November 1, 2024

Postscript: Careful What You Wish For, Mayor You Vote For More on Mayor Breed's Scandals

Will the "Dream Keeper Initiative" Scandal Involving \$126 Million Diverted from SFPD's Budget to Fund Reparations That Is Engulfing Mayor London Breed's City Hall Finally Bring Her Down?

After I submitted this article for publication in the *Westside Observer*, I received belated details about the latest London Breed scandals engulfing City Hall involving \$126 in potential cronyism corruption.



The "Dream Keeper Initiative" — hatched by Mayor Breed and District 10 Supervisor Shamann Walton — may prove to be their undoing. Just ask Mohammed Nuru, Harlan Kelly, Dwayne Jones, Sheryl Davis, and Kyra Worthy, who all had to obtain criminal defense attorneys. Birds of a feather, as the saying goes.

Why is it that San Francisco's City Hall seems to act as a magnet for politicians harboring a penchant for corruption?

Two afterthoughts occurred to me.

In reverse order, the second afterthought — an e-mail blast I received on October 30 from the "*Re-Elect London Breed* 2024" official campaign — claimed "*I'm making sure they* [San Francisco's Police Officers Association] *have the tools they need to make our city safer.*"

Breed's e-mail blast was somewhat comical, given the \$120 million Breed defunded from the Police Department's budget in 2020 to re-allocate to fund Breed's and then-Board of Supervisors president Shamann Walton's first stab at reparations for African American San Franciscans, without either voter approval, or the Board of Supervisors actually having had approved an actual reparations plan for the City. The funds were allocated to the *Dream Keeper Initiative*" program.

The first afterthought was when I received a link on October 29 to "*The Voice of San Francisco*" ace reporter Susan Dreyer Reynolds' October 25 <u>article</u>, "*We Cracked the Code*" itemizing a breakout of 91 of the "*Dream Keeper Initiative*'s" so-called "suppliers" who had been awarded grants or contracts totalling \$126 million.

Dream Keeper Initiative Scandal Erupts

Reynolds noted she had alerted her readers in 2023 about the "Dream Keeper Initiative" (DKI) — a plan hatched by Mayor Breed and Supervisor Shamann Walton to reallocate over \$120 million from the San Francisco Police Department and "redistribute" it to San Francisco's Black community in the form of grants — was ripe for grift and cronyism. Reynolds reported DKI co-sponsors Breed and Walton had made no bones about their pet project being "the first step toward reparations."

Reynolds indicated in her article that "friends of the mayor did well, too" from DKI funding:

"The African American Art and Culture Complex, where Breed got her start under mentor Willie Brown, took in a whopping \$5,388,750 — even after the organization violated state law by receiving millions of dollars in city funds while being legally barred from doing so."

Reynolds' breakout included a nonprofit named "*Collective Impact*" had received \$10.4 million in questionable City contracts, making it the second-highest recipient of funds under Breed's signature "*Dream Keeper Initiative*." That first article led me back to a series of six additional media articles, down a rabbit hole in what may probably eventually turn into the biggest scandal to hit Breed up the head side.

Before Sheryl Davis was appointed as Executive Director of the Human Rights Commission (HRC) by then-Mayor Ed Lee in September 2016, she had been a commissioner on the Commission for five years since 2011. Davis was eventually also tapped and appointed as the administrator to oversee Breed's "*Dream Keepers Initiative*."

Before she was hired at the HRC, Davis ran the "*Collective Impact*" group. James Spignola is "*Collective Impact*'s" current executive director. Davis never disclosed to the City that she and Spingola are registered to vote at the same address and coown a car. Davis was paid \$ 270,441 by the City as HRC's Executive Director in the fiscal year ending June 30, 2024. Their living arrangement appears to violate City ethics rules requiring disclosure of personal relationships with recipients of City funding.

Davis's funneling of contracts to someone she has a close personal relationship with is eerily reminiscent of former-Director of Public Health Barbara Garcia, who was forced to resign from the Department of Public in August 2024 early in Breed's mayoral term following a scandal uncovered from a whistleblower's conflict-of-interest report that Garia had steered a contract to her wife's employer. How could Davis **not** have heard of Garcia's ouster at SFDPH under threat of being fired for improper steering of City funds?

