

File No. 240809

Committee Item No. 6

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date September 11, 2024

Board of Supervisors Meeting Date _____

Cmte Board

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- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
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Completed by: Brent Jalipa Date September 5, 2024

Completed by: Brent Jalipa Date _____

1 [Accept and Expend Grant - Retroactive - State of California Department of Industrial
2 Relations - Workers' Rights Enforcement Grant Program - \$160,451]

3 **Resolution retroactively authorizing the Office of the District Attorney to accept and**
4 **expend a grant in the amount of \$160,451 from the State of California Department of**
5 **Industrial Relations for the Workers' Rights Enforcement Grant Program to**
6 **implement a wage theft enforcement program for the period August 1, 2024, through**
7 **July 31, 2025.**

8
9 WHEREAS, The City and County of San Francisco, Office of the District Attorney
10 ("District Attorney") applied for and was awarded a grant in the amount of \$160,451 by the
11 State of California Department of Industrial Relations to help strengthen the District Attorney's
12 ability to conduct outreach, investigate, and criminally prosecute targeted cases of the most
13 egregious wage theft affecting vulnerable members of our workforce; and

14 WHEREAS, Funds received through the grant shall be used to protect workers from
15 wage theft and other exploitative practices in the workplace; and

16 WHEREAS, All positions supported by these grant funds shall be coded "G" in the
17 District Attorney's budget; and

18 WHEREAS, The grant does not require an amendment to the Annual Salary Ordinance
19 (ASO); and

20 WHEREAS, The grant budget does not include provision for indirect costs; now,
21 therefore, be it

22 RESOLVED, That the Board of Supervisors hereby authorizes the District Attorney to
23 accept and expend, on behalf of the City and County of San Francisco, a grant from the
24 California Department of Industrial Relations in the amount of \$160,451 to implement a wage
25 theft enforcement program; and be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
2 indirect costs in the grant budget; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the District
4 Attorney to execute the grant agreement, a copy of which is on file with the Clerk of the Board
5 of Supervisors in File No. 240809, including any amendments, extension and modifications,
6 on behalf of the City and County of San Francisco.

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1 Recommended:

Approved: _____ /s/ _____

2

London N. Breed

3

Mayor

4 _____ /s/ _____

5 Brooke Jenkins

6 District Attorney

Approved: _____ /s/ _____

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Greg Wagner

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Controller

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File Number: 240809
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **Workers' Rights Enforcement Grant Program**
2. Department: **Office of the District Attorney**
3. Contact Person: **Lorna Garrido** Telephone: **(628) 652-4035**
4. Grant Approval Status (check one):
 Approved by funding agency Not yet approved
5. Amount of Grant Funding Approved or Applied for: **\$160,451**
6. a. Matching Funds Required: **n/a**
b. Source(s) of matching funds (if applicable): **n/a**
7. a. Grant Source Agency: **State of California Department of Industrial Relations**
b. Grant Pass-Through Agency (if applicable): **n/a**
8. Proposed Grant Project Summary:
To protect workers from wage theft and other exploitative practices in the workplace.
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: **August 1, 2024** End-Date: **July 31, 2025**
10. a. Amount budgeted for contractual services: **\$0**
b. Will contractual services be put out to bid? **n/a**
c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? **n/a**
d. Is this likely to be a one-time or ongoing request for contracting out? **n/a**
11. a. Does the budget include indirect costs?
 Yes No
b. 1. If yes, how much?
b. 2. How was the amount calculated?
c. 1. If no, why are indirect costs not included?
 Not allowed by granting agency To maximize use of grant funds on direct services
 Other (please explain):
c. 2. If no indirect costs are included, what would have been the indirect costs? **10% of salaries and benefits = \$15,517**
12. Any other significant grant requirements or comments: **none**

****Disability Access Checklist***(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Existing Site(s) | <input type="checkbox"/> Existing Structure(s) | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s) | <input type="checkbox"/> Rehabilitated Structure(s) | <input type="checkbox"/> New Program(s) or Service(s) |
| <input type="checkbox"/> New Site(s) | <input type="checkbox"/> New Structure(s) | |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Jessica Geiger
(Name)

