

DEPARTMENT OF INDUSTRIAL RELATIONS

Headquarters Office

1515 Clay Street, Room 1302
Oakland, CA 94612
Tel.: (510) 285-2118 Fax: (510) 285-1365

MAILING ADDRESS:
P. O. Box 420603
San Francisco, CA 94142-0603



Lilia García-Brower
California Labor Commissioner
Labor Commissioner's Office

July 1, 2025

Ernst A. Halperin
Assistant District Attorney
San Francisco District Attorney's Office
350 Rhode Island Street, Suite 400N
San Francisco, CA 94103

RE: Grant Award for Workers' Rights Enforcement Grant Program
Funding Period – August 1, 2025 – July 31, 2026

Dear Ernst A. Halperin,

I am very pleased to announce that the San Francisco District Attorney's Office has been awarded \$233,256 for the Workers' Rights Enforcement Grant Program for the Funding Period of August 1, 2025 to July 31, 2026.

We received several applications requesting nearly \$11 million dollars to tackle this serious and persistent problem. Year 2 of this grant program allows us to competitively award \$8,550,000 to public prosecutors throughout the State.

Each application was thoroughly reviewed, with careful consideration given to the applicant's plan to achieve the goals and objectives set by the grant to protect workers from wage theft and other exploitative practices in the workplace.

It is imperative that these funds be used effectively to implement a wage theft enforcement program. This grant award is only to be used for staff salaries and benefits. Other than the allotted annual audit costs, no other items or expenses will be funded (i.e. outreach, training, equipment).

As a grant award recipient, we will need you to execute and return the attached Payee Data Record, form 204. Please return this form within 10 days from receipt of this letter. Additionally, you will be required to execute a grant award agreement with our agency which will be provided to you under separate cover.

Workers' Rights Enforcement Grant

July 1, 2025

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Thank you for submitting your application for grant funding and, moreover, congratulations on your award. I look forward to working together with you, our community organizations and industry leaders to eliminate this serious and costly crime.

Respectfully,

A handwritten signature in black ink, appearing to read 'LGB', followed by a horizontal line and a small flourish.

Lilia García-Brower
California Labor Commissioner

Encl.

Cc: Cindy Elias, Special Counsel
Dominic Dugo, Law Enforcement Advisor


GRANT AGREEMENT COVER SHEET

NAME OF GRANT PROGRAM Wage Theft Grant Program		GRANT NUMBER 25WREG-13	
GRANTEE NAME Office of the San Francisco District Attorney			
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER 94-6000417		TOTAL GRANT AMOUNT NOT TO EXCEED \$233,256.00	
START DATE: 8/1/2025 or Upon DIR approval, whichever is later		END DATE: 10/31/2026	

This legally binding Grant Agreement, including this cover sheet and Exhibits attached hereto and incorporated by reference herein, is made and executed between the State of California, Department of Industrial Relations (DIR) and Office of the San Francisco District Attorney (the "Grantee").

Exhibit A – Grant Provisions

This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from DIR.

STATE AGENCY NAME Department of Industrial Relations				GRANTEE'S NAME (PRINT OR TYPE) Office of the San Francisco District Attorney								
SIGNATURE OF DIR'S AUTHORIZED SIGNATORY: 				SIGNATURE OF GRANTEE Eugene Clendinen <small>Digitally signed by Eugene Clendinen Date: 2025.07.28 17:43:52 -07'00'</small>								
TITLE SSMII			DATE 7/29/25	TITLE Chief, Admin & Finance						DATE July 28, 2025		
STATE AGENCY ADDRESS 1515 Clay Street, Suite 301, Oakland, CA 94612				GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) 350 Rhode Island Street, Suite 400N San Francisco, CA 94103								
AMOUNT ENCUMBERED FOR THIS AGREEMENT \$233,256.00												
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$0.00												
TOTAL AMOUNT ENCUMBERED TO DATE \$233,256.00												
CERTIFICATION OF FUNDING												
Project	%	Amount	Program	Fund #	Chapter	Statute	Appr Ref	Account	Reporting Structure	Serv. Loc.	SL Description	ENY
N/A	100	\$233,256.00	6105010LA1	3078	5	N/A	1011	5432000	73505002	51025	N/A	2025