From the link I received on October 29 (following submission of my own article to the *Westside Observer*) to Reynolds' October 25 article, I worked backwards from there, uncovering additional articles in reverse order I had initially missed seeing and reading.

Reynolds' October 25 article led me to another <u>article</u> she had written on October 24 — actually, the second of a two-part series — about whether Lurie's blind eye toward Breed's corruption problems could hand Breed winning another term as mayor. Reynolds noted that as far back as March 2020 she had written about Breed continuing to sweep the corruption of her top officials under the rug.

Reynolds wondered why wanna-be mayor Daniel Lurie is mounting a non-stop attack on contender Mark Farell, while Lurie appears to be all but ignoring Breed's huge corruption scandals.

Reynolds reported on October 24, 2014 that in November 2023 she had brought attention that the DKI was ripe for grift and cronyism, and cited one source — a critic of Breed — who chimed in saying, "*Mama Breed was on a mission to dole out* \$60 million to her friends." The critic was apparently referring to entire the \$126 million list Reynolds had uncovered about the "*Dream Keeper Initiative*" diverted from Police Department funding, including the group "*SF Black Wall Street Foundation*" that had received \$1,972,477 among other grants on Reynolds DKI "suppliers" list.

Reynolds concluded indicating that as Lurie obsesses over Farrell's "alleged corruption" involving Farrell's potential misuse of "*shared expenses*" in campaign finance contributions, Lurie has barely mentioned the gargantuan grift and cronyism that Breed and her fellow "City Hall Family" members have perpetrated, been complicit in, or overlooked that has plagued San Francisco for over a decade.

That led me to Reynolds' part 1 of her series **published** on October 10. In it she asserts the letter to Attorney General Rob Bonta and San Francisco District Attorney Brooke Jenkins seeking a criminal investigation of Mark Farrell's potential campaign finance violations had been orchestrated by political strategist Max Szabo, who is infamous for playing dirty political tricks. Just an hour before Farrell's previously planned press conference to announce his "*ranked choice*" deal with mayoral candidate Ahsha Safai, Szabo pushed out his own press release about the letter to Bonta that Szabo had orchestrated in advance. I admit I was part of the media observers who didn't know the behind-the-scenes "*players*" behind how the Bonta investigation request had gone down.

Daniel Lurie Ignores Breed's Corruption Scandal

Reynolds' October two-part series about how Lurie is ignoring Breed's own corruption scandals was an eye opener.

At that point I grew more intrigued, but along the way to reading Reynolds' September 13 article, I was tempted to make pit stops to read three related subsequent articles first in reverse order about the Sheryl Davis and "*Dream Keeper Initiative*" reporting in other media outlets.

But I decided to skip ahead and read Reynolds' September 13 first, before reading the last three articles in chronological order.

Reynolds began her September 13 <u>article</u> noting it turned out she had been correct when she predicted in November 2023 the Dream Keeper Initiative would be ripe for grift and cronyism. Now a year later it's turned into yet another City Hall corruption nightmare for its cosponsor, Breed, then less than two months from her tough November reelection bid.

Reynolds began the article noting that the shadowy "*SF Black Wall Street*" group that has received at least \$1.97 million in DKI funds so far, had spent \$700,000 on two Juneteenth parties. Reynolds noted:

"As part of the budget process, Mayor Breed redirected \$120 million from law enforcement for investments in the African American community for Fiscal Years 2020–21 and 2021–22. In other words, Breed and Walton set up a sort of **pre-reparations fund** from which their nonprofit cronies are already getting huge payouts."

Reynolds noted it had been when Breed was District 5 Supervisor, she had asked then-mayor Ed Lee to allow Breed's friend Sheryl Davis to run programming at the Ella Hutch Community Center. From there, Davis became the interim director of the Human Rights Commission (HRC). Soon after, Davis became the Executive Director of the HRC. Reynolds reported that when Davis spoke about the work, she was doing then at the HRC, Davis had stated:

"We are **proud** to be helping to advance the work of Mayor Breed and Supervisor Walton in regard to the **push for reparations** and we are monitoring the allocation of the funds that we got from the police department."