Facilities Manager
(Title)

Date Reviewed: Jul 12, 2024

Jessica Geiger
(Signature Required)

Department Head or Designee Approval of Grant Information Form:

Eugene Clendinen
(Name)

Chief, Finance and Administration
(Title)

Date Reviewed: Jul 12, 2024

Eugene Clendinen
(Signature Required)









DAT Workers' Rights Enforcement Grant Information Form

Final Audit Report

2024-07-12

Created:	2024-07-12
By:	Lorna Garrido (lorna.garrido@sfgov.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVVsCqTunwOZT9I9tRM8viMrJRIHOqWFV

"DAT Workers' Rights Enforcement Grant Information Form" History

-  Document created by Lorna Garrido (lorna.garrido@sfgov.org)
2024-07-12 - 8:04:43 PM GMT
-  Document emailed to jessica geiger (jessica.geiger@sfgov.org) for signature
2024-07-12 - 8:08:47 PM GMT
-  Email viewed by jessica geiger (jessica.geiger@sfgov.org)
2024-07-12 - 8:17:01 PM GMT
-  Document e-signed by jessica geiger (jessica.geiger@sfgov.org)
Signature Date: 2024-07-12 - 8:17:28 PM GMT - Time Source: server
-  Document emailed to Eugene Clendinen (eugene.clendinen@sfgov.org) for signature
2024-07-12 - 8:17:30 PM GMT
-  Email viewed by Eugene Clendinen (eugene.clendinen@sfgov.org)
2024-07-12 - 9:16:02 PM GMT
-  Document e-signed by Eugene Clendinen (eugene.clendinen@sfgov.org)
Signature Date: 2024-07-12 - 9:16:21 PM GMT - Time Source: server
-  Agreement completed.
2024-07-12 - 9:16:21 PM GMT

**WORKERS' RIGHTS ENFORCEMENT GRANT
BUDGET
FISCAL YEAR 2024-2025**

San Francisco District Attorney's Office

A. PERSONNEL SERVICES: Salaries and Employee Benefits

COST

8550 DA Investigator – 0.675 Full Time equivalent (67.5 Percent) Salary \$110,774

POST Premium 8% \$8,861 Benefits \$35,530

Total Cost \$155,165

\$155,165

B. ANNUAL AUDIT: ADMINISTRATIVE CHARGE

COST

Annual Audit

3.41% of personnel budget line-item

\$5,286

A.B. PERSONNEL, AUDIT TOTAL

\$160,451

This budget request is to cover the cost of one part-time investigator in order to accomplish the goals described in the grant application narrative.

Item 1: Applicant Grant Request & Contact Information Form

WORKERS' RIGHTS ENFORCEMENT GRANT Item 1: Applicant Grant Request and Contact Information Form August 1, 2024 to July 31, 2025	
Grantee: Office of the San Francisco District Attorney	
County or City: City and County of San Francisco	
Funds Requested (cannot exceed \$750,000): \$233,476.	
Person with day-to-day operational responsibility for the program.	
Name	Ernst A. Halperin
Title	Assistant District Attorney – Worker Rights Unit
Address	350 Rhode Island Street, Suite 400N, San Francisco, CA 94103
Email Address	ernst.halperin@sfgov.org
Phone Number	628-652-4167
Financial Officer or Person Responsible for the Grant Funds Financial Accounting.	
Name	Eugene Clendinen
Title	Chief Administrative and Financial Officer
Address	350 Rhode Island Street, Suite 400N, San Francisco, CA 94103
Email Address	eugene.clendinen@sfgov.org
Phone Number	628-652-4030

Items 2-6 Narrative Questions

2. PROBLEM STATEMENT

Please provide a thorough description of the wage theft problem in your jurisdiction. Include exploitative labor industry trends, barriers workers confront in reporting violations and obstacles to holding perpetrators accountable.

(Answer should include items such as supporting data and evidence, sources and causes, economic and social impacts, and unique aspects to your jurisdiction.)

