey Ho at jeho@auditor.lacounty.gov.

OV:CY:RGC:JH:la

Attachments

c: Fesia A. Davenport, Chief Executive Officer
Edward Yen, Executive Officer, Board of Supervisors
David J. Carroll, Director, Department of Youth Development
Audit Committee
Countywide Communications

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NUMBER OF
RECOMMENDATIONS

PRIORITY 1

2

PRIORITY 2

0

PRIORITY 3

0

FAST FACTS

DYD paid ARC approximately \$1.2 million from January 2023 through June 2024.

At the time of our review, ARC had an office in the First Supervisorial District and provided services to residents of all Supervisorial Districts currently or formerly housed within the County's Secure Youth Treatment Facilities.

REPORT #X24934

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment I
Page 1 of 3

Robert G. Campbell
ASSISTANT AUDITOR-CONTROLLER

Jeffrey Ho
DIVISION CHIEF

COUNTYWIDE CONTRACT MONITORING DIVISION

Report #X24934

DEPARTMENT OF YOUTH DEVELOPMENT CREDIBLE MESSENGERS PROGRAM ANTI-RECIDIVISM COALITION FISCAL COMPLIANCE REVIEW

BACKGROUND AND SCOPE

We conducted a fiscal compliance review of Anti-Recidivism Coalition (ARC or Agency) at the request of the Department of Youth Development (DYD) and in accordance with our Fiscal Year 2023-24 monitoring plan. DYD contracts with ARC to provide Credible Messengers (CM) Program services, which include providing a holistic set of supports focused on youth development, promoting wellness, safety, and security inside the County's Secure Youth Treatment Facilities, and building meaningful and trustful relationships through positive interactions with youth.

We reviewed ARC's financial records covering the period from January 2023 through July 2024 and selected a sample of transactions to determine whether the Agency appropriately accounted for and spent DYD funds to provide the services outlined in their County contract. We also evaluated the Agency's financial records, internal controls, and compliance with their County contract and other applicable guidelines.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

	ISSUE	RECOMMENDATION
1	Inadequately Supported Expenditures - For ARC's June 2024 invoice to DYD, the Agency billed and was reimbursed for \$249,000 in subcontractor expenditures when services were not provided in accordance with the subcontractor agreement. Specifically, ARC executed an agreement with the subcontractor in February 2024 to provide daily sessions on weight training, specialized balance techniques, and ballet-inspired exercises at the County's Barry J. Nidorf Juvenile Hall (Barry J.). The subcontractor billed ARC \$83,000 per month in their April through June 2024 invoices (totaling \$249,000), and ARC, in turn, billed these costs to DYD in their June 2024 quarterly invoice. However, when we requested supporting documentation, ARC did not provide adequate documentation, such as weekly attendance/sign-in sheets, monthly progress reports, or other proof of services provided, to support the expenditures as required by the subcontractor agreement to support the amounts billed. According to ARC, the billings were for the subcontractor's start-up costs (e.g., curriculum development), and program services at Barry J. did not begin until June 24, 2024. However, the	Priority 1 - ARC management: a) Provide adequate documentation to support the expenditures, or work with the subcontractor and DYD to determine whether the \$249,000 should be repaid, in full or partial, for services not provided. b) Ensure all expenditures charged to the CM Program are adequately supported. Agency Response: Agree Implementation Date: April 30, 2025 While ARC's response indicated agreement with our findings and recommendations, the Agency also stated that the subcontractor expenditures were adequately supported. However, as noted in the Issue section, ARC did not provide adequate documentation, such as weekly attendance/sign-in sheets, monthly progress reports, or other proof of services provided, to support the subcontractor expenditures as required. In accordance with their resolution process, DYD will work with ARC to ensure our recommendations are implemented.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION		
	ISSUE	RECOMMENDATION
	subcontractor agreement did not include language to allow for start-up costs, and instead, required the subcontractor to operate the program seven days a week throughout the one-year contract term. While the agreement does specify that the commencement date is dependent on getting clearance for the subcontractor's staff to enter the facility, it does not specify whether the subcontractor will be paid, and for what amount, prior to commencing program services. ARC must work with the subcontractor and DYD to resolve this overpayment. Impact: Increased risk of overbilling the County for services not provided.	
2	Inadequate Internal Controls - ARC did not maintain adequate internal controls to ensure CM Program funds were properly accounted for and safeguarded as required by Generally Accepted Accounting Principles and Section 8.38.1 of their County contract. Specifically, ARC did not: - Maintain adequate separation of duties over their cash handling and bank reconciliation functions. Specifically, the Finance Director is authorized to write checks, record cash receipts, and reconcile bank statements. While Agency management indicated the Executive Director also reviews and signs checks, there are no compensating controls to ensure adequate separation of duties over the Finance Director's cash handling and bank reconciliation responsibilities. - Complete their June 2024 bank reconciliation appropriately. Specifically, the ending cash balance on the bank reconciliation did not reconcile to the ending cash balance in ARC's general ledger. Moreover, the bank reconciliation was not signed and dated by the reviewer, and the Agency did not ensure the bank reconciliation was reviewed within 30 days of the bank statement date. In addition, ARC did not resolve reconciling items timely. Specifically, the Agency had four outstanding items totaling \$6,230 between nine and 21 months old. Although Agency	Priority 1 - ARC management: a) Establish and maintain adequate separation of duties over their cash handling and bank reconciliation functions. b) Ensure bank reconciliations are completed appropriately, and signed and dated by the reviewer. c) Ensure outstanding items are resolved timely. Agency Response: Agree Implementation Date: April 30, 2025