WORKERS' RIGHTS ENFORCEMENT GRANT AGREEMENT

EXHIBIT A

A. GRANT PROVISIONS

In July 2023, per AB102, the state of California appropriated \$18 million to the Department of Industrial Relations (hereinafter referred to as "DIR") to implement a Workers' Rights Enforcement Grant Program ("WREG"). The California Labor Commissioner's Office (hereinafter referred to as "LCO" and "Grantor") will administer this grant program.

The WREG will provide grant funds totaling \$8,550,000 in Year 2 (2025-2026) to eligible public prosecutors to defray costs expended on state labor law enforcement and assist workers in combating wage theft, preventing unfair competition, and protecting state revenue. Eligible "public prosecutor" is defined as a district attorney, a city attorney, a county counsel, or any other city or county prosecutor who has established an office or division of workers' rights enforcement.

The funding for this grant program comes from the California Labor and Workforce Development Fund in the annual budget bills which allocated a total of \$18 million across two budget years - Year 1 (2024- 2025) and Year 2 (2025-2026)). This Grant Agreement will provide grant funding totaling \$8,550,000 for Year 2 (2025-2026). The funding for the WREG shall only cover staff salaries and benefits, which will support activities related to the enforcement of state labor laws. Up to 5% of grant award amount may be used to pay for the administrative cost of the annual audit.

This Grant Agreement is entered into by and between the LCO and the San Francisco District Attorneys Office in the State of California, duly organized, existing, and acting pursuant to the laws thereof (hereinafter referred to as the "Grantee"), which parties do hereby agree as follows.

As the Grantor, LCO shall provide funding from the Labor and Workforce Development Fund to the Grantee to assist with fulfilling the WREG objectives.

The parties agree to comply with all the requirements and conditions stated herein as well as all commitments identified in the WREG for the program funding period of August 1, 2025 - July 31, 2026.

B. GRANT SUMMARY AND AMENDMENTS (if applicable)

1. Grant Title: Workers' Rights Enforcement Grant Program ("WREG")
2. Total Grant Amount: **\$233,256.00.**

C. GRANT PARTIES AND CONTACT INFORMATION

Correspondence regarding this project shall be directed to:

LCO Grant Manager: Cindy Elias

Title: Special Counsel

Address: 455 Golden Gate Avenue, 9th Floor, San Francisco, CA 94102

Phone: 415-703-4814

Email: WageTheftGrant@dir.ca.gov

Grantee Liaison: San Francisco District Attorney

Title: Ernst A. Halperin–Assistant District Attorney – Worker Rights Unit

Address: 350 Rhode Island Street, Suite 400N, San Francisco, CA 94103

Email: ernst.halperin@sfgov.org

If the LCO Grant Manager identified above changes, LCO will notify the Grantee Liaison of said change and provide the new contact information. If the Grantee Liaison identified above changes, the Grantee Liaison will notify the LCO Grant Manager of said change and provide the new contact information.

D. TIME PERIOD

The grant funding period will be from August 1, 2025 - July 31, 2026.

The Labor Commissioner retains the authority to terminate or reduce the grant amount at her sole discretion.

E. DUTIES AND REQUIREMENTS

This section defines the respective duties and requirements of LCO and the Grantee in implementing the WREG.

1. LCO Role

The LCO is responsible for the following:

- a. Reviewing and approving the Payee Data Record (STD 204) Form, and disbursing grant funds to the Grantee.
- b. Reviewing the independent audit conducted by the Grantee.

2. The Grantee Role

The Grantee is responsible for:

- a. Hiring an outside independent auditor to determine the grant funds awarded are used for the sole purpose detailed by the Grantee in their

grant application and as approved and awarded by the LCO. The Grantee may use up to 5% of the grant award to pay for the administrative cost of the annual audit.

