

FOOL'S GOLD

The Radicals, Con Artists, and Traitors
Who Killed the California Dream
and Now Threaten Us All

Susan Crabtree and Jedd McFatter



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FOREWORD BY PETER SCHWEIZER

ON PAPER, CALIFORNIA LOOKS like a dream house. Its cities teem with creativity, imagination, and industry. Its universities churn out brilliant minds who build inestimable wealth. Its Pacific shores are blessed with fair weather and sunshine. Its fertile fields yield the finest crops and wine to be had anywhere in the world. From afar, it does look golden indeed.

Look closer though, and the wall cracks; popped nails, termites, and dry rot cannot remain unseen. The house that was once straight from the pages of *Architectural Digest* is today ready to collapse. What self-respecting homeowner would let such a nice place fall apart like that? Don't they see it? *Don't they care?*

Americans in the other forty-nine states have been asking these questions for years as they watch the weeds proliferate in California. The leaky plumbing, popping circuit breakers, and busted windows. Brazen thieves. Squatters. Criminal gangs. And the unmistakable stench of sewage wafting through the palm leaves.

Pay no attention to those small "maintenance items," assures the realtor with the perfect hair. His dazzling smile and easy manner are well practiced. He's been selling "fixer-uppers" as though they were palaces for more than twenty years, and he's proven himself to be a pretty good "closer." But just behind him as he makes his sales pitch, we notice yet another heavily laden U-Haul truck rumbling toward the interstate, bound for somewhere—anywhere—else.

That slick salesman is named Gavin Newsom, and he is the current governor of California. Fawning press profiles describe him as the future of

progressive politics, and they inevitably mention that he has “national aspirations.” Like any salesman, what he *really* wants is a bigger territory.

The savvy real estate buyer is neither fooled nor impressed. Newsom’s current “territory” looks like a shamolic money pit.

Violent crime is surging in California. Illegal drug use is off the charts, and it is subject to a daily invasion of illegal migrants crossing its southern border. Homeless addicts in once beautiful San Francisco shoot up, sleep, and defecate on its streets when they’re not stealing from what shops are still open in the city. Its economy is struggling. Tent cities block the sidewalks of Los Angeles as businesses leave the state’s crushing regulations, extortionate taxes, and unchecked property crime. Its police force is demoralized by negligent “Soros prosecutors” who turn repeat criminals loose. Its universities, always a source of foment and dissent, have metastasized into playthings and espionage targets for America’s greatest adversary—the communist regime of China.

How did it all go so wrong? *Why* is it still getting worse?

A close look at today’s national Democratic Party powerbrokers shows one common thing: California. The dangerous progressive “vision” that threatens America has ruled the state for two generations now. Frustrated citizens are leaving in droves, taking their dreams, money, and businesses to states that progressives don’t yet run. Larger corporations are following suit.

“Voting with your feet” is a time-honored American value. The framers of our Constitution wanted each state to govern itself as much as possible. Massachusetts and Vermont were a world away from South Carolina and Florida in those days, and the Founders knew each state would do things differently. They trusted that successes in one state might be shared with the others, while failures in one state could be “firewalled” from the rest. That distance has shrunk in modern times, but still our states take pride in doing things their own way.

Here in Florida, home of the Government Accountability Institute (GAI), we are proud to welcome those “refugees” from California and

New York. Our state learned from the mistakes made by Newsom and the California authoritarians during the COVID pandemic, for example. To stop the coronavirus that originated, most likely, from a laboratory leak in Wuhan, China, Gavin Newsom locked his state and its 40 million residents down for months, while famously getting caught sneaking out to dine (unmasked) at the famous “French Laundry” restaurant in Napa Valley with lobbyists who got COVID lockdown carveouts and lucrative state contracts. On the other coast, Florida reopened its doors quickly once it was clear that the government-imposed lockdowns were hurting people more than helping them.

This is just one example of the states operating as the Founders intended, for good and bad. But if the fifty states are still America’s “laboratories of democracy,” California is the Wuhan Institute.

Now its left-wing politics, fermented in corruption and cronyism, threaten to breach the firewall and infect the whole nation.

Newsom is certainly not the only strain of this virus. Kamala Harris, a former San Francisco district attorney and state attorney general with few real accomplishments, was rated the most left-wing member of the US Senate before she was picked by presidential candidate Joe Biden to be his running mate in 2020. Former House Speaker Nancy Pelosi, a woman of great accomplishment and a political knife-fighter, likewise sprouted from the San Francisco Democratic machinery. Rep. Adam Schiff, from the Los Angeles area, who was censured by the House of Representatives for misusing and misrepresenting classified information he received as head of the House Intelligence Committee, was elected to the Senate seat held unto death by former San Francisco mayor Dianne Feinstein in 2023. You will learn about all of them—and many others—in these pages.