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
management indicated the outstanding items were not related to the CM Program, ARC should ensure all reconciling items are resolved within three months as required by their accounting policies and procedures. Impact: Increased risk of accounting errors, fraud, and/or misappropriation of assets.	

For more information on our auditing process, including recommendation priority rankings and the resolution process, visit <http://auditor.lacounty.gov/contract-monitoring-audit-process-information/>.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.



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07/30/2025

County of Los Angeles
Department of Auditor-Controller
Countywide Contract Monitoring Division
Attn: Oscar Valdez, Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90071

Mr. Valdez –

Please find attached a corrective action plan addressing two issues raised in ARC's recent program specific audit of the DYD funded Credible Messenger program.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Minzenberg".

Laura Minzenberg

Chief Financial Officer

**DEPARTMENT OF YOUTH DEVELOPMENT
CREDIBLE MESSENGERS PROGRAM SERVICES
ANTI-RECIDIVISM COALITION
AGENCY ACTION PLAN/ RESPONSE**

ISSUE 1: Inadequately Supported Expenditures	
A/C Recommendation	ARC management: a) Provide adequate documentation to support the expenditures, or work with the subcontractor and DYD to determine whether the \$249,000 should be repaid, in full or partial, for services not provided. b) Ensure all expenditures charged to the CM Program are adequately supported.
Priority	PRIORITY 1
Agree/Disagree	Agree
Agency Action Plan¹	a) We have, and will continue to in the future ensure that subgrantee agreements, if any, incorporate start-up phase language. The error that was made in this situation working with Swan Within at Nidorf and Kilpatrick is that no start up phase was described in the MOU between ARC and Swan. In the future, if a start up phase will be necessitated with any subgrantee, ARC will be sure to describe the timing and compensation for the start up period. We will further ensure that we understand, ahead of time, all reporting requirements that the auditor controllers office will ultimately seek to support payments to the subgrantee. ARC, as an agency has, further, hired a grants and contracts compliance staff person to inspect these type of issues before they arise.
Target Implementation Date	Fully implemented as of April 30, 2025.
Additional Information (optional)²	All direct expenditures charged to DYD by ARC were adequately supported. The agency acknowledges that the dollars described above were paid to the subgrantee, Swan Within, as specified by the funding agreement with DYD. The MOU with Swan Within was created in full consultation with DYD. We recognize with the benefit of hindsight that the MOU should have specified a ramp up period to allow the subgrantee to arrange for Probation clearances, required PRIA training, and scheduling groups/classes with Probation staff.

¹ In this section the Agency should only describe the efforts they plan to take, or any steps already taken to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Agency can provide any background or clarifying information they believe is necessary.

ISSUE 2: Inadequate Internal Controls	
A/C Recommendation	ARC management: a) Establish and maintain adequate separation of duties over their cash handling and bank reconciliation functions. b) Ensure bank reconciliations are completed appropriately, and signed and dated by the reviewer. c) Ensure outstanding items are resolved timely.
Priority	PRIORITY 1
Agree/Disagree	Agree
Agency Action Plan ¹	a) We will assign a Finance Associate or a Finance Manager b) We will assign Director of Finance or Executive Director c) We will complete an uncashed checks review every month. (Assigned to Finance Specialist)
Target Implementation Date	Already implemented and completed - 04/30/2025
Additional Information (optional) ²	Staffing limitations required ARC's Finance Director to reconcile the main ARC operating account in many instances during FY 23-24. The ARC Finance Department has already hired additional staff capacity, and this process has already been revised so that an ARC Finance Associate will complete this bank reconciliation, and the Finance Director will review. Pdfs of signed reconciliation reports are now saved in an encrypted cloud based folder. Should staffing limitations arise again, ARC's Executive Director will act as bank reconciliation review as a compensatory control.