Reynolds reported that fast forwarding to some point in 2024, Davis had become the subject of a whistleblower complaint alleging 20 incidents of impropriety, apparently involving the DKI funding awards. Reynolds noted that despite the damning evidence (apparently in the whistleblower complaint), Breed and Supervisor Walton remained silent. [Good luck with that, Shamann and London!] Eventually the Urban Ed Academy — another "grantee" that has been awarded \$1.36 million in DKI funds, and had managed to find teaching jobs for just five people across a three-year period at nonprofits or schools in Oakland — had its contract abruptly cancelled at the end of the fiscal year. It's not yet known whether that contract was suddenly cancelled as a direct result of the whistleblower complaint.

Dwayne Jones' 59 Criminal Charges

By August 2023 Dwayne Jones — Supervisor Walton's mentor — was in County Jail facing 59 charges of bribery, misappropriation of public money, and aiding and abetting a financial conflict of interest in a government contract, following an investigation by the San Francisco District Attorney's Office and the FBI. I've been unable to locate whether Jones has been sentenced yet.

[As an aside, the *San Francisco Standard* <u>reported</u> on August 30, 2023 that in 2004, Jones had served as the director of the Mayor's Office of Community Development under then-Mayor Gavin Newsom and rose to the rank of deputy chief of staff in 2006. He served in the Mayor's Office until 2010.]

Reynolds continued, noting that unable to ignore the problems any longer but still unwilling to give up control [of the HRC or the "*Dream Keepers Initiative*"], Davis asked San Francisco Controller Greg Wagner to investigate:

"'[S]pending across all city departments that manage Dream Keeper Initiative money and report on the program's funds, operations, and performance.' According to Davis, the organization — Davis's HRC — wants to do their own audit 'just to know what works and where there are challenges'."

Reynolds ended her September 13 article noting that the day before, on September 12, Davis took a [potentially voluntary] leave of absence. Reynolds noted she had written an article in 2019 recommending Breed fire Mohammed Nuru. Breed didn't take her advice.

On September 13, Reynolds ended her article saying perhaps Breed and Walton should take Reynolds' new advice and fire Sheryl Davis from the HRC and request an independent audit of the DKI. Or better yet, call in the feds.

Just the day before, the *Chronicle* had initially published an <u>article</u> on September 12 noting Davis had taken a *paid* leave of absence following a *Chronicle* investigation after it obtained a city audit critical of Davis's department. It reported Breed's spokesperson, Jeff Cretan, defended the *DKI* program, but lamely acknowledged there were "*issues that we need to tighten up oversight over*." Ya' think, Jeff?

The *Chronicle* reported the mayor's office indicated an audit of the program was in the works, and Breed had directed the Department of Human Resources to partner with the City Attorney's Office to investigate the recent questions around Dream Keeper spending.

My personal sense is that City Attorney Chiu was forced to get involved, perhaps suspecting the FBI isn't far behind, once again!

The *Chronicle* reported mayoral candidate Mark Farrell urged breed to fire Davis "*immediately*." Farrell told the *Chronicle*, in part, "*San Francisco taxpayers should not be left holding the bill for Mayor Breed's failures*." He said the City needs leadership that will confront corruption head-on.

Mayoral candidate Aaron Peskin said, "*The allegations are deeply disturbing and need to be investigated thoroughly and immediately*." Mayoral candidate Ahsha Safai said corruption appears to be "*imbued in (Breed's) administration from top to bottom*," and said that the efforts to course correct now, including through Davis's leave of absence, are "*too little too late*." Safai said a mouthful!

The Chronicle reported Supervisor Walton was still standing by Sheryl Davis. What is Walton thinking?, for God's sake!

The *Chronicle* reported candidate Daniel Lurie is calling for an independent investigation into what he called "*blatant corruption*" at the Dream Keeper Initiative. Mr. Lurie, wake up! Corruption in Breed's City Hall probably isn't just limited to the DKI.

After the *Chronicle's* article appeared, the *San Francisco Standard* published an <u>article</u> on September 16 about Sheryl Davis stepping down by intrepid journalist and ace-reporter Joe Fitzgerald Rodriguez, who has long covered City Hall shenanigans for a variety of San Francisco media outlets. Joe Fitz started out noting Breed is a perennial gold medalist athlete at hurdling political scandals.