The City and County of San Francisco has a vibrant economy fueled by a world-leading technology sector, and – according to the U.S. Census Bureau – a labor market characterized by a high level of income inequality. The mean income of the highest quintile of earners is 28 times the mean income for the lowest quintile of earners.¹ Wage theft disproportionately affects low-income workers' ability to house and feed their families. According to studies cited by the Employment Policy Institute, 17% of eligible low-wage earners reported being paid less than the minimum wage in the 10 most populous states in the country and were cheated out of \$3,300 annually for year-round workers. That amounts to almost one-quarter of their earnings.² Moreover, in San Francisco rent, food, and gasoline are all significantly more expensive than in many other parts of the country. The effects of wage theft on low wage-earners' ability to care for their families is amplified in San Francisco by the extremely high cost of living.

San Francisco has a robust civil labor standards enforcement regime. It is one of the few cities in California with a dedicated Office of Labor Standards Enforcement and provides civil enforcement of San Francisco's minimum wage and other labor ordinances. The OLSE opened 402 new cases during the fiscal year 2022-2023, resolved 400 cases, and collected \$20 million in restitution (back wages, benefits, penalties, and interest) for 14,094 workers.³

However, even with the robust civil enforcement provided by the OSLE, just 6% of the workers for whom the OLSE obtained restitution during the 2022-23

¹ U.S. Census Bureau, Income Inequality in San Francisco County, CA [2020RATIO006075], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/2020RATIO006075> March 24, 2024.

² Economic Policy Institute, More than \$3 billion in stolen wages recovered for workers between 2017 and 2020 (December 22, 2021), retrieved from <https://www.epi.org/publication/wage-theft-2021/> March 25, 2024.

³ City and County of San Francisco Office of Labor Standards Enforcement Annual Report Fiscal Year 2022-23 (OLSE 2022-23 Annual Report) at pp. 5-7, retrieved from https://www.sf.gov/sites/default/files/2023-11/OLSE%20FY%2022-23%20Annual%20Report%20Booklet_0.pdf March 25, 2024.

fiscal year were from the most vulnerable population – workers affected by minimum compensation violations.⁴ Moreover, even where civil enforcement by the OLSE occurs, employers may not be deterred from further wage theft. The District Attorney’s Office recently encountered an instance involving new activities by an employer who had settled with the OLSE less than a month before.

Anecdotal evidence suggests that wage theft from low-income workers in San Francisco is a particular problem in the food services, hospitality, personal services, domestic services, and construction (non-public works) sectors. The anecdotal evidence also suggests that these sectors employ significant numbers of people who, because of their immigration status, are reluctant to come forward when their wages are stolen. And San Francisco has a substantial population of these residents. According to the Public Policy Institute of California, San Francisco had an estimated 35,000 undocumented immigrants in 2013 (the last year for which The Public Policy Institute appears to have estimates).⁵

Thus, although San Francisco has a vigorous civil labor standards enforcement infrastructure, the most vulnerable workers continue to suffer unaddressed wage theft. Civil enforcement sometimes does not provide sufficient deterrence to ongoing wage theft from this population. Fines and penalties can be considered part of the cost of doing business. A lack of criminal enforcement can reinforce the perception that wage theft from the most vulnerable is a low-risk form of exploitation.

Currently the San Francisco District Attorney’s Office’s Worker Rights Unit consists of one Assistant District Attorney, without a dedicated investigator for the Unit. Timely criminal investigation of suspected wage theft is hampered by not having dedicated investigative resources for the task. The District Attorney’s Office is applying for this grant to strengthen its ability to conduct outreach, investigate, and criminally prosecute targeted instances of the most egregious wage theft affecting vulnerable members of our workforce, and in this manner create a deterrent effect that will support and enhance the ability of the City’s current civil efforts to enforce labor laws.

⁴ OLSE 2022-23 Annual Report at p. 5 states that 936 of the 14,094 workers for whom the OLSE recovered restitution were in cases involving minimum wage & paid sick leave or minimum compensation & health care accountability violations.

⁵ Public Policy Institute of California, Undocumented Immigrants in California Fact Sheet – March 2017, retrieved from <https://www.ppic.org/publication/undocumented-immigrants-in-california/> March 25, 2024.