¹ In this section the Agency should only describe the efforts they plan to take, or any steps already taken to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Agency can provide any background or clarifying information they believe is necessary.

LACo Probation Dept Alleged Contract Employee Brought Knife Into Los Padrinos

by **Contributing Editor**

July 17, 2025



Arrest / Knife Evidence - Photo courtesy of Atstock Productions on Shutterstock

More trouble for the troubled Los Padrinos Juvenile Hall was announced Thursday when the Los Angeles County Probation Department reported that an employee contracted at the facility through a temp agency was detained after trying to bring in a concealed blade.

The employee was detained about 7:30 a.m. Wednesday, officials said.

"During the routine security screening at the facility entrance, Citiguard Security personnel discovered a flat, concealable knife inside the employee's bag," according to a probation department news release. "The employee was immediately denied entry into the facility and probation personnel were notified."

The employee, who was hired through Apple One to work with the county Department of Youth Development, was escorted from the premises and ordered not to return while the matter was investigated.

A search of his belongings also revealed a canister of pepper spray.

Both the spray and the knife were seized as evidence. The employee's name was not released.

The incident comes after another contractor was caught allegedly bringing Xanax pills into the facility.

Alejandro Lopez, 21, of Downey, an employee of the nonprofit organization Student Nest, was charged with one felony count each of bringing or sending a controlled substance into a juvenile hall or camp and possession for sale of a designated controlled substance, officials announced earlier this month.

It is also alleged that Lopez induced others, including Los Padrinos ward, to participate in the scheme.

Lopez pleaded not guilty during his arraignment, and his preliminary hearing setting is scheduled for July 15 at the Norwalk Courthouse.

Two days after Lopez was nabbed, at least nine people, including one youth detainee, were taken to a hospital following exposure to an unknown substance at Los Padrinos.

County Probation Department officials initially said authorities responded to a "suspected overdose and possible exposure to an unidentified substance" at the facility

Department spokeswoman Vicky Waters told City News Service several people were taken to hospitals, including one youth and eight staff members, due to the exposure. All of them, however, were "responsive and stable" at the hospital, she said.

It was unclear what type of substance was involved.

The facility was placed on lockdown while an investigation was conducted.

Supervisor Janice Hahn said in a statement that whatever the substance was, it "should never have been able to enter (the) facility."

Los Padrinos has come under fire repeatedly since it was opened in 2023 to house youth transferred from two other facilities deemed unsuitable for youth detention. The Downey

facility itself has been deemed unsuitable on multiple occasions by state regulators, and it continues to operate under an unsuitability declaration.

A judge in May approved a Probation Department plan to draw down the number of youth housed at the facility, which has been plagued with issues stemming mostly from short-staffing, along with concerns about detainees not being transported to classes or medical appointments.

In March, 30 county probation officers were hit with criminal charges stemming from allegations that so-called “gladiator fights” were being staged among the youth detainees while officers looked on.

Los Angeles County Board of Supervisors Chair Kathryn Barger issued a statement calling the overdose incident “deeply concerning.”

Source: <https://mynews1a.com/crime/2025/07/17/contract-employee-caught-trying-to-bring-knife-into-los-padrinos-juvenile-hall-2/>

Tutor, ward at Los Angeles County juvenile hall smuggled in Xanax: LA DA

by: Cameron Kiszla

Posted: Jul 3, 2025 / 11:03 AM PDT

Updated: Jul 3, 2025 / 12:53 PM PDT

A tutor and a young man incarcerated at Los Padrinos Juvenile Hall in Downey have been charged with smuggling scores of Xanax pills into the facility.

Downey resident Alejandro Lopez, 21, faces felony counts of bringing or sending a controlled substance into a juvenile hall and possession for sale of a controlled substance, the Los Angeles County District Attorney's Office said in a news release.

Prosecutors allege Lopez, a tutor with the nonprofit Student Nest, handed Long Beach resident and ward at the facility Orlando Cuevas, 18, "an electrical tape-wrapped bundle containing approximately 170 Xanax pills" on June 30.

As a result, Cuevas was charged with a felony count of unlawful possession for sale of a controlled substance.

Lopez pleaded not guilty on July 1, while Cuevas has not yet been arraigned.

If convicted, the men face up to three years in state prison.

"Our juvenile facilities must remain secure, drug-free environments where young people have a real chance at rehabilitation," District Attorney Nathan Hochman said. "That responsibility applies to everyone — whether it's a contractor on the outside or a youth on the inside. Anyone who participates in smuggling narcotics into these facilities will be held accountable. We will not allow illegal drugs to threaten the safety of our institutions or the futures of those entrusted to our care."

