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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 CHRISTIAN RODRIGUEZ,
16 ALBERTO CAZAREZ, individually
17 and as class representatives

18 *Plaintiffs,*

19 vs.

20 CITY OF LOS ANGELES, CARMEN
21 TRUTANICH, CHARLES BECK,
22 ALLAN NADIR, ANGEL GOMEZ
AND DOES 1 THROUGH 10.

23 *Defendants.*

Case No.: CV11-01135 DMG (JEMx)

**DECLARATION OF STEPHANIE
CARROLL IN SUPPORT OF
PLAINTIFFS' MOTION TO
ENFORCE SETTLEMENT
AGREEMENT**

*[Filed Concurrently with Exhibits A
through XX]*

Date: April 12, 2024
Time: 9:30 a.m.
Location: Courtroom 8C
Hon. Dolly M. Gee

Complaint Filed: February 7, 2011

1 maximum [\$7.5 million per year] contributions; however, they will not exceed 10%
2 of the total annual expenditures.” (Ex. A, Settlement at Exhibit B, Sec. II).

3 7. The Settlement defines “**Administrative Costs [as] the estimated cost**
4 **for administering the settlement and claims process, including providing the**
5 **Notice of Settlement, various efforts to locate Settlement Class Members, and**
6 **coordinating the provision of settlement benefits to the Settlement Class.**” (Ex.
7 A, Settlement at ¶ 16).

8 8. As part of Class Counsel’s work monitoring and enforcing the Settlement,
9 we have regularly sought out and reviewed records of Defendant’s expenditures
10 under the Settlement. These have included public records (i.e., documents filed with
11 the Los Angeles City Council) and documents requested by and provided to Class
12 Counsel by Defendant. On several occasions, Class Counsel have learned about
13 Defendant’s administration of the Settlement, including its funding, spending, and
14 policies, from public records or from Class Members rather than from Defendant.

15 9. Class Counsel have regularly raised concerns with Defendant about
16 information in public records and requested additional or clarifying information.
17 Defendant has not always provided the information or clarity requested.

18 10. As explained in more detail below, there are various different ways to
19 interpret Defendant’s reports and calculate the amount spent on Administrative
20 Costs. These include the possibilities presented below: over 29 percent in
21 paragraphs 47-48 and over 25 percent in paragraph 51. These figures could be even
22 higher when factoring in unaccounted for Administrative Costs, like payments to
23 the claims administrator and Administrative Costs by the WorkSource Centers.
24 (See e.g., ¶¶ 32-33). Nevertheless, even the calculations most favorable to
25 Defendant exceed the ten percent cap.

1 **B. Class Counsel Have Regularly Requested Data for Defendant’s**
2 **Expenditures, Including on Administrative Costs.**

3 11. Class Counsel have regularly tried to determine what percentage of
4 Settlement spending has been on “Administrative Costs,” including during the
5 initial Settlement period (2017-2021).¹

6 12. On December 19, 2019, the parties met to discuss progress implementing
7 the Settlement’s programs. Defendant provided Class Counsel with a binder of
8 documents for that meeting including a document captioned “Questions/EWDD
9 [the City’s Economic and Workforce Development Department] Responses” that
10 included questions emailed by Class Counsel on December 12, 2019, in advance of
11 the meeting and EWDD’s responses to those questions. A true and correct copy of
12 the document is attached as **Exhibit C** (attorney notes redacted and yellow
13 highlighting added to the relevant language for emphasis). Item number 3 reads:

14 “We would like a much more detailed budget to show all budget line items
15 by financial year, actual spend to date by financial year, and overall totals.
16 We would expect budget line items to include lines for such items as: *direct*
17 *spend on individual Class Members*, communication and outreach, City
18 administration costs, sub-grantee case management and administration
19 costs, claims administration.

20 **EWDD Response: We will work on this report with specific**
21 **expenditures by program year and by agency.”**

22 (Emphasis in original). In addition, item number 10 in the “Questions/EWDD
23

24 ¹ The Settlement’s third-party evaluator at California State University Northridge
25 recognized that “EWDD did not have a specific budget for outreach to potential
26 participants . . . during year [one] of the program [and] they [] had to use their own
27 funds and rely on their own materials for outreach.” Malka et al., *LARCA 2.0*
28 *Evaluation Flash Report*, October 2018, p. 17. A true and correct copy of the report is
attached as **Exhibit B-1** (highlighting added to the relevant language for emphasis).

1 Responses” document is Class Counsel’s request for specific expense details
2 broken down by organization. The EWDD Response included an “Attachment B”
3 in response to the request for “the amount disbursed/budgeted for each organization
4 per year.” A true and correct copy of “Attachment B” to the December 19, 2019
5 meeting binder is attached as **Exhibit D**. That report – a table of budgeted and
6 expended costs – does not include all the details requested. Accordingly, the
7 EWDD Response (Ex. C) notes that “[t]he detail report will be forthcoming.”

8 13. On January 22, 2020, Defendant emailed “two of the three class member
9 rosters that Public Counsel requested during our December 19, 2019 meeting.”
10 Those did not include “[t]he third roster, the total number of enrolled customers
11 with expenditures for each customer” which
12 Defendant stated would “be provided as soon as the list is complete.” A true and
13 correct copy of Defendant’s email is attached as **Exhibit E** (highlighting added to
14 the relevant language for emphasis).

15 14. On information and belief, Defendant did not provide Class Counsel the
16 promised report of expenditures for each Class Member until more than two years
17 later, on April 20, 2022, when Defendant provided us with a “Participant
18 Expenditure Report” detailing the expenses for the Class Members served by each
19 WorkSource Center.

20 15. Defendant provided Class Counsel an update to the “Participant
21 Expenditure Report” on February 14, 2023. On July 14, 2023, Defendant sent Class
22 Counsel thirteen Excel files; each file is for a different WorkSource Center and
23 details the expenses attributed to each enrolled Class Member. Along with the
24 Excel files was a PDF document updating the expenses for “non-active service
25 providers.” These reports are discussed in detail in paragraphs 23 – 26, below.

26 16. On or about January 9, 2023, Class Counsel learned – through its
27 “LACityClerk Connect” subscription to the City Council file No. 16-0081-S3,
28 (“Gang Injunction Curfew Settlement Fund (LARCA 2.0) / Allocation / Economic

1 and Workforce Development Department”)² – that EWDD was requesting an
2 additional \$2.75 million in funding for the Settlement’s programs. (See Ex. U).
3 That request detailed Defendant’s spending on an expense category named “EWDD
4 Oversight.” Subsequently, Class Counsel requested information from Defendant
5 specifically about the Administrative Costs for the Settlement. For example, on
6 February 6, 2023, I wrote to Chief Assistant City Attorney Scott Marcus to request
7 that the parties meet and confer regarding the need to extend the Settlement due to
8 unacceptably low enrollment numbers and delivery of Settlement benefits. In that
9 letter, I requested additional information about Defendant’s Settlement spending
10 and calculations. A true and correct copy of my correspondence to Mr. Marcus is
11 attached as **Exhibit F** (highlighting added to the relevant language for emphasis).

12 17. On June 9, 2023, the parties met and conferred about Defendant’s
13 Administrative Costs. As a result of that conference, Defendant agreed to provide
14 Class Counsel, by July 14, 2023, a complete and up-to-date report of Settlement
15 expenses that: (a) is broken down by year; (b) identifies the WorkSource Center or
16 other service provider; (c) details expenses by Class Member; (d) makes clear what
17 expenses EWDD considers Administrative Costs (as defined in the Settlement)
18 including, without limitation, payments to CAC (the claims administrator),
19 HELPER (an outreach organization), and for radio and TV advertisements, etc.; and
20 (e) includes sufficient detail to reconcile the other program related reports the
21 parties discussed. Class Counsel confirmed this agreement by email on June 12,
22 2023. A true and correct copy of that email is attached as **Exhibit G** (highlighting
23 added to the relevant language for emphasis).

