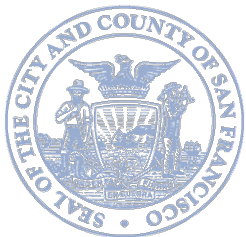


UPDATE ON SFPD ASSESSMENT OF SF SAFE



SAN FRANCISCO POLICE DEPARTMENT
CITY & COUNTY OF SAN FRANCISCO



December 5, 2024

SFPD IMPLEMENTED AUDIT REQUEST



OFFICE OF THE CONTROLLER CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

February 9, 2024

San Francisco SAFE Inc.
Board of Directors
C/O Dan Lawson, President
2601 Mission Street, Suite 300
San Francisco, CA 94110

Re: The SF SAFE Ineligible and Unsupported Expenses Incurred Under City and County of San Francisco, Office of Economic and Workforce Development and San Francisco Police Department Grant Agreements for Fiscal Year 2023.

Dear SF SAFE Board of Directors and President Dan Lawson,

The City and County of San Francisco's Office of Economic and Workforce Development (OEWD) and San Francisco Police Department (SFPD) fiscal divisions, in partnership with the City Controller's Office Audit Division, have concluded that San Francisco Safety Awareness for Everyone Inc., (SF SAFE) has not complied with its contractual obligations under agreements with the City. We base this conclusion on findings from previous monitoring visits and documentation submitted by SF Safe regarding operational expenses under existing grant agreements defined within the Appendix A that all expenses must be:

- SFPD requested in writing additional documentation to justify expenditures by email on 11/9/23, 12/12/23, by Teams on 12/20/23 and again on 1/19/24.
- SF SAFE did not send their general ledger and documentation binders by cost center for review.
- February 9, 2024: SF SAFE Board of Directors contacted by the Office of the Controller, SFPD and OEWD for accountability.
- February 22, 2024: letter to terminate the active agreement electronically delivered.
- Controller's Audit Division closes the audit recommendation in November 2024.



LONDON N. BREED
MAYOR

CITY AND COUNTY OF SAN FRANCISCO
POLICE DEPARTMENT
HEADQUARTERS
1245 3RD Street
San Francisco, California 94158



WILLIAM SCOTT
CHIEF OF POLICE

February 22, 2024

Electronically delivered: lawson@usfca.edu

Board of Directors and Officers
San Francisco SAFE, Inc
2601 Mission Street, 3rd floor
San Francisco, CA 94110

To the San Francisco SAFE, Inc. Board of Directors,

This letter serves as notice of termination of the active grant agreement between the San Francisco Police Department (SFPD) and San Francisco SAFE, inc. (SFSAFE), #1000029569 ("grant agreement") as of February 22, 2024. We notified you verbally of the suspension of operations between SFSAFE and SFPD on January 25th, 2024. Since then, we have corresponded, as represented in a letter dated February 9, 2024, from the City and County of San Francisco (CCSF), seeking previously-requested and other documentation from SFSAFE to support expenditures for activities included in invoices.

FULLY ADDRESSING THE RECOMMENDATION

1. SFPD began to address the recommendation by reviewing the General Ledger from two of SF SAFE's accounts:
 - SFPD grant account (restricted use)
 - SF SAFE general account (unrestricted)
2. The next step to complete the recommendation is to reconcile the General Ledgers to bank records and/or bookkeeping files (receipts, invoices, etc.).
 - Because bank accounts are often not organized to align with General Ledgers, all records must be reviewed (General Ledgers, bank accounts, other records).
 - SFPD (through the City Attorney, on behalf of the City and County) requested the documents necessary to complete this review. No response was provided.
3. District Attorney has many of these records and some were recently returned to SF SAFE.

GENERAL LEDGER REVIEW AND RECOVERY OF EXPENSES

- Beyond those noted in the audit, SFPD's review of the General Ledgers suggest that SFPD-granted City funds, as invoiced to SFPD, were used for community crime prevention and neighborhood safety support purposes.
- The initial review of two General Ledger accounts indicated that other questioned expenditures paid by SF SAFE were made from the unrestricted account, not the SFPD grant.
- December 2023 invoice was submitted, but payment was withheld, pending the full review of accounts and to ensure recovery of disallowed expenses. SFPD is confident that the amount of the invoice was sufficient to recover those expenses.

SF SAFE'S FY2022 AUDITED FINANCIAL STATEMENT

SF SAFE's independent audited financial statement from FY2022 stated:

"We encountered no such significant matters relating to deficiencies or material weaknesses in internal control over financial reporting, or other matters, during the audit."

"We have identified no instances of fraud, nor obtained any information that indicates that fraud may have occurred."

"We encountered no significant difficulties in dealing with management relating to the performance of the audit."

"None of the [financial] misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole."

"No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus."

Questions?