The charges' announcement comes the day after [ambulances responded to Los Padrinos for reported overdoses](#), though it's unclear what substances may have been involved in Wednesday's incident.

In addition, a probation officer at Barry J. Nord Juvenile Hall in Sylmar was arrested last month for [allegedly smuggling Xanax into the facility](#).

Source: <https://ktla.com/news/local-news/tutor-ward-at-los-angeles-county-juvenile-hall-smuggled-in-xanax-lada/>

The ‘L.A. Model’ of juvenile rehabilitation: Great in theory, untested in real life



Los Angeles County Probation Department's Campus Kilpatrick in the Malibu hills, pictured before its opening in 2017. (Gary Coronado / Los Angeles Times)

By The Times Editorial Board

July 14, 2021 5 AM PT

Nearly a decade ago, juvenile justice leaders and L.A. County officials borrowed ideas from programs in [Missouri](#) and [Santa Clara County](#) and designed a therapeutic approach to juvenile rehabilitation to replace the prevailing, and failing, boot-camp-style system. They spent more than \$50 million to raze an old probation camp in Malibu and replace it with a state-of-the-art campus that featured small residential units instead of barracks and plenty of space for care and counseling. County leaders were so hopeful about their new program and facilities that they dubbed it the “[L.A. Model](#)” and expected other counties to study and imitate it.

[Campus Kilpatrick](#) opened for its first group of juveniles in 2017.

Four years later, Gov. Gavin Newsom is [closing the Division of Juvenile Justice](#), the state system of youth prisons to which counties once sent their most difficult cases. Beginning this month, counties will have to handle the toughest cases themselves.

The Board of Supervisors contend that L.A. County is uniquely positioned to deal with the new population because it has Campus Kilpatrick — and the L.A. Model. The board had wisely [commissioned a study](#) of both so that an early evaluation of the first few years could identify strengths and weaknesses, and prepare the county to expand any successes across its entire juvenile probation system.

But the report was delayed, first by the county's agonizingly slow and complex contracting process, and then by the Probation Department's quibbling over how to design the evaluation. Then in 2018, the Woolsey fire forced Campus Kilpatrick to be evacuated. And then came COVID-19.

The evaluation report by the nonprofit [Evident Change](#) was finally presented to the county in December. So what were the findings?

Not good.

Or rather, we don't know how the L.A. Model would have done, because it was never properly implemented. Important parts of the program were dropped because they conflicted with the county status quo. The small groups of youths could not, for example, benefit from consistent leadership from a single adult supervisor because of the odd workweek negotiated by the probation officers union (two 16-hour shifts and an eight-hour shift, separated by two eight-hours of sleep on site and then a long stretch at home). The arrangement meant a different probation officer for each group every 2½ days.

There was also high turnover among teachers, which were replaced by instructors not trained in the L.A. model. That lack of consistency was

matched by changes in leadership at Campus Kilpatrick, and also among chief probation officers.

Training was insufficient. Three-quarters of staff couldn't clearly articulate what was expected of them. There was no procedural manual until November. Juveniles were admitted at a faster pace than the model called for. Many staff trained in the L.A. Model did not follow the youths to Lancaster, where they were reassigned after the fire.

There continued to be too little support to families upon the juveniles' return home. Arrests continued — more than 50% of youths were arrested again, although the numbers cannot be relied upon because of problems with data collection.

The findings are all quite troubling, but not necessarily surprising. In an Aug. 2, 2018, letter to probation officials, Probation Commissioner [Jacqueline Caster](#) detailed a host of problems she encountered on a visit to Campus Kilpatrick, including group sizes far in excess of those contemplated by the L.A. Model, juveniles undergoing treatment with psychotropic medication being improperly assigned to the camp, and deviation from the approved therapeutic methods.

“In national juvenile justice circles,” Caster wrote, “experts are increasingly aware of the Los Angeles Probation Department’s inability to operate the facility with basic adherence or fidelity toward its own carefully-developed plans.”

The Woolsey fire laid bare additional problems, as discussed in a [remarkable series of stories](#) by Celeste Fremon of [WitnessLA](#). Evacuation was delayed too long as camp staff awaited orders from headquarters. Cars wouldn't start. Garden hoses were locked in storage and no one on site was entrusted with the key, so staff could not put out the small fires started by flying embers. In the end, some of the youths and staff were evacuated, but others didn't leave in time and instead sheltered in place.

In any large bureaucracy there can be dangerous gaps between vision and execution, and Los Angeles County is as large as bureaucracies come. The

county unnecessarily exacerbates its problems with a very short attention span, allowing its leaders to believe they have accomplished things that they have merely discussed. That's the case with the L.A. Model of juvenile rehabilitation. It's not ready for an influx of teenagers who formerly would have been sent to the state for supervision. Does the model work? We don't know. Apparently, it hasn't actually been tried yet.