24
25 ² Available online at: [https://clkrep.lacity.org/online/docs/2016/16-0081-
26 s3_rpt_EWDD_01-09-23.pdf](https://clkrep.lacity.org/online/docs/2016/16-0081-s3_rpt_EWDD_01-09-23.pdf). A Request for Judicial Notice of this document is filed
27 contemporaneously with the underlying Motion and this Declaration in support
28 thereof.

1 **C. Financial Data Provided by Defendant to Class Counsel**

2 **(1) Expenditures By Service Provider**

3
4 18. On or about April 20, 2022, Ricardo Renteria a Sr. Project Coordinator
5 for EWDD emailed Class Counsel a PDF titled “Rodriguez_LARCA 2.0-
6 Participant Expenditure Report- 04162022” with the heading “Participant
7 Expenditure Report Through April 2022” (the “April 20, 2022 Report”). The April
8 20, 2022 Report is broken down by the WorkSource Centers that Class Members
9 enroll with to access the Settlement’s benefits programs. A true and correct copy of
10 Mr. Renteria’s email is attached as **Exhibit H-1** (highlighting added to the relevant
11 language for emphasis), and a true and correct copy of the April 20, 2022 Report is
12 attached as **Exhibit H-2**.

13 19. The April 20, 2022 Report (Ex. H-2) is the first time that Defendant
14 provided Class Counsel with expenditure information with Class Member-specific
15 details, despite our having requested this information – and Defendant agreeing to
16 provide it – in December 2019. (See ¶¶ 13-14, above). Class Counsel requested a
17 native (Excel) version of the report on or around May 9, 2022, in order to better
18 analyze the data. Class Counsel eventually received the native file – after several
19 requests – on or about June 6, 2022.

20 20. Using the Excel version of the April 20, 2022 Report, Class Counsel was
21 able to calculate the subtotals for: (a) each WorkSource center; (b) the total spent
22 on individual Class Members; and (c) the total other spending by WorkSource
23 Centers. As we explained to Defendant’s counsel in an email sent on or about
24 August 15, 2022:

25 “Based on our analysis, only 688 out of the 845 people signed up for
26 services as shown by Ricardo’s report - out of a potential class pool of
27 5,606 Class Members - have received any kind of meaningful or
28 tangible benefit from the settlement. Our estimates are generous as they

1 include a number of people who got less than \$100 in supportive
2 services and no Tier 1 service.^[3] Indeed, most who signed up for
3 services received none of the benefits we identified as Tier 1, and only
4 17 Class Members have benefited from tattoo removal.”

5 A true and correct copy of the August 15, 2022 email is attached as **Exhibit I**
6 (highlighting added to the relevant language for emphasis).⁴

7 21. The parties met on or about January 23, 2023, to discuss the status of the
8 Settlement’s programs. Among the issues discussed were Defendant’s Settlement
9 funding and expenditures. I emailed Defendant my notes from that meeting,
10 including the following agreement: “I will forward the financial spend summaries
11 provided by Ricardo last year [the April 20, 2022 Report]. [EWDD] agreed to
12 provide updates on those reports in 2 weeks’ time. 2/13/2023.” A true and correct
13 copy of that email is included in the email chain attached as **Exhibit K-1** (yellow
14 highlighting added to the relevant language for emphasis. Green highlighting is
15 original).

18 ³ The email defines “meaningful services with a tangible benefit” as “Tier 1
19 services,” plus “Career Services and Employment Readiness Workshops”, “Support
20 Services” and “Tattoo Removal.” Tier 1 services relate directly to the provision of
21 jobs and education. They are: Education and Vocational Training; Education and
22 Vocational Training Stipends; Transitional Employment Wages and Fees; and Job
23 Placement and Follow Up Services. Thus, anyone who only received “Outreach,
24 Enrollment, Evaluation, & Assessment” and/or “Case Management Sessions &
25 Support Activity” without any other benefit are not included as having received a
26 meaningful/tangible benefit.

27 ⁴ Class Counsel shared this information with the third-party evaluator at
28 California State University, Northridge during a virtual meeting on or about July 11,
2022. In addition, on August 23, 2022, we provided the evaluator with Defendant’s
raw data (without Class Member names and with Defendant’s consent) and Class
Counsel’s analysis of it. True and correct copies of our August 23 email to the
evaluator and the attachments to the email are attached as **Exhibit J-1** (highlighting
added to the relevant language for emphasis), **Exhibit J-2**, and **Exhibit J-3**.

1 22. On February 14, 2023, Juan Romero, the Sr. Project Coordinator for
2 EWDD’s LARCA Program, emailed Class Counsel a document he described as
3 “the LARCA Financial Expenditure Report from 5/01/2022 - 12/04/2022 (updates
4 highlighted in green).” (See Ex. K-1). A true and correct copy of the attachment
5 (the “February 14, 2023 Report”) is attached as **Exhibit K-2** (highlighting is in
6 original).

7 23. On July 14, 2023, Mr. Romero sent Class Counsel seventeen electronic
8 files that included the financial information that Defendant agreed to provide during
9 parties’ June 9, 2023 meeting (see ¶ 17, above). A true and correct copy of Mr.
10 Romero’s email and its attachments are attached as **Exhibits L-1 – L-18**. The
11 financial data Defendant provided is in: a PDF report purporting to provide a
12 summary of all spending for the period ending June 30, 2023 (the “Financial
13 Report”) (Ex. L-2); thirteen Excel files, one for each active WorkSource Center
14 (Exs. L-3 – L-15); and a PDF of “non-active” service providers (Ex. L-16). (I refer
15 to these financial documents collectively as the “July 14, 2023 Reports”).

16 24. The April 20, 2022 Report (Ex. H-2), February 14, 2023 Report (Ex. K-
17 2), and July 14, 2023 Reports (Exs. L-2 – L-16) include detailed expenditures made
18 under the Settlement organized by the various WorkSource Centers and the Class
19 Members they served. The July 14, 2023 Reports also include expenditure
20 information about other non-WorkSource Center service providers not linked to
21 specific Class Members, such as outreach organizations and the Settlement’s third-
22 party evaluator, as well as information about the city’s own expenditures. (Ex. L-2).

23 25. The April 20, 2022 Report (Ex. H-2) details a total amount spent by
24 WorkSource Centers of **\$5,426,067.25**. The February 14, 2023 Report (Ex. K-2)
25 details a total amount spent by WorkSource Centers of **\$6,505,251.84**.

26 26. The July 14, 2023 Reports (Exs. L-2 – L-16) detail a total amount spent
27 by “service providers” of **\$8,705,933**. This amount includes spending by
28 WorkSource Centers plus additional contractors, such as California State

1 Northridge, the Settlement’s third-party evaluator, which has been paid \$585,409
2 thus far,⁵ and outreach organizations such as HELPER.

3 27. Focusing on the WorkSource Centers, each set of reports breaks-down
4 expenses by Class Member into nine categories in columns: (1) Outreach,
5 Enrollment, Evaluation & Assessment; (2) Case Management Sessions & Support
6 Activity; (3) Career Services & Employment Readiness Workshops; (4) Education
7 & Vocational Training; (5) Education & Vocational Training Stipends; (6)
8 Transitional Employment Wages & Fees; (7) Job Placement & Follow-up Services;
9 (8) Support Services; and (9) Tattoo Removal.