- b. Maintaining an accounting system for grant fund expenditures that conforms to generally accepted accounting principles and practices.
- c. Ensuring the staff funded for this grant program and working in the grant program have a timekeeping system in place to support and substantiate the work performed in the WREG.
- d. Completing and submitting a Progress Report to the LCO by January 15, 2026 and an Annual Impact Report by July 31, 2026. Both reports will detail highlights, present and anticipated accomplishments, and annual results for the year. This includes, but not limited to, data on number of investigations; prosecutions criminal/civil; convictions; judgments; restitution ordered and collected; and a narrative summarizing the annual accomplishments with the funds awarded.
- e. Returning to the LCO by October 31, 2026, any grant funds awarded from Year 2 (August 1, 2025 to July 31, 2026) that remain unused as of July 31, 2026.
- f. Completing an annual independent audit of the grant award program for Year 2 (2025-2026) and submitting the completed audit to the LCO on or before October 30, 2026, via email to the LCO at WageTheftGrant@dir.ca.gov.
- g. Returning to the LCO by November 30, 2026, any grant funds determined by the independent audit to have been improperly spent.

F. FISCAL ADMINISTRATION

1. Budget

- a. The grant funding period for participating Grantees will be from August 1, 2025 - July 31, 2026. The maximum amount of this Grant is \$750,000.00.
- b. The only expenses allowed for the grant funds will be for staff salaries and benefits (i.e. attorney investigator, paralegal, forensic accountant, support staff). No other expenses are allowed.
- c. The Grantee may use 5% of the grant award to pay for the administrative cost of the annual audit.

2. Grant Disbursements and Return of Funds

The Grantee must:

- a. Complete and sign the Payee Data Record (STD 204 and/or STD 205) Form and send to the LCO email address at WageTheftGrant@dir.ca.gov by the designated date provided by the LCO.

- b. Grant funds will be disbursed to Grantee prior to the commencement of the Year 2 (2025-2026) funding period which is August 1, 2025 – July 31, 2026.
- c. Any grant funds awarded from Year 2 (August 1, 2025 to July 31, 2026) that remain unused as of July 31, 2026, shall be returned to the LCO by October 31, 2026 unless the LCO authorizes Grantee to use the unused grant funds.
 - i. The Grantee must seek approval from the LCO to encumber unused grant funds from Year 2 with a plan and budget on how the unused funds will be used consistent with the goals outlined in the WREG. The encumbrance plan shall be submitted to the LCO by October 31, 2026. If the LCO does not approve the encumbrance plan submitted, Grantee shall return any and all unused grant funds, as of July 31, 2026, to the LCO by November 30, 2026.
 - ii. If the unused funds from Year 2 are not encumbered after the extended period of time requested by Grantee and agreed upon the LCO, then said funds shall be returned to the LCO within ten (10) calendar days from the agreed upon extension date.
- d. Grant funds are subject to LCO approval of the independent audit that shall be performed and submitted to the LCO. Any grant funds determined by the independent audit to have been improperly spent shall be returned to the LCO by November 30, 2026.
- e. The return of any funds as outlined in sections 3 and 4 above, shall be returned certified mail to the LCO Grant Manager at 455 Golden Gate Avenue, 9th Floor, San Francisco, California, 94102.

G. DOCUMENTATION OF EXPENDITURE OF STATE FUNDS

The Grantee must provide LCO with documentation accounting for the proper expenditure of the grant funds. The documentation must comply with sections E, F and H of this Grant Agreement.

H. REPORTING

1. Annual Audit

The Grantee shall:

- a. Complete an annual independent audit of the grant award program for Year 2 (2025-2026), which shall be completed and submitted to the LCO on or before October 30, 2026 via email to the LCO at WageTheftGrant@dir.ca.gov.
- b. Hire an outside independent auditor to determine if the applicant used

the grant funds awarded for the sole purpose detailed by the applicant in their grant application and as approved and awarded by the LCO.

The outside independent auditor shall determine if the applicant used the grant funds awarded for the sole purpose detailed by the applicant in their grant application and as approved and awarded by the LCO.