Source: <https://www.latimes.com/opinion/story/2021-07-14/juvenile-justice-failure>

CALIFORNIA

Wealthy L.A. philanthropists loosen grip on donations, shifting money toward social justice



Fernando Torres turned his life around with the help of the Youth Justice Coalition — one of many organizations in the Los Angeles area that rely on grants from California philanthropies that attach few or no strings. (Mel Melcon / Los Angeles Times)

By Corie Brown

Dec. 14, 2023 5 AM PT

Fernando Torres got his first gang tattoo when he was 15, a rite of passage among some members of his family. “I thought it was an honor to die for your gang,” he says.

Acknowledging that he was quick to throw a punch, he says that he was soon expelled from high school. But two years later, Torres, then 17, was enrolled at [FREE L.A. High](#), a charter school affiliated with decarceration activists at the Los Angeles-based [Youth Justice Coalition](#).

It wasn’t a smooth transition. It took an arrest for carrying a loaded handgun and the threat of prison time, he says, before he finally started to listen to FREE L.A. teachers and staff — several of whom had been incarcerated — and extracted himself from gang life.

“They see themselves in us,” says Torres, who is now 22 and works in construction, “and want us to have a better outcome.”

For 20 years, young people like Torres have had their lives turned around by the Youth Justice Coalition — an organization that relies on support from California philanthropies. The key to that success has been no-strings-attached grants, says [Emilio Zapién](#), the coalition’s

director of communications.

How some foundations get philanthropic dollars inside L.A. County bureaucracy

“It has been a heavy lift,” Zapién says.

Over the last decade, more and more of L.A.’s institutional foundations have gotten behind that idea: trusting nonprofits with increasing amounts of money, with fewer restrictions. The trend accelerated during the pandemic.

The Youth Justice Coalition is one of dozens of community organizations to benefit from what the leaders of these foundations say is a collective effort to support those closest to the problems the foundations hope to solve.

According to the foundations involved in this effort, L.A. County nonprofits received at least \$476.2 million in grants in 2021, compared with at least \$282.1 million in 2017.

This more generous approach has allowed the Youth
Justice Coalition to “strengthen” staff and support services

at FREE L.A., where 66 students are now enrolled, Zapién says.

Louis Neal, a volunteer with the New World Academy Foundation, hands out groceries during a food giveaway at Chuco's Justice Center, run by the Youth Justice Coalition in South Los Angeles. (Mel Melcon / Los Angeles Times)

The coalition reported \$2.5 million in contributions for fiscal year 2021, up from \$1.9 million a year earlier, and \$1.2 million in fiscal year 2019. Contributions came from the [Roy + Patricia Disney Family Foundation](#) and [Liberty Hill Foundation](#), among other organizations.

A public-private model would end the foster care-to-homelessness pipeline, study suggests

Zapién and other nonprofit activists are quick to say that

local philanthropists need to give more with even fewer restrictions. But they agree that the era of L.A.'s leading philanthropists dictating what is best for all Angelenos is fading.

The need to move money quickly to disadvantaged communities during the [pandemic](#) accelerated this movement, according to the nonprofit community groups, philanthropic foundations and government agencies interviewed for this story.

“Our landscape is ever-changing,” Zapién says. “Our funding has to be general operating support. Our funders have to trust us.”

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For decades, Southern California’s wealthy business leaders burnished their reputations by creating charitable foundations, which built glitzy theaters, high-ceilinged concert halls, and museums showcasing their donors’ art collections. Local hospital wings and university buildings bear their names.

In 1937 James Irvine stashed a chunk of the wealth from his 110,000-acre real estate empire in the [James Irvine Foundation](#). Hotelier Conrad N. Hilton launched his [foundation](#) in 1944. Insurance and banking mogul Howard F. [Ahmanson](#) and real estate tycoon Ben [Weingart](#) each created one in the 1950s. Engineering pioneer Ralph M. [Parsons](#) started his in 1961, and Walter H. Annenberg established his in 1989.

Those campaigns funding brick-and-mortar civic institutions still dominated local philanthropy in 1999 when Fred Ali, who had recently run Hollywood's Covenant House, which serves homeless youth, was named president of the Weingart Foundation.

It was passionless, Ali says.

It's easier for a leader of an endowed foundation with money in the bank to shift funding priorities if they have the support of their board of directors. With an "aging, all-white" board, Ali says, he started early in his tenure to replace retiring members with people aligned with his progressive vision.

Can homelessness in L.A. ever be 'rare, brief and nonrecurring'?