10 28. Each set of financial reports – the April 20, 2022 Report (Ex. H-2), the
11 February 14, 2023 Report (Ex. K-2), and the July 14, 2023 Reports (Exs. L-2 – L-
12 16) – list expenses that are not attributed to individual Class Members. In the most
13 recent set of reports, the July 14, 2023 Reports (Exs. L-3 – L-15), expenses are
14 listed at 17 of the 23 WorkSource Centers that are not attributed to a Class Member
15

16 ⁵ To date, the Settlement’s third-party evaluator has produced five reports, none
17 of which include *any* information about Defendant’s Administrative Costs or
18 anything more than passing mentions of program funding and expenses. This is
19 despite Class Counsel providing the evaluator the raw data in the April 20, 2022
20 report (redacted and with opposing counsel’s permission), and having sought
21 Defendant’s permission to provide the evaluator with Defendant’s unreacted
22 financial reports and doing so. (See Dkt. No. 432, Joint Stipulation Re: Disclosure Of
23 Confidential Information To The Monitor; and footnote 4 of this Declaration). The
24 reports are:

22 (1) LARCA 2.0 Evaluation, *Flash Report* (2018) (Ex. B-1);

23 (2) LARCA 2.0 Evaluation, *Year-End Formative Evaluation Report* (2019), a
24 true and correct copy of which is attached as **Exhibit B-2**;

25 (3) LARCA 2.0: *Year Two Evaluation Report* (2020), a true and correct copy of
26 which is attached as **Exhibit B-3**;

27 (4) LARCA 2.0, *2019-20 Evaluation Report* (2020), a true and correct copy of
28 which is attached as **Exhibit B-4**; and

(5) LARCA 2.0 Flash Report (Aug. 2021), a true and correct copy of which is
attached as **Exhibit B-5**.

1 but are reported with the following descriptions: Reporting/Billing; Meetings;
 2 Outreach; Active Members; Workshops; and MOU expenditures. For example, the
 3 Excel spreadsheet for the Downtown/Pico Union WorkSource Center (contract No.
 4 129530) (Ex. L-14) provides details of expenses for 25 Class Members and also
 5 provides expenditures not attributed to any Class Member for: (A) Outreach,
 6 Enrollment, Evaluation, & Assessment; (B) Case Management Sessions & Supports
 7 Activities; and (C) Career Services and Employment Readiness Workshop. These
 8 non-Class Member expenses amount to \$53,025, as summarized below:

[Excel Row No.]	Claim #	Last Name	YTD Total
13	11111111	Reporting	\$2,900
14	22222222	Contractor Mtg	\$1,150
21	44444444	Active Members	\$42,600
24	55555555	Workshops	\$5,000
25	33333333	Outreach	\$1,375
		[TOTAL]	[\$53,025]

20 29. I have carefully analyzed all of Defendant’s financial reports and created
 21 three tables attached as **Exhibits M-1 – M-3** summarizing the information,
 22 focusing especially on the most recent data Defendant provided Class Counsel. The
 23 first table summarizes all the WorkSource Center and non-WorkSource Center
 24 providers’ expenditure reports provided since April 20, 2022 (the April 20, 2022
 25 Report (Ex. H-2), February 14, 2023 Report (Ex. K-2), and July 14, 2023 Reports
 26 (Ex. L-2 – L-16)), broken down by service provider. A true and correct copy of this
 27 document, “Carroll Analysis: Detailed expenditure reports provided by the City of
 28 L.A. to Class Counsel” is attached as **Exhibit M-1**. This analysis highlights in

1 yellow the amounts attributed to individual Class Members in the July 14, 2023
2 Reports (totaling \$8,017,401.88 across all WorkSource Centers). The table also
3 highlights in green the discrepancies between the WorkSource Center’s detailed
4 Excel reports (Exs. L-3 – L-15) and the summary Financial Report (Ex. L-2, part D.
5 Details) provided at the same time. Highlighted in orange are reported expenditures
6 against “John Doe” Class Members.

7 30. The second table summarizes the expenses in the July 14, 2023 Reports
8 (Exs. L-3 – L-15) that are not attributed to any particular Class Member. A true and
9 correct copy of this document, “Carroll Summary: Summary of spending by
10 WorkSource centers not attributed to individual class members” is attached as
11 **Exhibit M-2**. The summary shows that WorkSource Centers overall reported
12 spending \$489,859.03 on such costs. Of that, over \$43,000 was spent on
13 “reporting” and “meetings” combined;⁶ almost \$76,000 was spent on “Outreach”;
14 over \$211,000 on “Active Members”; over \$80,000 on “Workshops”; almost
15 \$50,000 on “MOUs”; and \$28,800 was spent on what appear to be two fictitious
16 “John Doe” Class Members.

17 31. Many of these categories, such as “Outreach” and “reporting/meetings”
18 appear to relate to “various efforts to locate Settlement Class Members and
19 coordinating the provision of settlement benefits to the Settlement Class,” and are
20 therefore Administrative Costs. In addition, we understand that “MOUs” also relate
21 to outreach to Class Members, and we believe “Active Members” expenditures
22 relate to reaching out to Class Members who are enrolled but not necessarily
23 receiving services from the WorkSource Center; as such, these categories may also
24 be Administrative Costs. The sum of these categories (Reporting, Meetings,
25 Reporting/ Meetings, Outreach, Active members, and MOUs) is \$380,309.

27 ⁶ The sum of the subtotals of the “Reporting” (\$15,075), “Meetings” (\$14,100),
28 and “Reporting/ Meetings” (\$14,449) expense categories is \$43,624.

1 32. The third table isolates expenses for non-WorkSource Center providers
2 (i.e., providers who do not attribute their costs to individual Class Members). A true
3 and correct copy of this document, “Carroll Analysis: Listed Service providers with
4 no individual class members listed” is attached as **Exhibit M-3**. Surprisingly,
5 Defendant’s costs for the claims administrator (CAC Services Group, LLC) are not
6 reflected in any of the financial records available to Class Counsel. If not already
7 accounted for, payments to the claims administrator would increase Defendant’s
8 spending on Administrative Costs.

9 33. In addition to the general category expenses (i.e., Reporting/Billing;
10 Meetings; Outreach; Active Members; Workshops; and MOU expenditures) that are
11 *not* attributed to a Class Member but reported as described above, there are
12 significant expenditures that *are* attributed to specific Class Members under the
13 categories “Outreach, Enrollment, Evaluation & Assessment” and “Case
14 Management Sessions & Support Activity.” Although my above analysis does not
15 include these expenditures as Administrative Costs, they very well may be
16 Administrative Costs.

17 34. The July 14, 2023 Reports (Exs. L-3 – L-16) also reveal that 270 of the
18 1,210 Class Members listed received no tangible benefit from the Settlement. These
19 individuals were listed as having no expenses associated with them or only
20 expenses for “Outreach, Enrollment, Evaluation & Assessment” and/or “Case
21 Management Sessions & Support Activity.” A true and correct copy of our
22 summary of these expenses is attached as **Exhibit N**.⁷ The report shows that
23

24 ⁷ An earlier version of this analysis, based on the February 14, 2023 Report, (Ex.
25 K-2), was provided to Defendant on October 27, 2023 and showed that 192 of the
26 1,022 Class Members listed in the report (covering May 1, 2022 through December
27 1, 2022) received no actual Settlement benefit. (See Ex. Y-1, page 13 (highlighting
28 added to the relevant section for emphasis)). A true and correct copy of the analysis
provided to Defendant is attached as **Exhibit O**.