3. WAGE THEFT EXPERIENCE

Describe your efforts and experience in investigating, prosecuting, and/or reducing wage theft and exploitative labor practices against workers in your jurisdiction. Include description of non-traditional strategies implemented to reach vulnerable population and obtain favorable outcome.

In April, 2020 the San Francisco District Attorney's Office announced the formation of the Worker Rights Unit to investigate crimes committed by employers against workers. The Unit was initially staffed by a talented former employment-rights civil attorney and brought groundbreaking cases against gig-economy platforms. A joint civil prosecution with the Los Angeles District Attorney's Office against Handy Technologies, Inc. for misclassification of workers performing house-cleaning and handyman services resulted in a stipulated judgment providing for injunctive relief, civil penalties of \$1.2 million and restitution of \$4.8 million to the affected workers, (*The People of the State of California v. Handy Technologies, Inc.* (S.F. Sup. Ct. Case No. CGC-21-590442) Stipulated Final Judgment and Permanent Injunction filed 5/18/23.) The Office also filed a civil enforcement again against DoorDash, Inc. for misclassification of its delivery drivers throughout California (*The People of the State of California v. DoorDash, Inc.* (S.F. Sup. Ct. Case No. CGC-20-584789). The litigation is stayed pending the California Supreme Court's decision in *Castellanos v. State of California* (S279622) on the constitutionality of Proposition 22.

The Office has also brought a criminal prosecution stemming from a wealthy couple's labor trafficking of a foreign-born nanny. The felony complaint alleges human trafficking in violation of Penal Code § 236.1(a); conspiracy; three felony Unemployment Insurance Code violations and three misdemeanor violations of the Labor Code. The prosecution is being conducted jointly by attorneys from the Office's Special Prosecutions Unit and the Worker Rights Unit.

The initial attorney for the Worker Rights Unit returned to private wage-and-hour plaintiff's-side practice, and a former member of the Office's Special Prosecutions Unit returned to the Office after 3 ½ years as a court commissioner in San Mateo County where he presided over criminal and civil calendars. This attorney spent 18 years as a commercial litigator followed by six years in the District Attorney's Office before joining the bench. While in private practice he also represented employees in employment disputes and a commissioned salesperson before the DLSE on the employee's claim for unpaid commissions and expenses.

Although the Office maintains a telephonic hotline where people can report economic crimes, insurance fraud, and worker rights violations, the Office plans to expand its outreach to the affected worker population. As described below, there are myriad community groups working with affected populations in San Francisco. These groups are trusted by their constituents. The Strategic Plan below envisions establishing and strengthening ties with these organizations, as well as with the Department of Labor Standards Enforcement and San Francisco's local Office of Labor Standards Enforcement.

4. APPLICANT'S STRATEGIC PLAN

Provide a detailed "blueprint" summary of the strategic plan you will implement with the grant funds requested to reduce wage theft and worker abuses detailed in your Problem Statement.

The Worker Rights Unit has, since its inception, focused significant efforts on civil enforcement of wage-and-hour laws. These types of prosecutions are not heavily dependent upon sworn investigative personnel for their success. With the requested grant funds applied to investigative resources, the Office would be better equipped for the timely investigation and prosecution of more criminal wage theft cases than is currently possible. The Strategic Plan Blueprint envisions:

- Conducting outreach to community groups that serve vulnerable low-wage-earning populations, as well as labor unions. This outreach would include in-person meetings with the Worker Rights Unit attorney and investigator to develop relationships that encourage these community leaders to think of the District Attorney's Office when their constituents are confronting criminal exploitation.
- Strengthening the Office's existing ties to the Division of Labor Standards Enforcement and to the City's Office of Labor Standards Enforcement, again through in-person meetings with the Worker Rights Unit attorney and investigator where possible.
- Providing information to the San Francisco Police Department to enable its economic crimes investigators to become more educated about wage theft and to bring more cases to the District Attorney's Office. In many jurisdictions Police traditionally consider underpayment of wages to be a "civil matter." Education concerning the coercive and exploitative features of certain relationships in which wage theft thrives can encourage more investigation by the Police. Even where investigation by the SFPD might not be possible due to the

acute shortage of officers,⁶ this outreach to the SFPD could lead to more referrals where the investigative resources in the Police Department might be lacking but the need to investigate is recognized.