Dr. Robert Ross said the California Endowment has moved from trying to “alleviate misery with charity” to funding community-led advocacy groups that are increasing access to healthcare and mental health services. (Robert Gauthier / Los Angeles Times)

A year later, [Robert Ross](#), a doctor trained in public health, arrived in L.A. as president and chief executive of the [California Endowment](#), then a young multibillion-dollar statewide health foundation. During his first decade at the foundation, Ross says, he worked hard to “alleviate misery with charity.” One project he championed was the Children’s Health Initiative, a program delivering healthcare to a limited, underserved population.

Then he changed course.

“Poor Black and brown folks are at the short end of health disparities,” says Ross, “which tells you what we’re dealing with is structural. It’s systemic. It’s not bad luck.”

In 2010 he shifted millions of dollars from the health initiative and started funding advocacy efforts by several nonprofits that, by 2021, permanently expanded Medi-Cal eligibility to a broad underserved population across the state.

Where Ross had initially directed California Endowment funding to individual mental health programs within a cohort of local-level probation departments, he shifted those funds to community-led advocacy groups that secured public funding for similar mental health services.

The pivot started, Ross says, when he began to collaborate with Liberty Hill Foundation, which introduced him to community activists in L.A. who were working to empower poor people of color.

Miguel Santana to head California Community Foundation after Antonia Hernández's retirement

“People who are most impacted by problems know best how to fix them,” says [Shane Goldsmith](#), president and CEO of Liberty Hill.

“People who are most impacted by problems know best how to fix them,” says Shane Goldsmith, head of the Liberty Hill Foundation, which funded community groups in their decade-long battle to stop oil and gas drilling in L.A. County neighborhoods. (Robert Gauthier / Los Angeles Times)

In 2013, Liberty Hill began funding [STAND-L.A.](#), a coalition of seven community groups — led by [Communities for a Better Environment](#) and Physicians for Social Responsibility — demanding an end to neighborhood oil and gas drilling. It took 10 years and \$4.5 million in philanthropic funding, but in 2022, Goldsmith says, city and county governments agreed to ban new drilling and phase out the operation of existing wells across the county.

The community groups identified the wells, tracked the health effects and worked with regulators on the solutions, Goldsmith says. She calls these grassroots coalitions “our next generation of community leaders.”

When [Antonia Hernández](#) was named president and CEO of the [California Community Foundation](#) in 2004, it was a conservative “don’t rock the boat” organization, she says. And it was struggling to survive.

But she figured the organization wanted to become a more progressive funder; after all, they’d hired her — an activist attorney with the Mexican American Legal Defense and Educational Fund — to run the show.

Hernández transformed the foundation into a progressive powerhouse by cultivating new donors among the wealthy social activists she’d met through [the Mexican American fund](#). “I wanted donors interested in serving the vulnerable, giving voice to the poor,” she says.

In less than 20 years, the California Community Foundation went from \$540 million

“I wanted donors interested in serving the vulnerable, giving voice to the poor,” says Antonia Hernández, pictured in 1998. Under her leadership, the California Community Foundation changed from a struggling conservative philanthropy into a progressive powerhouse. (Robert Gauthier / Los Angeles Times)

to \$2.3 billion in assets. It gives money directly to dozens of groups supporting marginalized communities, including the [South Asian Network](#), [Filipino Migrant Center](#) and [African Communities Public Health Coalition](#). And through countywide collective philanthropic initiatives supporting education, Black empowerment and the arts, the foundation funds hundreds more groups.

Ali, Ross, Goldsmith, Hernández and Judy Belk, then president and CEO at the California Wellness Foundation, formed a new progressive core within L.A.'s philanthropic ecosystem. In 2014, Don Howard became president and CEO of the James Irvine Foundation and joined their ranks.

It wasn't a crank call: Surprising many, MacKenzie Scott gives millions to California groups

The Annenberg Foundation is well-known for the institutions that bear its name, and President and CEO Wallis Annenberg has supported progressive initiatives, particularly in food equity, and has expanded her giving to include efforts by these foundation leaders.

These philanthropists are following national trends. But observers say they stand out for having turned their organizations around quickly, thoroughly and collectively.

L.A.'s leading philanthropic foundations have “transformed” themselves, says Aaron Dorfman, executive director of the [National Committee for Responsive Philanthropy](#). These formerly tradition-bound charitable institutions have become “national leaders in their commitment to equity and justice,” he says.

Institutional foundations in New York City and the San Francisco Bay Area are far wealthier, according to Dorfman. They can, and do, dedicate more resources to fighting injustice. But L.A.'s leading foundations dedicate a greater share of their resources to that fight, he says, adding that “it has become a consistent theme in L.A., a steady beat,” in recent years.