1 Defendant attributes \$116,760 in expenses for these Class Members who received
2 no concrete educational or training benefit under the Settlement (\$56,700 in
3 “Outreach, Enrollment, Evaluation & Assessment” and \$60,060 in “Case
4 Management Sessions & Support Activity”).⁸

5 **(2) Expenditure by the City on Administration**

6 35. In addition to the documents reporting spending by WorkSource Centers,
7 the July 14, 2023 Reports include a document captioned “EWDD Costing for Gang
8 Injunction Curfew Settlement- (LARCA 2.0); Administrative & Program
9 Operations Cost” (the “A&P Report”) (Ex. L-17). This document purports to show
10 Defendant’s “year-end expenditures” for each program year, broken down by
11 “administrative” (\$1,205,165) and “program operations” (\$2,097,908) totaling
12 **\$3,303,073.**

13 36. Class Counsel emailed Defendant on July 20, 2023, noting that the
14 information provided was incomplete because the A&P Report “does not include
15 year-to-date data for the current (year 6) program year. . . .” A true and correct
16 copy of that email is attached as **Exhibit P** (yellow highlighting added to the
17 relevant language for emphasis).

18 37. On July 24, 2023, we also asked Defendant to clarify what expenses were
19 included under “Administrative” as opposed to “Program Operations.” A true and
20 correct copy of that email is included in the email chain attached as **Exhibit Q**, pp.
21 4-5 (yellow highlighting added to relevant language for emphasis).

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23
24
25 ⁸ This accounting is quite generous to Defendants because it overlooks Class
26 Members who received practically nothing. For example, the Class Member with
27 claim No. 80184785 received only \$3.50 in a non-administrative category
28 (“Transitional Employment Wages & Fees”) but was attributed \$400 in
Administrative Costs.

1 38. On August 15, 2023, Defendant provided a “Program and
2 Administration” narrative by email (Ex. Q, p. 2). A true and correct copy of that
3 narrative is attached as **Exhibit R**.

4 39. On August 17, 2023, we wrote to Defendant to say “notwithstanding our
5 view that these expenses are administrative under the settlement agreement, we ask
6 that you provide us additional details so that we can see the breakdown of
7 everything EWDD is counting as ‘program operations’ and ‘administrative.’” A
8 true and correct copy of that email is included in the email chain attached as Ex. Q,
9 p. 1 (highlighting added to relevant language for emphasis).

10 40. On September 1, 2023, Gerardo Ruvalcaba, the Assistant General
11 Manager for EWDD’s Workforce Development System, emailed us an “updated
12 EWDD expenditure report” along with interlineated answers to questions we posed
13 on August 17, 2023. A true and correct copy of Mr. Ruvalcaba’s email is in the
14 email chain attached as Ex. Q, p. 1 (highlighting added to relevant language for
15 emphasis).

16 41. The interlineated responses were attached in a PDF file with the file name
17 “PC Response - 9.1.23.” A true and correct copy of this document is attached as
18 **Exhibit S-1** (highlighting added to relevant language for emphasis). In this
19 document, in response to our question asking for additional details about “program
20 operations” and “administrative” costs, Mr. Ruvalcaba stated:

21 “Much of this information is available in the Budget Schedule included
22 in the Annual Plan (<https://ewddlacity.com/index.php/annualplan>).
23 Other items are shared costs, which cannot be broken down so
24 granularly (such as printing, because EWDD does not have printers
25 paid for and for the exclusive use of, the LARCA 2.0 program).”

26 Class Counsel found this response to be completely unhelpful – as the “Annual
27 Plan” is hundreds of pages and covers all of EWDD’s programs – and
28 unresponsive. In addition, Defendant stated “[a]n updated EWDD expenditure

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report is attached. This includes EWDD expenditures through July 31, 2023. This also includes corrections to previously reported expenditures, including removing Central Service expenditures, which were incorrectly included in our previous report.”

42. The second document attached to the September 1 email from Mr. Ruvalcaba was the “updated EWDD expenditure report.” A true and correct copy of this document is attached as **Exhibit S-2**. This document purports to show Defendant’s “year-end expenditures” for each program year, broken down by “administrative” (\$974,258) and “program operations” (\$1,947,026) totaling **\$2,921,284**. Notwithstanding Defendant’s characterization of the report as “corrected,” it is inconsistent and irreconcilable with other records, including the A&P Report Defendant sent on July 14, 2023 (Ex. L-17, discussed above in ¶¶ 23 and 35). To illustrate, I created this side-by-side comparison of the expenditure report received on September 1 (Ex. S-2) and the A&P Report (Ex. L-17) received on July 14, 2023:

Program Year	A&P Report “Administrative” (Jul. 14)	Sept. 1 Report “Administrative”	A&P Report “Program Operations” (Jul. 14)	Sept. 1 Report “Program Operations”
1: 2016 - 2017	\$151,752.00	\$98,513.29	\$75,121	\$93,061.95
2: 2017 - 2018	\$279,854.46	\$185,130.37	\$510,079.39	\$389,785.42
3: 2018 - 2019	\$260,420.75	\$172,713.54	\$510,674.00	\$363,182.22
4: 2019 - 2020	\$301,687.69	\$199,681.86	\$630,214.01	\$492,913.85
5: 2020 - 2021	\$211,477.39	\$159,937.34	\$371,819.83	\$247,010.31
6: 2021 - 2022⁹	“Not available”	\$119,677.92	[blank]	\$144,874.79
7: 2022 – 2023	[not in report]	\$38,603.76	[not in report]	\$205,207.15
8: 2023 – 2024 as of 07/31/23	[not in report]	[blank]	[not in report]	\$10,990.30
Total	\$1, 205,165.29	\$974,258.08	\$2,097,908.23	\$1,947,025.99

In addition, the A&P Report (Ex. L-17) figures are also inconsistent with the Financial Report (Ex. L-2) sent the same day, which listed City of L.A. expenses as \$2,852,882. (Ex. L-2, part D. Details).

43. Class Counsel have repeatedly attempted to obtain from Defendant missing information and clarification on the conflicting documents provided. For example, on September 19, 2023, Class Counsel followed up on emails from September 7 and September 13 requesting Defendant provide outstanding information by September 25, 2023 – including a request that Defendant “send us

⁹ The A&P Report incorrectly calls year six of the program “2022 – 2023” and does not include any information for it.

1 one document with all the complete and correct information” – so that Plaintiffs can
2 reconcile the apparent discrepancies. Defendant did not respond. A true and correct
3 copy of the September 19 email is attached as **Exhibit T**.¹⁰

4 44. To date, the information provided to Class Counsel is incomplete and
5 contradictory.

6 45. As far as Class Counsel can tell based on the information available to us,
7 everything described as “Program Administration” or “Program Operations” falls
8 under the category of “coordinating the provision of settlement benefits to the
9 Settlement Class” and is therefore an “Administrative Cost” under the Settlement.
10 In other words, EWDD’s “program operations” costs are, in fact, “Administrative
11 Costs” under the Settlement.

12 **D. Publicly Available Financial and Administrative Costs Data**

13 46. Class Counsel have also reviewed three publicly filed reports related to
14 the Settlement. First, on or about January 9, 2023, the City’s EWDD filed with City
15 Council a transmittal captioned “Approval of Request From [EWDD] To Allocate
16 \$2.75 Million to the [Rodriguez] Settlement Program.” (the “January 9, 2023
17 EWDD Funding Request”). A true and correct copy of this document is attached as
18 **Exhibit U** (highlighting added to the relevant language for emphasis), and is
19 publicly available at [https://clkrep.lacity.org/onlinedocs/2016/16-0081-
20 s3_rpt_EWDD_01-09-23.pdf](https://clkrep.lacity.org/onlinedocs/2016/16-0081-s3_rpt_EWDD_01-09-23.pdf). A Request for Judicial Notice of this document is
21 filed contemporaneously with the underlying Motion and this Declaration in
22 support thereof.

