

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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September 2, 2026

The Honorable Karen Bass
Mayor
City of Los Angeles
200 N. Spring St.
Los Angeles, CA 90012

Dear Mayor Bass:

The Subcommittee on Delivering on Government Efficiency is investigating potential waste, fraud, and abuse of federal grant funding intended to address homelessness. Specifically, the Subcommittee is concerned about the potential misallocation of federal dollars by the Los Angeles Homeless Services Authority (LAHSA) to nonprofits in Los Angeles and the surrounding area.¹ LAHSA has received over \$1 billion in federal funds since 2021, including \$220 million in 2024 alone.² The U.S. Department of Housing and Urban Development (HUD) Inspector General is apparently investigating LAHSA's use of federal funds because of evidence of "repeated false statements and its irresponsible actions and failures, including its lack of financial management, internal controls, and safeguards against conflicts of interest."³ In June 2026, HUD suspended further federal funding to LAHSA until officials can show adequate safeguards are in place to protect taxpayer dollars.⁴ Because Los Angeles officials have not adequately protected federal taxpayer dollars, it appears that many nonprofits to which those funds have been allocated are not using them for their intended purpose. To understand the extent of the problem and the steps being taken to safeguard federal funds, we request certain documents and information from your office, and your testimony at a public hearing before the Subcommittee on September 15, 2026.

Homelessness in California is a long-standing problem, most notoriously in the Skid Row area of downtown Los Angeles.⁵ The problem has grown worse during your tenure as mayor. Yet, your administration continues to pursue "Housing First" and "Harm Reduction" policies that fail to address the mental health and drug abuse crises perpetuating the cycle of homelessness in Los Angeles. The result is deteriorating public health, increased lawlessness and a bleak environment for small businesses.⁶

¹ See Jill Cowan, *Trump Suspends Funding for Los Angeles Homeless Agency*, THE N.Y. TIMES (June 11, 2026).

² Letter from Andrew D. Hughes, Deputy Secretary, U.S. Department of Housing and Urban Development, to Gita O'Neill, CEO, Los Angeles Homeless Services Authority (June 11, 2026).

³ *Id.*

⁴ See Cowan, *supra* n. 1.

⁵ Kevin Dahlgren, *LA's Skid Row a Painful Monument of "Housing First" Policy*, THE N.Y. POST (Apr. 12, 2026).

⁶ See U.S. DEP'T OF HOUS. & URB. DEV., THE 2025 ANNUAL HOMELESSNESS ASSESSMENT REPORT (AHAR) TO CONGRESS: PART 1: POINT-IN-TIME ESTIMATES OF HOMELESSNESS (May 2026).

According to annual data from HUD, California has nearly 182,000 homeless people.⁷ Los Angeles County (L.A. County) alone has 73,000 homeless people, and the City of Los Angeles has more than 45,000 homeless people, an increase of 3.4 percent from the year prior.⁸ LAHSA is a city-county joint authority established to combat homelessness in the City of Los Angeles and L.A. County.⁹ The Mayor of Los Angeles and the Los Angeles City Council together appoint half of LAHSA's governing board, and the members of L.A. County's Board of Supervisors appoint one member each.¹⁰ The City of Los Angeles and L.A. County share joint responsibility for oversight of federal funds coming to LAHSA.¹¹ L.A. County recently acknowledged the glaring financial management deficiencies at LAHSA, voting in 2025 to divert \$300 million in County grant funding away from LAHSA to allow the funds to be independently administered.¹²

The Subcommittee is also concerned about reports of blatant corruption in LAHSA's contracting and grant process. In February 2025, Los Angeles local news reported that former LAHSA CEO Va Lecia Adams Kellum signed a \$2.1 million contract with her husband's employer, Upward Bound House, an L.A. County homelessness assistance provider.¹³ Kellum initially told the news outlet *LAist* in December 2024 that she had completely recused herself from LAHSA business relating to her husband's employer, but a public records request revealed that she personally authorized the contract with the organization.¹⁴ LAHSA claimed that the contract "inadvertently ended up in front of Adams Kellum to sign."¹⁵

Recent reporting also indicates Los Angeles-area homelessness nonprofits are using federal homelessness funds for self-enrichment. 1736 Family Crisis Center (1736 FCC) has received more than \$36 million in federal grants since 2008,¹⁶ including at least \$25 million in grants from LAHSA since 2021.¹⁷ Between 2023-2024, 1736 FCC paid CEO Carol Adelkoff \$1.6 million in total compensation, while she lived over 2,000 miles away in Hawaii.¹⁸ 1736 FCC's 2024 tax filings, submitted on May 8, 2026, show that of the more than \$15 million in total revenue the organization received that tax year, 94 percent was derived from state, local,

⁷ U.S. DEP'T OF HOUS. & URB. DEV., THE 2025 ANNUAL HOMELESSNESS ASSESSMENT REPORT (AHAR) TO CONGRESS (Mar. 29, 2025).