Whether this transformation continues depends on the foundation boards — Ross, Belk and Hernández recently announced their retirements. The foundation boards are picking their successors.

Ali retired in 2021 and was succeeded as president and CEO by [Miguel Santana](#), a longtime L.A. civic servant who continued Ali's efforts to use all of the foundation's assets, including its endowment, to redress the racist redlining practices that were once endemic within L.A.'s real estate industry.

“We think about all of our assets as vehicles to advance racial and social justice,” says Santana, who estimates Weingart is a third of the way toward moving its entire endowment into mission-aligned investments.

Weingart recently invested \$5 million in [Primestor](#), a Latino-owned real estate developer based in Culver City that invests in historically ignored communities of color; \$5 million in the [Female Founders Fund](#), which invests in women’s entrepreneurial ventures; and \$500,000 in [iimpact capital](#), a Latina-owned real estate investment firm based in El Segundo that invests in affordable-housing developers owned by women.

To help guide this “truth and reconciliation” effort, Santana hired [Edgar Villanueva](#), author of “Decolonizing Wealth,” an indictment of old-school American philanthropy. “Coming to terms with that history,” says Villanueva, “grieving that, apologizing for it,” sets the stage for “reparations to repair the harm caused by that history.”

Apparently this impressed the California Community Foundation’s board. In October, they poached Santana to replace Hernández.

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[Eli Broad](#), who died in 2021, was one of L.A.'s leading philanthropists for decades — a holdover from a generation of business leaders who believed they knew what was best for the city. In addition to building [the Broad](#), a museum to house his art collection, he helped bring [the Museum of Contemporary Art](#) and [Walt Disney Concert Hall](#) into existence.

He was also a driving force in private efforts to enhance public education, leading a coalition of billionaires — Bill Gates, Reed Hastings and others — whose ultra-wealthy foundations pushed [charter schools](#) as a singular solution to bring about some much-needed changes to public schools in Los Angeles.

Under President Gerun Riley, the Broad Foundation's new approach focuses on out-of-school enrichment programs, support for science, technology, engineering and math education, and workforce training to “advance social and economic mobility for students from historically marginalized and underrepresented communities.”
(Brian van der Brug / Los Angeles Times)

Broad's “impatient” style foreclosed any easy avenues to collaboration with the community he believed he was serving, says [Gerun Riley](#), president of the Eli and Edythe Broad Foundation. Parents and teachers loyal to their existing schools often felt voiceless and powerless in the ensuing political maelstrom.

At the start of Riley's tenure as president, three years

before Broad's death, she urged him to change his approach. Her suggestion: Ask local families what they want from their public schools. Broad had never, nor would he ever, do such a thing, Riley says. So she did it for him.

"I set up a listening tour. I met with over 300 people, drove 600 miles," she says. Parents expressed "frustration, exasperation." They told her the battle over charter schools was "an ugly, unnecessary debate." And they were clear about what they wanted for their children, she says: preparation for jobs in a technology-driven economy.

With Broad's blessing, Riley says, the foundation is expanding beyond directly funding traditional K-12 education. It stopped using high school graduation rates as a measure of the success of its programs, she says.

The Broad Foundation's new approach focuses on out-of-school enrichment programs, support for science, technology, engineering and math education, and workforce training to "advance social and economic mobility for students from historically marginalized and underrepresented communities," Riley says.

She points to the foundation's [Expanded Learning Alliance, or ExpandLA](#), which aspires to bring public

schools, after-school program providers and government and philanthropic funders together to create a countywide network of opportunities for students. The foundation established ExpandLA, still in its formative phase, as an independent nonprofit with an initial \$5-million grant in 2020.

Separately, the Broad Foundation is supporting groups that provide services under the ExpandLA umbrella, including [DIY Girls](#), a Latina-focused science, technology, engineering, art and math program in northeast San Fernando Valley (\$584,650 over five years), and the [Hidden Genius Project](#), an Inglewood-based computer science and entrepreneurship program for Black male high school students (\$310,000 over five years).

Today, “L.A.’s core progressive foundations consider Broad in league with their efforts to strengthen community-based organizations,” says Christine Essel, president and CEO of [Southern California Grantmakers](#), an association of philanthropists whose progressive leadership tripled membership during this transformative decade.

The Broad Foundation’s endowment is \$1.8 billion — but, Riley says, it’s “not set up to exist in perpetuity.” The plan is to give it all away over the coming decades.

As it plans to clear out its coffers, it is worth noting that the Broad Foundation sets itself apart from L.A.'s core progressive foundations in one important way: It funds advocacy, but it does not fund activists, according to staff.

It's a distinction some other L.A. philanthropists also make. Both activists and advocates seek to influence public policies. But Los Angeles foundations define advocacy as something that typically happens behind the scenes. Activists take it to the streets, foundations say, with overt political agendas.