23 47. The January 9, 2023 EWDD Funding Request projected that of
24 \$10,010,794 allocated to service providers, EWDD had spent \$7,955,559 and the
25 remaining balance of \$2,055,235 was committed to be spent through June 2023. In
26 addition, the transmittal stated that the City had appropriated \$13,301,863 from
27

28 ¹⁰ The email chain in Ex. T builds on and includes the email chain in Ex. S.

1 fiscal year 2016-2017 through fiscal year 2022-2023, of which \$3,291,069 was for
2 “EWDD Oversight” (i.e., Administrative Costs) and the remainder (\$10,010,794)
3 was for service providers. This “EWDD Oversight” expenditure is 24.7 percent of
4 the total amount listed as appropriated (\$13,301,863) for the Settlement, well in
5 excess of the 10 percent cap for Administrative Costs permitted by the Settlement.
6 Moreover, given that this report indicates that only \$7,955,559 of the \$10,010,794
7 allocated for service providers was actually spent, the “EWDD Oversight” expense
8 could be as high as 29.3 percent (calculated by $\frac{\$3,291,069 \text{ (EWDD Oversight allocation)}}{\$3,291,069 \text{ (EWDD Oversight allocation)} + \$7,955,559 \text{ (actual spending on service providers)}}$)).

11 48. Class Counsel believe the additional \$380,309 expenses listed by
12 WorkSource Centers covering Reporting, Meetings, Reporting/ Meetings,
13 Outreach, Active members, and MOUs (see ¶ 31, above) are in addition to the
14 \$3,291,069 for “EWDD Oversight” reflected in the January 9, 2023 EWDD
15 Funding Request (Ex. U). Thus, the percentage spent on Administrative Costs could
16 be even greater.

17 49. On or around March 9, 2023, the City Administrative Officer (“CAO”)
18 filed with the City Council a recommendation regarding “Request From [EWDD]
19 To Allocate \$2.75 Million To The Gang Injunction Curfew Settlement Program For
20 Fiscal Year 2022-23” (the “March 9, 2023 CAO Request”). A true and correct copy
21 of this document is attached as **Exhibit V** (highlighting added to the relevant
22 language for emphasis), and is publicly available at
23 https://clkrep.lacity.org/onlinedocs/2016/16-0081-S3_misc_3-9-23.pdf. A Request
24 for Judicial Notice of this document is filed contemporaneously with the underlying
25 Motion and this Declaration in support thereof.

26 50. The March 9, 2023 CAO Request (Ex. V) states that \$13,181,689 was
27 allocated towards the Settlement and projected spending on the Settlement through
28

1 February 2023 at \$12,069,506.¹¹ This report conflicts with the later provided July
2 14, 2023 Financial Report which lists a combined total expenditure of \$11,714,286
3 for “City of L.A.”, “Service Providers”, and “Outreach, Marketing and others.” (Ex.
4 L-2, part D. Details).

5 51. Even if we were to take the most recent and detailed report from
6 Defendant, the July 14, 2023 Financial Report, the “City of LA” costs (\$2,852,882)
7 and the “Outreach, Marketing & Others” costs (\$155,471) amount to 25.68 percent
8 of the total expenditure listed (\$11,714,286). (Ex. L-2, part D. Details). Class
9 Counsel believe all “City of LA” costs to be Administrative Costs under the
10 Settlement. In addition, as noted above, there are expenses by the WorkSource
11 Centers and other service providers that would increase the percentage of spending
12 on Administrative Costs even further beyond the ten percent limit in the Settlement.

13 **E. Class Members Have Been Deterred from Participation in the Settlement’s**
14 **Programs.**

15 52. The Settlement requires the parties to “cooperate fully with each other to .
16 . . implement the terms [of the settlement agreement and] . . . to use their best
17 efforts, including all efforts contemplated by [the] Settlement Agreement, and any
18 other efforts that may become necessary . . . to effectuate th[e] Settlement
19 Agreement.” (Ex. A, Settlement at ¶ 58).

21 ¹¹ On or about April 14, 2023, the CAO filed with the City Council its
22 recommendations regarding the “Amended Request From [EWDD] To Allocate
23 Additional Funding To The Gang Injunction Curfew Settlement Program For Fiscal
24 Year 2022-23.” (the “April 14, 2023 CAO Amended Request”), which lists the
25 same figures as the March 9, 2023 CAO Request (Ex. V). A true and correct copy
26 of this document is attached as **Exhibit W** (highlighting added to the relevant
27 language for emphasis), and is publicly available at
28 https://clkrep.lacity.org/onlinedocs/2016/16-0081-S3_rpt_cao_04-14-2023.pdf. A
Request for Judicial Notice of this document is filed contemporaneously with the
underlying Motion and this Declaration in support thereof.

1 53. As part of Class Counsel’s work monitoring and enforcing the Settlement,
2 I supervise Public Counsel staff who field calls from Class Members seeking
3 assistance navigating the Settlement claims process and working with the providers
4 contracted by Defendant. I meet with these staff on a weekly basis and we discuss
5 the specific problems Class Members face trying to obtain benefits. In addition, I
6 communicate with community-based organizations that work with the Class
7 Member population, as well as City Council members’ offices about Settlement-
8 related issues. Accordingly, I am familiar with the barriers to Class Member
9 participation in the Settlement’s benefits programs. When Class Counsel encounter
10 a problem that is or may be systemic, we write to counsel for Defendant and the
11 staff at EWDD.

12 54. Defendant and its contractors have policies and practices that deter Class
13 Member participation by making the process of obtaining Settlement benefits
14 unnecessarily difficult and confusing. Over the years, Class Counsel have engaged
15 in a game of whack-a-mole to address these problems; it is as though each time we
16 convince Defendant to address one issue, we learn of another problem, or that an
17 earlier-identified and purportedly corrected problem was not actually corrected. In
18 addition, it often takes multiple follow-ups with Defendant to have it address issues,
19 if at all.

20 55. Testing: In the first years of the Settlement’s implementation, Defendant
21 required Class Members take literacy and arithmetic tests. A true and correct copy
22 of these tests is attached as **Exhibit DD**. Testing was mostly discontinued after
23 Class Counsel complained (including during a meeting with Defendant on
24 December 19, 2019) that such testing was reminiscent of Jim Crow-era literacy
25 tests and had a lasting chilling effect on participation. Nevertheless, Class Counsel
26 continued to hear from some Class Members about testing requirements long after
27 Defendant told Class Counsel the practice had ended. Class Counsel repeatedly
28 raised this problem with Defendant. Class Counsel recently provided Defendant

1 several examples – supported by documentary evidence – of our raising this issue in
2 our October 27, 2023 letter requesting to meet and confer in advance of Plaintiff’s
3 Motion. A true and correct copy of that letter is attached as **Exhibit Y-1** (see p. 8
4 for the discussion of testing). Most of the exhibits to the October 27, 2023 letter to
5 Defendant (Ex. Y-1) are separate exhibits to this Declaration. In order to avoid
6 unnecessary duplication of exhibits, I am attaching as **Exhibit Y-2** a table showing
7 which exhibits to the October 27, 2023 letter are exhibits to this Declaration, and I
8 am providing the corresponding exhibit letter.

9 56. Based on Class Counsel’s conversations with Class Members and
10 advocates in their communities, Defendant’s testing requirements have had a lasting
11 chilling effect on Class Member participation.