Fool’s Gold peels back the layers and disentangles the incestuous web of West Coast connections that drive decision-making in Washington. Co-written by journalist Susan Crabtree, winner of the 2024 Dao Award for investigative reporting, of RealClearPolitics and GAI research director Jedd McFatter, this book is scrupulously sourced dynamite. The villains

here are ambitious politicians with historic ties to international organized crime, cult leaders, and even foreign governments hostile to the United States. If you live in California, fled from it, or worry that its political pathology will infect your state, this book is necessary and overdue.

I co-founded GAI in 2012 to “follow the money” in politics. We are a small nonprofit group of investigative reporters and writers who research, fact-check, and publish books and shorter reports. Many of our books about government corruption bear my name as author, but they are the work of our marvelous team, including Jedd. With the support of our generous donors, GAI has found a niche doing the kind of enterprise journalism that reporters and editors at the major TV networks and the largest newspapers once did before they succumbed to parroting a “narrative.”

We believe in the power of books to spur informed citizens to action, and I am proud to welcome Jedd McFatter as the *fourth* published author on GAI’s staff, joining Eric Eggers, Seamus Bruner, and me. Jedd has been involved in every book we have done since he joined us in 2017, most recently with my latest effort, the #1 *New York Times* bestselling *Blood Money: Why the Powerful Turn a Blind Eye While China Kills Americans*.

Jedd McFatter and Susan Crabtree have each proven their mettle as fearless and tireless researchers.

Susan broke several blockbuster stories on the Secret Service’s failures during and after the assassination attempt against Donald Trump, contributing to the resignation of Secret Service director Kimberly Cheatle. Her previous reporting on Secret Service lapses and corruption preceded the resignation of a previous Secret Service director, Julia Pierson. Susan is a longtime Californian and a senior national correspondent for RealClearPolitics. She has spent three decades uncovering corruption, bribery, waste, and abuse in federal and state governments, prompting several investigations by the FBI as well as House and Senate ethics committees.

This book is the first to bear the names of Jedd and Susan as authors, but it will not be the last for either of them.

I am often asked whether I am discouraged by the widespread corruption in government that we at GAI unearth and expose to the public. My

answer is an emphatic *no*. We believe in the power of the American people and of free people everywhere to resist the control schemes created by people with more money than empathy. Our job is to arm citizens with the facts and do battle with a cheerful, optimistic purpose.

Susan and Jedd do that here.

INTRODUCTION

AS GOES CALIFORNIA, SO GOES THE NATION,” is one of Governor Gavin Newsom’s favorite expressions. Considering California’s free fall under Newsom’s watch, it should serve as a clarion call for action.

The once vibrant California Dream is rapidly vanishing, beset by a progressive contagion that’s spreading across the nation. Even after President Trump’s resounding win against Kamala Harris, California Gov. Gavin Newsom swiftly declared himself the leader of the resistance and vigorously defended its leftist policies. JB Pritzker, another potential 2028 contender, joined forces with Colorado Gov. Jared Polis to launch “Governors Safeguarding Democracy,” a coalition of blue-state torchbearers aiming to challenge Trump’s agenda head-on with coordinated political assaults.¹ The trio of governors were doubling down on their failed far-left policies in a transparent attempt to seize the moment and fill a vacuum of Democratic Party leadership left wide open by Harris’s decisive defeat. It’s past time to put a stop to the madness, but to do so requires a hard look at exactly what and who have transformed this would-be paradise into an unlivable dystopia for far too many. My coauthor, Jedd McFatter, and I wrote and researched this book in constant collaboration, but as a native Californian, my experience of returning after a twenty-three-year absence to find the Golden State in serious decline fueled my desire to understand what happened to my home state and why.

Thomas Wolfe wrote a whole book, *You Can’t Go Home Again*, about his tumultuous return to his hometown in North Carolina after several cultural and economic shifts that took place in the 1920s and ’30s. My California homecoming in the spring of 2017 wasn’t nearly as dramatic. There

were many joys—time spent with my elderly parents before my father's passing, rekindling old friendships, soaking in the state's spectacular natural beauty and year-round mild climate. But I also witnessed a disturbing downward spiral that has only accelerated over the last few years. It's those lower quality-of-life issues and disturbing lack of action on them that have residents voting with their feet in a dramatic exodus, what Jedd and I view as California's reverse gold rush.

In the mid-to-late 1800s, California drew people from across the country who dreamed of striking it rich or at least harnessing the state's resources and opportunities to build a better life. Now the opposite is occurring. More than one million have beaten a path out of the state since 2019 due to California's cost of living (highest in the nation), spikes in crime, and dearth of opportunity.