(The \$1.2-billion Ahmanson Foundation is one leading L.A.-centric foundation that does not participate in philanthropic efforts to influence public policy. President and CEO Bill Ahmanson has distanced his foundation from this progressive movement.)

Like Broad, the Hilton and Parsons foundations support advocacy to change public systems, but they do not fund activism.

L.A.'s newest philanthropic force — former Microsoft CEO Steve Ballmer and his wife, Connie — are also in this camp,

according to Nina Revoyr, [Ballmer Group's](#) L.A. executive director.

Steve Ballmer, at a preseason Clippers game last year, and wife Connie have become a philanthropic force in Los Angeles. (John Froschauer / Associated Press)

With a personal fortune that Forbes estimates is in excess of \$100 billion, the Ballmers, who reside in the Seattle area, started their Los Angeles County philanthropic work in 2016, two years after buying the L.A. Clippers.

So far this year, Ballmer Group has committed \$115 million to nonprofits in L.A. County, compared with \$55 million in grants last year. Much of this year's increase is associated with a \$39.2-million commitment to early childhood education workforce support, including scholarships and training.

Among their many early childhood education grantees is [Crystal Stairs](#), a nonprofit receiving \$1.3 million over three years to provide child-care services, research and advocacy tailored to Black educators.

Ballmer recently announced a \$24-million multiyear commitment to 170 Boys & Girls Club sites in Los Angeles County, an increase from their previous \$2 million in multiyear grants to the clubs. South L.A.'s [Brotherhood Crusade](#) received a \$2.3-million commitment.

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Before it was home to
FREE L.A. High School,
the Youth Justice
Coalition's 35,000
square-foot building on
South Central Avenue
was a juvenile court.

The courtrooms now are
classrooms and the
dank holding cells are

open to the community as places to pay respect to friends
and family who have been or remain incarcerated.

The Youth Justice Coalition helped Fernando Torres get through high school and avoid prison. He now works in construction and is having his gang tattoos removed. (Mel Melcon / Los Angeles Times)

Coalition staff worked with Torres' court-appointed

attorney to create a diversion program: If Torres could graduate from high school and complete 40 hours of community service, he would do no prison time.

In his spare time now he draws portraits, Torres says, flipping through phone photos of a dozen pencil and crayon drawings of young women of color. His gang tattoos are in the process of being removed.

“Seeing the cells motivates me,” Torres says. “I don’t want to be in a box. I want to be free.”

Among the Youth Justice Coalition’s supporters is [the California Black Freedom Fund](#), a collective statewide philanthropic response to the 2020 police murder of George Floyd initiated by the Silicon Valley Community Foundation. The fund’s goal is to get \$100 million in unrestricted funds into Black-led community groups.

The fund’s L.A.-focused contributors include the Irvine, Weingart, Annenberg, Liberty Hill and Hilton foundations, the California Community and California Wellness foundations and the California Endowment.

The Black Freedom Fund’s ambitious goal recently expanded, says [Marc Philpart](#), its executive director. His backers are pushing the state to match their \$100-million

commitment and turn the fund into an endowed foundation that survives long into the future.

“We want to establish a long-term, sustained approach to racial equity, racial justice,” says Marc Philpart, executive director of the California Black Freedom Fund, which began as a statewide philanthropic response to the 2020 police murder of George Floyd. (Robert Gauthier / Los Angeles Times)

“We want to establish a long-term, sustained approach to racial equity, racial justice,” says Philpart.

Gov. Gavin Newsom has agreed to an initial investment of \$3.5 million, nudging the project forward, according to Philpart.

In addition to the Youth Justice Coalition, which has received \$200,000, other nonprofit beneficiaries of the Black Freedom Fund include the [Afrikan Black Coalition](#) (\$100,000), the [Los Angeles Black Worker Center](#)

(\$500,000) and the [Los Angeles Community Action Network](#) (\$350,000).

Howard, of the [Irvine Foundation](#), says California has a long history of erecting legal and structural barriers that block Black people and members of other marginalized groups from jobs, healthcare and housing, and each community faces different barriers.

“We need to understand how to dismantle those barriers,” he says. “If we’re going to transform society, everyone has to have a seat at the table.”

“There’s a sea shift in who has power in California,” says John Kim, president and CEO of [Catalyst California](#), which advocates for racial justice and whose revenue has doubled in recent years. “Money is power, and the foundations are giving it directly to people of color.”

Community groups have used that power to make “real gains” in L.A. County and city budget allocations, Kim says.

But “after 170 years of exclusion and extraction, it’s just one decade of progress,” he adds. “L.A. has a long way to go.”

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