12 57. Unresponsive Providers and Caseworkers; Severe Delays In Class
13 Members Accessing Services and Being Reimbursed: Class Counsel have assisted
14 numerous Class Members with cases of unresponsive WorkSource Centers, other
15 providers, and caseworkers.

16 58. For example, on November 12, 2021, Class Counsel wrote to Defendant
17 about a Class Member who had been awaiting reimbursement through the Watts
18 Los Angeles WorkSource Center for several weeks. We followed up with EWDD
19 several times over several weeks noting the “especially egregious delay.” A true
20 and correct copy of this correspondence is attached as **Exhibit Z** (highlighting
21 added to the relevant language for emphasis).

22 59. Class Members generally do not have the financial means to advance the
23 money needed to cover the costs of the Settlement benefits to which they are
24 entitled. Class Counsel have raised this with Defendant several times, and
25 Defendant has acknowledged that Class Members should not need to advance
26 money themselves. The parties met in August 2021 and, as memorialized in my
27 email of August 16, 2021, Defendant “confirmed that no class members should
28 have to pay up front for fees, equipment or materials.” A true and correct copy of

1 the August 16, 2021 confirmation email is attached as **Exhibit AA** (highlighting
2 added to the relevant language for emphasis. See p. 2). We also wrote to the City
3 about this on October 5, 2021. A true and correct copy of this letter is attached as
4 **Exhibit BB** (highlighting added to the relevant language for emphasis).

5 60. Similarly, on January 26, 2022, Class Counsel wrote to Defendant that the
6 parties “cannot expect class members to shoulder these costs in the meantime – they
7 do not have the resources to do so.” A true and correct copy of this correspondence
8 is attached as **Exhibit CC** (highlighting added to the relevant language for
9 emphasis).

10 61. Class Counsel also wrote to Defendant on February 10, 2022, about
11 unacceptably long delays faced by a Class Member seeking reimbursement through
12 the MCS/Hollywood WorkSource Center. Class Counsel provided Defendant with
13 a timeline of events – spanning from September 23, 2021 through December 21,
14 2021 – to illustrate the problem faced by the Class Member and to encourage
15 Defendant’s troubleshooting to avoid similar delays for other Class Members. A
16 true and correct copy of this correspondence is attached as **Exhibit DD**
17 (highlighting added to the relevant language for emphasis).

18 62. On April 15, 2022, Class Counsel emailed Defendant about two Class
19 Members that had been awaiting reimbursement for educational expenses; one for
20 over a month and the other for over nine months. A true and correct copy of this
21 correspondence is attached as **Exhibit EE** (highlighting added to the relevant
22 language for emphasis).

23 63. On July 22, 2022, Class Counsel emailed Defendant with the subject line
24 “[f]urther delays in service provision and reimbursements to class members” and
25 provided examples “that demonstrate that class members are still waiting months
26 for services and reimbursements.” A true and correct copy of this correspondence is
27 attached as **Exhibit FF** (highlighting added to the relevant language for emphasis).

1 64. We also wrote to Defendant on August 15, 2022, about several Class
2 Members experiencing delays in accessing services and reimbursements (Ex. I).

3 65. On March 8, 2023, we wrote following up on a January 24, 2023 email
4 about WorkSource issues and requested “a wholesale review of the work El
5 [Proyecto] del Barrio has been doing and to make sure that all class members . . .
6 get a direct line to someone . . . who can sort out their issues promptly.” A true and
7 correct copy of that email chain is attached as **Exhibit GG** (highlighting added to
8 the relevant language for emphasis).

9 66. Class Counsel also contacted Defendant about an unresponsive
10 caseworker on May 3, 2023. A true and correct copy of that email chain is attached
11 as **Exhibit HH** (highlighting added to the relevant language for emphasis). In
12 addition, on May 12, 2023, we wrote about an individual who was improperly
13 denied benefits by the Boyle Heights/East Los Angeles WorkSource Center. A true
14 and correct copy of that email exchange is attached as **Exhibit II** (highlighting
15 added to the relevant language for emphasis). Defendant was unable to confirm that
16 the individual’s mother, a Class Member, had assigned the individual her benefits,
17 and Class Counsel had to work with the claims administrator to obtain that
18 confirmation. Class Counsel advocated for the individual, exchanged numerous
19 emails with Defendant, and ultimately – despite Class Counsel’s objection – the
20 individual had to obtain a new assignment of benefits form to correct Defendant’s
21 error and obtain approval for benefits a month later on June 12, 2023. On
22 information and belief, that individual’s educational expenses had still not been
23 paid as of October 27, 2023.

24 67. The examples above are not exhaustive of the issues in this category
25 (unresponsive providers and caseworkers; severe delays in class members accessing
26 services and being reimbursed) that Class Counsel have tried to address with
27 Defendant. These examples are particularly concerning, however, given that not
28 every Class Member with problems contacts Class Counsel. On information and

1 belief, many Class Members and their assignees simply give up on obtaining the
2 benefits to which they are entitled when they face issues like those described above.

3 68. Opaque and Arbitrary Benefits Decisions: Throughout the Settlement’s
4 benefits program, it has been unclear to Class Members and Class Counsel exactly
5 what benefits Defendant has made available to Class Members and how Defendant
6 makes decisions about providing those benefits. For example, some Class Members
7 received rental/housing assistance and others were told that benefit was not
8 available. Class Counsel sought clarification on this issue from Defendant on May
9 8, 2023, and Defendant responded on May 12, 2023, “housing and rental
10 [assistance] was available only during the pandemic . . . [and] ceased last June
11 2022.” A true and correct copy of this email exchange is attached as **Exhibit JJ**
12 (highlighting added to the relevant language for emphasis).¹² The unannounced
13 termination of that benefit has had a deterrent effect on frustrated Class Members.

14 69. Notwithstanding Defendant’s claim that housing and rental assistance was
15 terminated in June 2022 (see ¶ 68, above), many Class Members were confused by
16 the circulation of outdated flyers – as late as April 2023 – indicating housing and
17 rental assistance was available.

19 ¹² Class Counsel recognize that rental/housing assistance is not a benefit required
20 by the Settlement and were pleased that Defendant voluntarily extended this
21 assistance. We learned in April 2022, at a meeting with Defendant, that it had spent
22 Settlement funds on services such as rent relief and utility assistance. I wrote
23 opposing counsel on May 9, 2022 requesting further discussion about this spending.
24 A true and correct copy of my email is attached as **Exhibit KK** (highlighting added
25 to the relevant language for emphasis). This was the subject of numerous meetings
26 and exchanges of correspondence in 2022, including during a formal meet and confer
27 conference on August 18, 2022. A true and correct copy of the agenda for that
28 meeting is attached as **Exhibit LL** (highlighting added to the relevant language for
emphasis). Nevertheless, once Defendant undertook to make the benefit available to
Class Members and publicize its availability without conferring with Class Counsel,
Class Members came to expect the benefit and its sudden elimination deterred
participation.

1 70. For example, on May 1, 2023, Class Counsel wrote to Defendant about an
2 unhoued Class Member who saw a flyer indicating housing benefits were available
3 for Class Members but Defendant denied them that benefit. A true and correct copy
4 of that email is attached as **Exhibit MM** (highlighting added to the relevant
5 language for emphasis).

6 71. The parties discussed the inconsistent provision of these so-called
7 “supportive services” (i.e., benefits other than the jobs, education, or tattoo-removal
8 programs that Defendant has provided to help Class Members achieve stability so
9 they can participate in the jobs and education programs) on June 9, 2023. Class
10 Counsel requested Defendant’s policies surrounding all those benefits (e.g., housing
11 assistance, bail, etc.) that Defendant has provided to any Class Member. (See Ex.
12 G).