- Addressing the current investigative backlog. The lack of dedicated investigative resources currently hampers the Worker Rights Unit's ability to timely investigate criminal wage-theft complaints.
- Utilizing the resources made possible by the requested grant funds to facilitate the effective intake, triage, and investigation of criminal referrals from the above-mentioned community groups and governmental organizations.

5. COLLABORATION WITH COMMUNITY PARTNERS

Identify the community partners and government agencies you plan to work with and how this partnership will enhance your ability to reduce wage theft and worker abuses.

Government Agency Partners:

- Department of Industrial Relations Division of Labor Standards Enforcement.
Strengthening the ties that already exist with the DLSE would facilitate the referral of criminal investigations involving San Francisco workers that the Division might not be in a position to investigate because of its own criminal investigative resource constraints.
- San Francisco Office of Labor Standards Enforcement
The OLSE does not have criminal enforcement powers. Strengthening ties between the OLSE and the District Attorney's Office will facilitate additional referrals of potentially criminal matters by the OLSE. The requested grant funds would enable the District Attorney's Office's ability to deploy more investigative resources to these referrals than is currently possible.
- San Francisco Police Department
As described in the Strategic Plan section of the application, education about criminal wage theft could enable additional investigation by the Police Department, or at least the recognition and referral of matters that would otherwise go uninvestigated due to the shortage of Police Department officers.

⁶ According to an article in the San Francisco Chronicle, the city is still about 600 officers short of the 2,182 officers recommended a recent city-commissioned staffing analysis. (San Francisco Chronicle, New S.F. police recruits reach three-year high, Mayor Breed says, Updated July 28, 2023. Retrieved from <https://www.sfchronicle.com/sf/article/new-san-francisco-police-hires-reach-three-year-18263146.php> March 25, 2024.

Community Partners and Labor Unions with Existing Working Relationships

- La Raza Central Legal, San Francisco. La Raza Central Legal's Worker Rights Program has focused on protecting the rights of low-wage and immigrant workers for 30 years. La Raza advocates on behalf of very-low wage workers including domestic workers, restaurant workers, car wash workers, construction workers and other low wage immigrant workers. The current Worker Rights Unit ADA has developed a working relationship with the current La Raza Executive Director in connection with a recent criminal investigation.
- Nor Cal Carpenter's Union. The Carpenter's Union's Labor Compliance field representatives investigate worker rights abuses and have been the source of investigative leads for the Office's Worker Rights Unit. Strengthening the relationship with this Union can also lead to contacts with other trade unions that investigate workplace rights abuses.

The additional investigative resources that would be made possible by the requested grant funds will enable the Worker Rights Unit to investigate matters referred by community organizations and labor unions more expeditiously. The ability to respond expeditiously is critical to developing the trust necessary to strengthen working relationships that encourage community organization and union leaders to view the District Attorney's Office as a partner.

San Francisco Community Organizations That Are Prospective Partners.

El Centro Legal La Raza is just one of a number of community organizations that serve the most vulnerable of workers in San Francisco. Other community organizations also disseminate information on worker rights in low-income and immigrant communities in San Francisco and encourage workers to file complaints regarding violations of the law. Prospective partners include:

- Asian Law Caucus
- Dolores Street Community Services
- Filipino Community Center
- South of Market Community Action Network
- Trabajadores Unidos Workers United

The goal of developing relationships with these prospective partners is not to replace their existing channels to the civil enforcement mechanism of the OLSE. Rather, it is to help their leaders view the District Attorney's Office as a resource for helping the workers they serve deal with the most coercive and exploitative situations they face.

6. EXPECTED OUTCOMES

Detail the results and achievements expected after 12 months (Year 1) with the grant funds requested.

The Expected Outcomes that would be enabled by the grant funds would be threefold.