The exodus from California is especially stark in San Francisco, the political home base of Governor Gavin Newsom and Vice President Kamala Harris. In 2023, the *San Francisco Chronicle*, the left-leaning paper of record, described the city as trapped in a "doom loop" and "on the verge of collapse."² San Francisco over the last five years has lost population faster than any major city in US history, more quickly than Detroit did when it went bankrupt. Between 2019 and 2021, the City by the Bay lost 6.3 percent of its population, a rate of decline larger than any two-year period in Detroit's history and a record exodus for any major US city.³

I spent more than twenty years in Washington, DC, as a reporter covering the White House and Congress. The first decade living and breathing politics inside the DC swamp was a thrilling tiger ride. The old-school journalism that was still alive and well in the 1990s and 2000s in DC melded perfectly with my natural prosecutorial instincts. It wasn't a job so much as a passion to expose corruption, uncover unsavory deals and self-dealing, and at times even help shape the course of political events.

Yet as a native Californian with generations of family history on the West Coast, there were days when I would feel the tug to return home, not realizing that COVID, coupled with years of absurdly bad policy, would soon drive San Francisco and many parts of the state into an abyss.

The 1980s and early '90s, when I was growing up in California, were filled with peace and optimism. I remember the mild California winters, carefree summer days, and how much more of life was lived outdoors. During our teens and early twenties, my friends and I spent our free time either on the beach or cruising along the Pacific Coast Highway, surfboards in the back of the truck, searching for the best waves. In our spare time, we would watch and rewatch *Big Wednesday*, the 1978 cult surfing classic movie about three young California surfers' coming of age. In it, a teenage girl from Chicago who is first learning about Southern California beach life exclaims, "It's really different here."

"Back home, being young was just something you'd do until you grew up. Here, it's everything," she gushes.

But for most of the last century, California wasn't just a playground for the young. In a 2019 study, Stanford and MIT researchers found that California residents are so healthy that they live on average to age seventy-nine, which beats the national average by more than two years. Only residents of Hawaii live longer. And for much of my life, California remained accessible, offering opportunities for those determined to work hard and climb the economic ladder.

Part of California's longtime appeal is the diversity of the landscapes across its 163,700 square miles. Most areas of natural beauty, including its 840-mile coastline, are public, with only a nominal fee at state and national parks. Even as a kid, I would sometimes look up in awe at the 11,500-foot snowcapped San Geronio Mountain in my palm-lined hometown of Redlands, a small city of seventy thousand set at the foothills of the San Bernardino Mountain range. In early 2017, when my husband and I traveled to San Diego for a work trip, we decided it was time to make our move. We signed a rental contract on a house. The price tag, at pre-COVID rates, was a no-brainer. To live a short drive from the beach, we were paying the same as our mortgage inside the Washington, DC, Beltway with more than double the living space.

The first few months of our new life in San Diego exceeded our expectations and pent-up desire for outdoor adventures. We marveled at the lack

of humidity and mosquitos, the purple-flowering jacaranda trees that lined the main drag through our manicured suburban enclave, the abundance of outdoor concerts and activities, great seafood, and fresh citrus year-round. Some of Southern California's best beaches and hiking trails were just a ten-minute drive away. I picked a local gym for its view of the sparkling lagoon.

At one point during my first weeks in San Diego, I flipped the car radio to an '80s station while cruising along the Pacific Coast Highway, noticing my old haunts and surf shops, many of which still remained. I felt transported back in time. Yet just a few months into our new life, we started noticing cracks in California's golden façade.

While taking our daughter, who was then less than two years old at the time, to a pier in downtown San Diego for a sandcastle-building exhibit, we were confronted with an eerie sight. Horton Plaza, once a vibrant, state-of-the-art five-level outdoor mall occupying six and half city blocks in the city's historic Gaslamp Quarter, was now boarded up and covered in graffiti. Nordstrom, its anchor store, had closed in 2016. While making our way down to the sandcastle exhibit on the pier, we encountered a stench so putrid that we quickly covered our faces. An incoherent man covered in human excrement and barely clothed was walking toward us in the middle of the road. He didn't threaten us, but the sight of someone in such a desperate condition shook me to the core.

Later that month, San Diego County officials acknowledged that the city was in the midst of the deadliest hepatitis A outbreak in the United States in decades. Officials identified 592 cases, twenty of which resulted in deaths. Seventy percent of those afflicted were homeless, living on the streets without access to twenty-four-hour public restrooms.

There were other troubling signs. In 2017, our first year in California, the state was struck by a wave of deadly wildfires, three of which were the most destructive in state history. Hot, gusty Santa Ana winds in the south and Diablo winds in the north fanned the infernos, which killed forty people and burned over a million acres, destroying more than ten thousand structures and causing \$1 billion in losses in that year alone. The deadly blazes

continued unabated every late summer and fall through the pandemic and into 2022.