13 72. In response, Defendant provided Class Counsel a “Supportive
14 Services/Needs-Related Payments Policy” with an effective date of July 1, 2023,
15 after the date on which we requested the policy. (See Ex. L-18, highlighting added
16 to the relevant language for emphasis). The July 1, 2023 effective date of that
17 policy indicates EWDD did not have a policy about “supportive services” before
18 Class Counsel requested one. Moreover, as we explained to Defendant on July 21,
19 2023, the July 1, 2023 policy appears to be inapplicable to Class Members because
20 it concerns “Workforce Innovation and Opportunity Act (WIOA) activities” and
21 “WIOA eligible individuals.” The Settlement’s benefits programs have nothing to
22 do with the WIOA. A true and correct copy of our letter about this issue is attached
23 as **Exhibit NN**.

24 73. Class Counsel also explained to Defendant that the policy is inappropriate
25 as applied to Class Members because it limits supportive services to “customers
26 who cannot obtain supportive services through other programs or partner agencies
27 providing such services.” (Ex. NN). Nothing in the Settlement limits entitlements
28 based on the availability of other programs or services.

1 74. Defendant’s response, dated August 4, 2023, did not directly address the
2 issue. A true and correct copy of Defendant’s letter is attached as **Exhibit OO**.

3 75. Instead, Defendant’s response demonstrates how Defendant is conflating
4 its administration of the Settlement – and Settlement funding – with other City
5 programs and benefits. Specifically, when asked to reverse a policy that generally
6 prohibits Class Members from enrolling in certain city programs (discussed in more
7 detail in ¶ 79, below) Defendant referred to their duties as grant administrators for
8 the WIOA program. It highlighted the need to ensure that participants and expenses
9 meet specific criteria. (See Ex. OO, Issue No.1, p.2). However, the Settlement does
10 not involve these WIOA program responsibilities, and these responsibilities do not
11 supersede Defendant's obligations under the Settlement.

12 76. Benefits Cap: Relatedly, Defendant recently began inconsistently capping
13 some Class Member benefits at the \$10,000 average benefit discussed in the
14 Settlement, while allowing other Class Members benefits between two and six
15 times the average. Defendant has argued for a strict \$10,000 cap by citing a recent
16 increase in claims, but the claims administrator’s reports show no such increase.¹³

17 77. Class Counsel wrote to Defendant about the benefits “cap” on September
18 18, 2023. A true and correct copy of that email is attached as **Exhibit QQ**.
19 Defendant’s arbitrary capping of benefits for some Class Members deters
20 participation and prevents them from availing themselves of educational
21 opportunities that would take them over the cap. This is especially true given that
22 the low program participation rates mean there are funds to approve benefits over
23 the artificial cap.

24
25 ¹³ Class Counsel have compiled the data for all of the claims administrators reports
26 provided to us to show the report-over-report increases in claims and approvals, as
27 well as the monthly average, where we do not have reports for each month. A true and
28 correct copy of this document is attached as **Exhibit PP-1**. Also attached are true and
correct copies of the claims administrator’s reports we have for 2023: January and July
– December, **Exhibits PP-2 – PP-8**.

1 78. Relatedly, Defendant has frequently failed to provide Class Counsel with
2 important updates about changes in policy affecting Settlement administration, as
3 well as Settlement program expenses. For example, on July 21, 2023, Class
4 Counsel wrote to Defendant about Workforce Development System (WDS)
5 Directive No. 23-01 (Sept. 19, 2022), the policy generally prohibiting “dual
6 enrollment.” (Ex. NN). Class Counsel noted it was “frustrated to again find
7 ourselves not having been timely provided with information . . . that has
8 ramifications for the administration of the settlement.” (See Ex. NN, p. 2). With
9 respect to Settlement financial information, Class Counsel first discovered the
10 problems with Defendant’s Administrative Costs from publicly filed documents,
11 not from information provided by Defendant.

12 79. Dual Enrollment Policy: In July 2023, Class Counsel learned of
13 Defendant’s policy, WDS Directive No. 23-01 (Sept. 19, 2022), prohibiting co-
14 enrollment in the Settlement’s benefits program (“LARCA 2.0”) and “the City’s
15 WIOA programs [or] other special grant-funded programs without the express
16 written pre-authorization of the City.” A true and correct copy of the policy is
17 attached as **Exhibit RR**.

18 80. Class Counsel wrote to Defendant about this policy on July 21, 2023,
19 requesting that Defendant “immediately rescind the [policy] and take steps to
20 ensure that LARCA 2.0 providers understand that class members should not be
21 denied participation in any EWDD programs solely because they have received
22 settlement benefits.” (Ex. NN).

23 81. In its response, dated August 4, 2023, Defendant declined to rescind WDS
24 Directive No. 23-01 (Sept. 19, 2022), prohibiting co-enrollment. (Ex. OO at p. 2).
25 The City’s position is that it is not “denying” dual enrollment because its policy
26 provides for dual enrollment, albeit with the “express written pre-authorization of
27 the City.” Nevertheless, preventing Class Members from accessing City benefits if
28 they are receiving this Court’s ordered entitlements, unless they first take additional

1 steps to obtain written pre-authorization, presents an unnecessary barrier that could
2 deter program participation.

3 82. WorkSource Center Funding: Class Members seeking benefits have been
4 turned away from WorkSource Centers because they are incorrectly told the
5 Settlement program is out of money. Class Counsel flagged this problem for
6 Defendant at least as early as November 18, 2021, when we wrote to Defendant that
7 “we have heard through service providers that ‘supportive services’ i.e. anything
8 not related to jobs and training, are on pause.” A true and correct copy of this email
9 chain is attached as **Exhibit SS**. Counsel for Defendant responded on November
10 29, 2021, explaining that “[s]ervice providers who are nearing their total allocation
11 have been asked to prioritize participant subsidized employment opportunities,
12 training, and educational and employment service requests while additional
13 allocations are being sought.” (See Ex. SS).

14 83. On January 10, 2022, I wrote to Defendant about a specific Class
15 Member’s request for benefits being denied or delayed because the provider
16 claimed it was out of funding:

17 “I had expected the supportive services funding piece to be sorted by the end
18 of December – can you let me know if that is not the case? Assuming it has
19 been sorted, is there anything that can be done here, given that overall City
20 spending on the settlement is still far off from the settlement total?”

21 Defendant responded later that day that it “will follow up with our contractor to
22 ensure they proceed with this request as soon as possible.” (See ex. CC, p. 2).

23 84. On January 11, 2022, Defendant wrote Class Counsel that “[t]he contract
24 updates were approved by City Council last month and all amendments have now
25 been executed [and Defendant had] contact[ed] service providers to ensure that
26 there are no further delays in services.” A true and correct copy of this email is
27 attached as **Exhibit TT**. Despite Defendant’s assurance, Class Members continued
28 to face delays. (See e.g., Ex. CC).

1 85. The problem persisted for months. For example, On July 22, 2022, I wrote
2 defendant about another Class Member experiencing delays in receiving benefits:

3 “As I understand it, the city had a budget issue at the end of last year because
4 the city had not approved Worksource center allocations in the amount
5 necessary and there was some delay getting increased allocations approved.
6 We were assured that this problem had been rectified and would not happen
7 again. As such, please can you explain why class members are experiencing
8 delays in receiving services?”

9 (Ex. FF).

10 86. More recently, in May 2023, we flagged for Defendant that Class
11 Members were experiencing problems related to provider funding, and Defendant
12 responded that “agencies that have exhausted their funding [would] refer all and
13 any new Class Members wishing to enroll with them to [EWDD].” (See Ex. II, p.7).
14 Nevertheless, Class Counsel continued to hear of Class Members being told there
15 was no money to provide them with Settlement benefits.