- First, the Worker Rights Unit would be able to clear the current backlog of investigations whose expeditious resolution is being hampered by the lack of existing investigative resources.
- Second, the Worker Rights Unit would be able to implement a systematic intake and triage system for the timely investigation and prosecution of new criminal wage-theft referrals.
- Third, the Office's ability to expeditiously investigate matters brought to it by existing and potential community partners would strengthen relationships with existing partners and facilitate the development of the trust necessary for those organizations to view the District Attorney's Office as a reliable partner when their constituents are faced with criminally coercive and exploitative conditions.

Item 7 Budget Form

WORKERS' RIGHTS ENFORCEMENT GRANT BUDGET: PERSONNEL, CRIME PREVENTION, ADMINISTRATIVE COSTS FISCAL YEAR 2024-2025							
APPLICANT NAME: San Francisco District Attorney's Office							
A. PERSONNEL SERVICES: Salaries and Employee Benefits	<i>COST</i>						
8550 DA Investigator – 1 Full Time equivalent (100 Percent) Salary \$161,432 POST Premium 8% \$12,915 Benefits \$48,011 Total Cost \$222,358	\$222,358						
B. ANNUAL AUDIT: ADMINISTRATIVE CHARGE	<i>COST</i>						
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Annual Audit</td> <td style="width: 30%;">Price</td> <td style="width: 40%;"></td> </tr> <tr> <td colspan="2">5% of personnel budget line-item</td> <td style="text-align: center; vertical-align: bottom;">\$11,118</td> </tr> </table>	Annual Audit	Price		5% of personnel budget line-item		\$11,118	
Annual Audit	Price						
5% of personnel budget line-item		\$11,118					
A.B. PERSONNEL, AUDIT TOTAL	\$233,476						
This budget request is to cover the cost of one full-time-equivalent investigator in order to accomplish the goals described in the grant application narrative.							


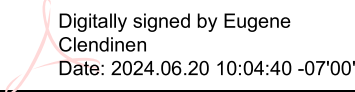
GRANT AGREEMENT COVER SHEET

		GRANT NUMBER 23WREG-14
NAME OF GRANT PROGRAM Wage Theft Grant Program		
GRANTEE NAME Office of the San Francisco District Attorney		
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER 94-6000417	TOTAL GRANT AMOUNT NOT TO EXCEED \$160,451.00	
START DATE: 8/1/2024	END DATE: 10/31/2025	

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 	
TITLE Staff Services Manager II	DATE 6/20/24	TITLE Chief, Administration & Finance	DATE June 20, 2024
STATE AGENCY ADDRESS 1515 Clay Street, Suite 901 Oakland, CA 94612		GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) 350 Rhode Island Street, Suite 400N San Francisco, CA 94103	
CERTIFICATION OF FUNDING			
AMOUNT ENCUMBERED BY THIS AGREEMENT \$160,451.00	PROGRAM 6105010LA1	PROJECT	ACTIVITY
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$ 0.00	FUND TITLE Labor and Workforce Development Fund		FUND NO. 3078
TOTAL AMOUNT ENCUMBERED TO DATE \$160,451.00	(OPTIONAL USE)	CHAPTER	STATUTE
APPR REF 1011	ACCOUNT/ALT ACCOUNT 5432000	REPORTING STRUCTURE 73505002	SERVICE LOCATION 51025
		FISCAL YEAR (ENY) 2023	

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 1 (2024-2025) 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 1 (2024-2025). 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 Office of San Francisco District Attorney, 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, 2024 - July 31, 2025.

B. GRANT SUMMARY AND AMENDMENTS

1. Grant Title: Workers' Rights Enforcement Grant Program ("WREG")
2. Total Grant Amount: **\$160,451.00**.

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: Office of 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, 2024 - July 31, 2025.

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 an Annual Impact Report to the LCO by July 31, 2025. The Annual Impact Report will detail results for the year including but not limited to data on number of investigations; prosecutions criminal/civil; convictions; judgements; restitution ordered and collected; and a narrative summarizing the annual accomplishments with the funds awarded.
- e. Returning to the LCO by October 31, 2025, any grant funds awarded from Year 1 (August 1, 2024 to July 31, 2025) that remain unused as of July 31, 2025.
- f. Completing an annual independent audit of the grant award program for Year 1 (2024-2025) and submitting the completed audit to the LCO on or before October 31, 2025, via email to the LCO at WageTheftGrant@dir.ca.gov.
- g. Returning to the LCO by November 30, 2025, 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, 2024 - July 31, 2025. The maximum amount of this Grant is \$160,451.00.