⁸ Helen Jeong, *Los Angeles region has more homeless people on street, new data confirms*, NBC LOS ANGELES (updated July 24, 2026).

⁹ Sarah B. Hunter, *Why L.A.'s Homelessness Numbers No Longer Tell the Full Story*, RAND CORP. (Aug. 10, 2026).

¹⁰ *Id.*

¹¹ *Id.*

¹² Aaron Schrank, *Federal officials decry LA's 'drug-fueled homelessness crisis' in visit to faith-based program*, LAIST (Aug. 12, 2026).

¹³ Nick Gerda & David Wagner, *LA's top homelessness official signed a \$2.1 million contract with husband's employer*, LAIST (Feb. 11, 2025).

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *1736 Family Crisis Center*, USA SPENDING.GOV, U.S. DEP'T OF TREASURY (last visited Aug. 28, 2026), available at <https://www.usaspending.gov/search?hash=648a17b6f01b01c126aad0133f34ed0a>.

¹⁷ Audrey McGlinchy, *L.A. homeless provider has paid CEO who lives in Hawaii \$1.6 million in salary, vacation over two years*, LOS ANGELES TIMES (Aug. 6, 2026).

¹⁸ *Id.*

and federal government grants.¹⁹ According to that same filing, 1736 FCC paid Ms. Adelfkoff \$742,181.²⁰ The previous year, 1736 FCC paid her \$907,923 total compensation, including a \$495,000 bonus—more than her entire base pay.²¹ This compensation is significantly higher than other CEOs who lead much larger non-profit organizations with similar missions in the Los Angeles area.²² Investigative reporting found that the median annual compensation of the leaders of 16 other nonprofits comparable to 1736 FCC was \$159,737, or less than one quarter of Ms. Adelfkoff's recent compensation.²³

To assist the Subcommittee's oversight of this matter, we request your testimony at a hearing titled "Fixing Fraud and Failure in Federally Funded Homelessness Services" on Tuesday, September 15, 2026, at 11:00 a.m. in room 2154 of the Rayburn House Office Building. We also request the following information, covering the period from January 1, 2020, to the present unless otherwise indicated, as soon as possible but no later than September 14, 2026:

1. All documents and communications between the City of Los Angeles Mayor's Office and LAHSA describing the internal controls in place to ensure federal grant dollars are used for their intended purpose;
2. All documents and communications between the City of Los Angeles Mayor's Office and LAHSA concerning how federal grant dollars will be used to combat homelessness;
3. All documents and communications between the City of Los Angeles Mayor's Office and the Los Angeles City Council concerning the joint management of LAHSA; and
4. All documents and communications between the City of Los Angeles Mayor's Office and the L.A. County Board of Supervisors concerning the joint management of LAHSA.

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. To confirm your appearance at the hearing, arrange for delivery of documents, or to ask any related follow-up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

¹⁹ 2024 Form 990: 1736 Family Crisis Center, INTERNAL REVENUE SERV., U.S. DEP'T OF TREASURY (May 8, 2026), available at <https://projects.propublica.org/nonprofits/organizations/953989251/202611289349303181/full> (showing \$15,442,080 in total revenue); McGlinchy, *supra* n. 17 (stating that 94% of revenue came from taxpayers).

²⁰ 2024 Form 990: 1736 Family Crisis Center, U.S. DEP'T OF TREASURY, INTERNAL REVENUE SERV. (May 8, 2026), available at <https://projects.propublica.org/nonprofits/organizations/953989251/202611289349303181/full>.

²¹ 2023 Form 990: 1736 Family Crisis Center, U.S. DEP'T OF TREASURY, INTERNAL REVENUE SERV. (Oct. 10, 2025), available at <https://projects.propublica.org/nonprofits/organizations/953989251/202532889349303408/full>.

²² *Id.*

²³ McGlinchy, *supra* n. 17.

The Honorable Karen Bass
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Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Burchett", is written over a horizontal line.

Tim Burchett
Chairman
Subcommittee on Delivering on Government Efficiency

cc: The Honorable Melanie Stansbury, Ranking Member
Subcommittee on Delivering on Government Efficiency