16 87. For example, in October 2023, Class Counsel again raised the problem
17 with Defendant. A true and correct copy of that email chain is attached as **Exhibit**
18 **UU**. Defendant’s position that it “is not aware of any Class Members being turned
19 away,” even though Class Counsel have repeatedly made them aware of the
20 problem, is untenable and disingenuous. In that same email chain, there is evidence
21 a Class Member complained of the problem:

22 “I am a member of the class action and it’s been such a hassle trying to
23 get the benefits that I am entitled to. They say that there is so much
24 money but when we try to access the benefits they give us the run
25 around. I have been waiting on my reimbursement for my childcare for
26 months and they tell me that they are waiting for the new contract. I’m
27 low income family [sic] and in these hard times it’s stressful having to
28 wait so long. Why do they have us waiting if the money is there. Please

1 let me know how we can speed up this process.”

2 (Ex. UU, p. 3).

3 88. In its response, Defendant conceded there was a problem that was caused
4 by “[a]ll of [its] service providers [] waiting to renew their Program Year 23-24
5 Contracts.” (Ex. UU, p. 3). Defendant is deterring program participation by telling
6 Class Members – through its contractors – that the program is closed or that they
7 have run out of money. Moreover, Defendant’s refusal to acknowledge there is a
8 problem calls into question whether it has taken any corrective action.

9 89. Program Participation Rates: There is a stark disparity between the Class
10 size and the number of Class Members who have actually received a tangible
11 benefit from the Settlement’s programs. According to the 2018 “LARCA 2.0
12 Evaluation, Flash Report,” “an estimated 5,600 class members are covered by the
13 Rodriguez Settlement.” (Ex. B-1, p. 3). The Office of the City Administrator has
14 used a higher estimate of 6,000 class members. (Ex. W, p. 2).

15 90. Defendant’s administration of the Settlement’s benefits programs has
16 been characterized by low program participation, and the number of approved
17 claimants who go on to sign up with a WorkSource center is even lower.

18 91. As of December 20, 2023, the claims administrator has received only
19 1,872 claims and approved 1,746. (Ex. PP-8). In addition, Defendant’s July 14,
20 2023 Reports (Exs. L-3 – L-16) reflect that of the 1,728 Class Members “approved”
21 by the claims administrator, only 1,210 are enrolled with a WorkSource Center and,
22 of them, only 1,143 have any Settlement expenditures attributed to them. (See Ex.
23 M-1, p. 9).

24 92. In addition to low program participation, Class Counsel’s analysis of
25 Defendant’s July 14, 2023 Reports reveal that of the 1,210 class members actually
26 enrolled with a WorkSource Center, 270 received no tangible Settlement benefit
27 (see ¶ 34, above, and Ex. N). For these Class Members, Defendant only invested in
28 “outreach” or “case management” for which only providers are paid.

1 93. The disparity between the Class size and the number of Class Members
2 who have benefitted from the Settlement’s programs lays bare the devastating effect
3 of Defendant’s deterrent policies and practices.

4 **F. Compliance With Local Rule 7-3, Meet and Confer**

5 94. Class Counsel have repeatedly raised with Defendant its violation of the
6 Settlement’s Administrative Cost provision. On or about March 29, 2023, I wrote to
7 the City Council’s Budget, Finance, and Innovation committee about the *Rodriguez*
8 Settlement and flagged major discrepancies in the spending reported to date on
9 Settlement implementation. In addition, the letter noted that, from the accounting
10 records at the time, “it appears that, to date, administrative costs represent 25
11 percent of the total expenditure” and therefore violate the Settlement’s ten percent
12 cap on Administrative Costs. I delivered a copy of this letter to Chief Assistant City
13 Attorney Scott Marcus contemporaneously with the original. A true and correct
14 copy of this document is attached as **Exhibit VV**.

15 95. On May 16, 2023, I wrote to Chief Assistant City Attorney Scott Marcus
16 to request that the parties meet and confer regarding Defendant’s apparent
17 overspending of Settlement funds on Administrative Costs. A true and correct copy
18 of this correspondence is attached as **Exhibit WW**.

19 96. The parties met on June 9, 2023, but Defendant was unable to explain the
20 discrepancies during that meeting. Instead, the parties agreed that Defendant would
21 provide “a complete and up-to-date report of Settlement expenses that: . . .
22 [i]ncludes sufficient detail to reconcile the other program related reports [the
23 parties] discussed.” (See Ex. G). Class Counsel have not received from Defendant a
24 satisfactory explanation of the discrepancies in the reports. This prevents Plaintiffs
25 – and the Court – from determining what Defendant is actually spending and what
26 the providers (e.g., WorkSource Centers) and, ultimately, the Class Members, are
27 receiving.
28

1 97. Class Counsel have also repeatedly raised with Defendant its deterrence
2 of Class Member participation. (See ¶¶ 52-88, above). In advance of filing
3 Plaintiffs’ Motion to Enforce the Settlement, Class Counsel met and conferred with
4 Defendant’s counsel again on November 29, 2023. During that meeting,
5 Defendant’s counsel agreed that the parties have discussed the Administrative Cost
6 issue several times. Defendant’s counsel did not offer to explain the problems with
7 Defendant’s Settlement related financial records – as detailed in our October 27
8 letter – or to provide additional information that would enable Class Counsel to
9 reliably determine Defendant’s spending on Administrative Costs. With respect to
10 Defendant’s deterrence of Class Member participation in the Settlement’s benefits
11 programs, Defendant’s counsel disagreed with Class Counsel’s position and the
12 conference made clear motion practice would be necessary.

13 **G. Plaintiffs Intend to Seek Attorneys’ Fees and Costs Incurred in Connection**
14 **with the Motion to Enforce Settlement Agreement.**

15 98. Class Counsel’s October 27, 2023, meet and confer letter to Defendant
16 advised that Plaintiffs intend to seek attorneys’ fees and costs for the work
17 investigating, trying to address, and seeking enforcement of the Settlement. (See
18 Ex. Y-1, pp. 13-14).

19 99. Class Counsel have incurred over \$750,000 in fees monitoring and
20 administering the Settlement to ensure Class Members receive their benefits. Of
21 that, at least \$300,000 are attributable to Plaintiffs’ attempts to persuade Defendant
22 fulfill its obligations under the Settlement, and well over \$150,000 in fees are
23 attributable to Class Counsel’s work since January 2023, when we began
24 investigating in earnest the Administrative Cost issue.

25 100. Class Counsel’s fees are modest compared to Defendant’s other expenses
26 related to Settlement compliance. For example, Defendant’s financial records
27 indicate that it has paid the third-party evaluator, California State University,
28 Northridge, at least \$586,409. (Ex. L-2, part D. Details, p. 5).

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101. Moreover, there is no evidence that these costly evaluations have resulted in any benefit to the Settlement Class. On November 4, 2020, Class Counsel wrote to the evaluator about several methodology and report deficiencies in the “Year Two and 2019-2020 Evaluation Reports.” A true and correct copy of that letter is attached as **Exhibit XX**. There has been no further report from the evaluator despite the fact that we provided the April 2022 Reports un-redacted data, pursuant to stipulation, in October 2022 (see also footnotes 4 and 5 in this Declaration). In contrast, Class Counsel have fielded over 900 calls from class members needing assistance navigating Defendant’s unnecessarily difficult and confusing policies and practices in administering the Settlement. Enforcing the Settlement as set out in the Motion will benefit the class as a whole.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed at Los Angeles, California on February 16, 2024



Stephanie Carroll