- c. Use grant funds for staff salaries and benefits only.

2. Annual Impact Report

The Grantee shall:

- a. At the conclusion of Year 2's grant period (July 31, 2026), complete and submit an Annual Impact Report to the LCO by July 31, 2026, which shall be in PDF format and emailed to the LCO at WageTheftGrant@dir.ca.gov.
- b. Detail the results for the year including but not limited to data on number of investigations; prosecutions criminal/civil; convictions; judgments; restitution ordered and collected; and a narrative summarizing the annual accomplishments with the funds awarded. See LCO Annual Impact Report Item 8.

I. GENERAL PROVISIONS

- 1. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
- 2. **Assignment:** This Grant is not assignable by the Grantee, either in whole or in part, without the consent of the LCO.
- 3. **Availability of Funds:** LCO's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
- 4. **Audit:** Grantee agrees that LCO, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State audit records and interview staff in any Grant related to performance of this Agreement.

- 5. Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.
- 6. Computer software:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- 7. Confidentiality:** No record which has been designated as confidential by LCO or is the subject of a pending application of confidentiality shall be disclosed by the Grantee.
- 8. Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws. The Grantee may have no interest, and shall not acquire any interest, direct or indirect, which will conflict with its ability to impartially complete the tasks described herein. The Grantee must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties throughout the grant term. LCO may consider the nature and extent of any actual, apparent, or potential conflict of interest in the Grantee's ability to perform the grant. The Grantee must immediately advise LCO in writing of any potential new conflicts of interest throughout the grant term.
- 9. Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with LCO staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with LCO staff shall be subject to resolution by LCO Executive Officer, or her designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
- 10. Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
- 11. Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this

Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.

- 12. Force majeure:** Neither LCO nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.
- 13. Governing law and venue:** This Grant is governed by and shall be interpreted in accordance with the laws of the State of California. LCO and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.
- 14. Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract for work on the grant program, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- 15. Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee from this Grant Award.
- 16. Independent Contractor:** The Grantee, and its agents and employees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of the LCO.
- 17. Nondiscrimination:** During the performance of this Grant Agreement, the Grantee and its third party entities shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and its third party entities shall insure that the evaluation and treatment of

their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement.

- 18. No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
- 19. Ownership:** All information or data received or generated by the Grantee under this agreement shall become the property of the LCO. No information or data received or generated under this agreement shall be released without DIR's approval.
- 20. Personally Identifiable Information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity and shall not release or publish any such information or data.
- 21. Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- 22. Professionals:** For projects involving installation or construction services, the Grantee agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.
- 23. Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for

any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.

24. Termination: LCO may terminate this Grant Agreement by written notice at any time prior to completion of projects funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement.

25. Timeliness: Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.

26. Waiver of Rights: Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

27. Order of Precedence: In the event of any inconsistency between the articles, attachments, specifications, or provisions which constitute this grant agreement, the following order of precedence shall apply:

- Grant Agreement Cover Sheet
- Grant Terms and Conditions
- Statement of Work
- All other attachments incorporated into the Grant Agreement or as otherwise listed on the Grant Agreement cover sheet

28. Executive Order N-6-22 – Russia Sanctions: The Contractor shall comply with Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

29. Generative AI Disclosure Obligations:

- a. The following terms are in addition to the defined terms and shall apply to the Contract:
 - 1) “Generative AI (GenAI)” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system’s training data. (Gov. Code § 11549.64.)

- b. Contractor shall immediately notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term “materially impacts” shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.
- c. Notification shall be provided to the State designee identified in this Contract.
- d. At the direction of the State, Contractor shall discontinue the provision to the State of any previously unreported GenAI that results in a material impact to the functionality of the System, risk to the State, or Contract performance, as determined by the State.
- e. If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Contract accordingly, which may include incorporating the GenAI Special Provisions into the Contract, at no additional cost to the State.
- f. The State, at its sole discretion, may consider Contractor’s failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the System, risk to the State, or Contract performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.