Sheryl Davis Placed on Unpaid Leave

Rodriguez noted that this time with the unfolding investigation of Sheryl Davis, Breed may not be so lucky jumping scandal hurdles, given the flap over "*Collective Impact*" and Davis's relationship with James Spignola. Davis went from taking a voluntary paid leave of absence on September 13 to being officially placed on an apparently unpaid administrative leave on Thursday, September 16.

Joe Fitz reported political consultant David Latterman said Breed may face especially intense scrutiny because she has more direct ties to the DKI program, a program Breed had conceived of. Elsewhere, it has been reported that in total, City leaders have budgeted roughly \$300 million — or perhaps more — for the DKI program.

Previously, in another *San Francisco Standard* article published on September 12 reporting on an interview with Peskin, Peskin said:

"I will be utilizing the Board of Supervisors unlimited power of inquiry ... to call public hearings [on the Dream Keeper Initiative] and bring forward the [City[[C]ontroller and other oversight authorities to fully report and tell us the status of what they know and how they're going to thoroughly investigate this matter, get to the bottom of it and hold people accountable."

A previous hearing Peskin held on the DKI program turned into a lovefest at City Hall, packed with DKI supporters who derailed the hearing. Following next Tuesday's November 5 mayoral election we'll have to see if Peskin manages to schedule those hearings on the DYKI and **not** have them subverted by another "*lovefest*."

Breed Forced Davis's Resignation

Finally, during my backwards review of media coverage I had missed, the *San Francisco Standard* reported on September 17 that Sheryl Davis had finally resigned. The article asserted Breed had issued a statement on Tuesday, September 15

saying that she was "*appalled*" by the news that had broken about Sheryl Davis the previous week In truth, Breed acknowledged she had "*been aware*" of Davis's and Spingola's relationship, downplaying that the pair who share a common street address were just "*very close friends*."

Breed asserted that she had advised Davis on multiple occasions to "*wall herself off*" from decisions related to Spingola's "*Collective Impact*" group — that, as a reminder, has received \$10.4 million in DKI "*supplier*" grants to date that we know of from the City. Breed lamented that although "*protective measures*" were put in place, they hadn't been implemented soon enough or to the extent necessary. Remarkably, *The Standard* reported Breed said, "*As mayor, I take full responsibility because the buck stops with me*."

Again, the mea culpa from Breed is another day late, and another dollar short!

The Standard reported Breed apparently asked Davis eventually to resign because of the scandal. Ostensibly, Breed has *"frozen all Dream Keeper money until further notice."* I have to wonder whether Breed froze the money voluntarily, or whether the City Controller and City' Attorney's Office (or the feds) played a role in freezing those funds.

The Standard further reported former-Supervisor Mark Farrell and Board President Aaron Peskin — now both now mayoral contenders — have called for federal investigations into both the Human Rights Commission and the Dream Keeper Initiative.

The Standard further noted Farrell criticized Breed for waiting so long to disclose her knowledge of Davis and Spingola's relationship. Farrell said:

"It speaks volumes that it took Mayor Breed nearly a week to acknowledge her awareness of the improper relationship and likely cronyism involving the head of her signature initiative."

Mayoral candidate Daniel Lurie said in a statement:

"Supporting the Black community is critically important, and this **corruption is not a victimless crime** — *it has the greatest impact on those most in need. It's all part of the same City Hall insider formula.*"

Scandal Will Go to the Top

Finally, The Standard reported that after Davis officially resigned Peskin said,

"Everything tells me this goes all the way to the top — to London Breed herself. And I don't say that lightly."

I agree with Lurie that Breed may not get it that corruption is not a victimless crime. We're all victims of the corruption that has engulfed City Hall under Breed and her predecessor Ed lee. We'll have to see if Peskin is right that this goes all the up to the top — to an FBI investigation that results in a meaningful outcome against Breed.

As of Friday, September 18 it appears that following her resignation as Director of the HRC the day before, Davis is now being represented by Tony Brass, a criminal defense attorney. It's not known if perhaps former-Mayor Willie L. Brown helped Davis secure defense attorney representation from Brass. Why wouldn't it surprise me if Brown did?