- 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 1 (2024-2025) funding period which is August 1, 2024 – July 31, 2025.
- c. Any grant funds awarded from Year 1 (August 1, 2024 to July 31, 2025) that remain unused as of July 31, 2025, shall be returned to the LCO by October 31, 2025 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 1 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, 2025. If the LCO does not approve the encumbrance plan submitted, Grantee shall return any and all unused grant funds, as of July 31, 2025, to the LCO by November 30, 2025.
 - ii. If the unused funds from Year 1 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, 2025.
- 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 1 (2024-2025), which shall be completed and submitted to the LCO on or before October 31, 2025 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 1's grant period (July 31, 2025), complete and submit an Annual Impact Report to the LCO by July 31, 2025, 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; judgements; 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, and out of the operation of equipment that is purchased with funds 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 establish 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.

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*

May 16, 2024

Ernst A. Halperin
Assistant District Attorney
Worker Rights Unit
Office of the San Francisco District Attorney
350 Rhode Island Street, Suite 400N
San Francisco, CA 94103

**RE: Grant Award for Workers' Rights Enforcement Grant Program
Funding Period – August 1, 2024 – July 31, 2025**

Dear Assistant District Attorney Halperin,

I am very pleased to announce that the Office of the San Francisco District Attorney has been awarded \$160,451 for the Workers' Rights Enforcement Grant Program for the Funding Period of August 1, 2024 to July 31, 2025.

We received several applications requesting nearly \$11 million dollars to tackle this serious and persistent problem. Year 1 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

May 16, 2024

Page 2

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', with a horizontal line extending to the right.

Lilia García-Brower
California Labor Commissioner

Encl.

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

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Lorna Garrido, Grants and Contracts Manager
DATE: July 18, 2024
SUBJECT: Accept and Expend Resolution for Subject Grant
GRANT TITLE: Workers' Rights Enforcement Grant

Attached please find the following documents:

- Proposed grant resolution; original* signed by Department, Mayor, Controller
- Grant information form, including disability checklist
- Grant budget
- Grant application
- Grant award letter from funding agency
- Ethics Form 126 (if applicable)
- Contracts, Leases/Agreements (if applicable)
- Other (Explain):

Special Timeline Requirements:

Please schedule for the earliest available date.

Departmental representative to receive a copy of the adopted resolution:

Name: Lorna Garrido

Phone: (628) 652-4035

Interoffice Mail Address: DAT, 350 Rhode Island Street, North Building, Suite 400N

Certified copy required Yes

No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

From: [Trejo, Sara \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Clendinen, Eugene \(DAT\)](#); [Arcelona, Sheila \(DAT\)](#); [Garrido, Lorna \(DAT\)](#)
Subject: Mayor -- Resolution -- Workers' Rights Enforcement Grant Program
Date: Tuesday, July 30, 2024 2:36:05 PM
Attachments: [00 DAT Workers" Rights Enforcement Grant Checklist.pdf](#)
[01 DAT Workers" Rights Enforcement Grant Resolution.doc](#)
[01 DAT Workers" Rights Enforcement Grant Resolution.pdf](#)
[02 DAT Workers" Rights Enforcement Grant Information Form.pdf](#)
[03 DAT Workers" Rights Enforcement Budget.pdf](#)
[04 DAT Workers" Rights Enforcement Grant Application.pdf](#)
[05 DAT Workers" Rights Enforcement Grant Award Letter.pdf](#)
[RE AE For Review - DAT Workers" Rights Enforcement Grant AE Resolution.msg](#)

Hello Clerks,

Attached is a Resolution authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$160,451 from the State of California Department of Industrial Relations for the Workers' Rights Enforcement Grant Program to implement a wage theft enforcement program for the period August 1, 2024, through July 31, 2025.

Best regards,

Sara Trejo

Legislative Aide

Office of the Mayor

City and County of San Francisco