As far as I know, people don't typically hire criminal defense attorney's unless they face serious legal jeopardy. Will Spingola — or Breed — be the next to hire a criminal defense attorney? And would that stop a potential President Kamla Harris from vetting and offering Breed a job in a Harris–Walz administration?

Although another recent scandal with the organization known as "SF SAFE" may not have been related to the "Dream Keeper' Initiative" scandal Breed is currently staring down, it nonetheless points to additional lax oversight by Breed's administration.

"Safety *Awareness for Everyone*" (SAFE) is a long-serving nonprofit that had partnered with the San Francisco Police Department for years.

"SF SAFE" Scandal Worsens

Kyra Worthy, SF SAFE's disgraced Executive Director, was arrested on July 30, 2024 on 34 felony charges involving allegations of misusing public funds, submitting fraudulent invoices, stealing from SF SAFE, wage theft, failing to pay withheld employee taxes, writing checks with insufficient funds (a.k.a., *"kiting checks"*), and embezzling more than \$700,000 from SF SAFE for personal use — including spending more than \$90,000 of nonprofit money in 2019 and 2020 on a home healthcare worker for her parents in North Carolina, according to Court documents. The allegations against Worthy include having received more than half a million dollars in public funds from San Francisco's Office of Economic and Workforce Development — thought to be part of the Mayor's Office — but *"SF SAFE"* allegedly never paid it to employees of partner non-profit organizations. SF SAFE was forced to cease operations in January 2024.

Finally SFPD cancelled "SF SAFE's" contact in February 2024.

"SF SAFE's" nonprofit status is listed as delinquent with the California Attorney General's Registry of Charities, which had technically made it ineligible to receive City fundings. Breed shown have known of the ineligibility.

This all points to the lax oversight of Breed's administration in overseeing expenditures of public funds with the City's many non-profit "*partners*." The stain from "*SF SAFE*" on the City may not be part and parcel of the "*Dream Keeper Initiative's*" stain on Breed, but it's clearly very closely related to Breed's substandard performance as mayor, failing to see or reign in the corruption right under her nose.

After all, Breed must surely know the buck always stops with thee.

Almost comically, and right on cue just five days before the November 5 election, Breed's campaign blasted a fundraising appeal on October 31 asserting that a *New York Times* profile on Mayor Breed published on Halloween claims she's uniquely qualified to run San Francisco because of her "*lived experience*." The *NYT* fluff piece was titled "*Mayor Breed's Pitch to Voters: I've Lived San Francisco's Struggles*." Yeah, we've all struggled with corruption, London!

"Battle-Tested" Breed

The Breed campaign's Halloween e-mail blast asserted again that Breed is "*battle-tested and experienced — in government and the real-world — with an eye towards always lifting others up, so no people or communities get left behind.*" Are we to assume that means lifting people up through her signature Dream Keeper Initiative of reparations never approved by San Francisco's voters by diverting Police Department funding to the DKI? Or are we to assume that "*battle-tested*" involves scaling corruption hurdles, using Joe Fitzgerald Rodriquez's metaphor?

Breed's e-mail blast ironically claimed — absent any hint of self-awareness — "*Mayors can't just buy their way out of difficult situations*." We're all waiting to see how Breed buy's, or wiggles, her way out of the Sheryl Davis and DKI scandals that are still unfolding. After all, Davis was forced to resign on September 17 just 50 days before the November 5 election. That can't possibly help buy Breed re-election, as even the *NYT* should have been able to figure out isn't a particularly good "*pitch*" to voters within 60 days of an election, in part given her own history of Ethics Commission fines.

After all, Breed's growing DKI scandal wasn't just about the \$10.4 million DKI awarded to Davis's "*Collective Impact*." It may also involve the \$5.4 million awarded to the "*African American Art and Culture Complex*" where Breed got her start. Or the \$1.97 million DKI awarded to the "*SF Black Wall Street Foundation*."

At the end of the day, the \$126 million to \$300 million in DKI funding may deserve a **lot** more intensive deep-dive investigation by the feds. Good luck with that, Mayor Breed!

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