Some of the first things visitors to Southern California beach towns notice is the ban on plastic straws, along with the number of Teslas sharing the streets with gas-guzzling Range Rovers, a \$100,000 to \$160,000 status symbol for the upper-middle class. Straws become litter and eventually find their way to rivers and oceans, endangering marine life. It's all part of California residents' greater focus on environmental impacts—at least superficially. But in 2017 alone, wildfires released millions of metric tons of carbon dioxide, black carbon, brown carbon, ozone precursors, and toxic compounds into the atmosphere, impacting both the regional and global climate, polluting water and soil, and endangering public health. After several back-to-back record fire seasons, Stanford University researchers in 2022 found that wildfire smoke had reversed decades of air quality gains, and instead had exposed millions of Americans to extreme pollution levels.⁴

The wildfires kept coming fall after fall. And I, like every other resident of the state, began to brace for them as an inexplicable part of modern California life. One autumn day, when several wildfires were raging more than fifty miles away, orange haze filled the air, and the sun looked like a blazing apocalyptic sphere. Even after the courts found Pacific Gas and Electric (PG&E), the gas and electric utility serving sixteen million residents in Northern and Central California, guilty of manslaughter in some of the most destructive blazes, it seemed like the utility—and others across California—were acting with impunity.

No matter how many fires, gas leaks, and explosions California's utilities caused, whenever PG&E and other companies like Southern California Edison, Southern California Gas, and San Diego Gas & Electric ask for rate increases, California regulators sign off on them. By 2024, the wildfire fallout included insurance companies either hiking premiums for homeowners or dropping policies altogether.

Coming from Northern Virginia, which ranks tenth in the nation for the most expensive utility bills, I didn't expect the sticker shock when I saw some of my first gas and electric bills. I soon found that San Diego has the

best weather in the nation but absurdly also the most expensive electricity. And despite paying the highest utility costs in the nation, California customers somehow have the most unreliable service. We, like millions of others, experienced rolling blackouts with no air-conditioning in the hottest summer months at the height of the COVID pandemic in 2020.

The electric grid failures weren't as bad as in the early 2000s when then-Governor Gray Davis was successfully recalled over his inability to keep the lights on. But the blackouts highlighted the state's overreliance on renewable energy sources, which can't keep the electricity flowing after sundown, when solar panels stop producing. The summer blackouts and brownouts were the least of our concerns during the pandemic. California's restrictive COVID lockdowns and laws took a grim toll on the state's economy. When they were finally lifted, the state's recovery lagged behind, with one of the highest unemployment rates in the nation.

Unlike other states, California's unemployment system was woefully unprepared to handle the onslaught of layoffs plagued with problems.

People in service-industry jobs were hit the hardest. My hairdresser was forced out of work for more than seven months, threatened with hefty fines if she continued to serve her clientele. She never could navigate the fraud-plagued unemployment system to receive the tens of thousands of dollars in compensation she was owed.

Then came the skyrocketing home prices. During the pandemic, housing prices surged in California, as they did across the country, but it was especially steep in coastal Southern California areas where homes were expensive by national standards but still affordable compared to San Francisco and New York prices. The new, looser remote work policies at many Silicon Valley firms made relocating to sunnier, laid-back San Diego County a no-brainer.

In 2021, San Diego real estate prices increased at their fastest pace in seven years and were rising quicker than in any other area in the nation save Phoenix, surging a whopping 17.4 percent in a year. Home prices in some coastal suburbs skyrocketed an unheard-of \$1 million in one year. A home

costing \$1.5 million before COVID was now \$2.5 million. The end result: most Californians are now forced to rent, with prices growing out of reach for the vast majority of residents.

The summer of 2020, race riots and looting protesting the death of George Floyd broke out in big cities across the West Coast, as they did across the country. But once the unrest died down, brazen criminal acts started occurring in affluent and urban areas and urban inner-cities. The first smash-and-grab crimes, in which flash mobs of masked thieves brazenly ransack department stores, began in 2021 and are continuing to plague high-end and convenience stores alike. An undeniable contributing factor: Proposition 47, which California voters passed in 2014 as part of a far-left criminal justice reform push, eliminated the felony penalty for theft for goods worth \$950 or less.

Soon, there was a new, unnerving element of life in California. The state's sanctuary state laws that protect illegal immigrants accused of crimes from federal deportation began attracting "burglary tourists." These marauding gangs from Chile, Ecuador, Colombia, and Peru ransack homes then flee back to South America with the stolen goods. The professional burglars enter the country illegally or exploit a visa waiver program intended to spur tourism from dozens of trusted countries.

San Francisco's dramatic downturn over the last decade is the most alarming in the state. In late 2023, workers in the Nancy Pelosi Federal building, in the heart of the city's Tenderloin District, were ordered to stay home as crime, open-air drug markets, and drug-addled homeless threatened their safety. The cost of living has always been high in California. But since 2021, we've also had some of the highest gas prices, most expensive housing markets, and highest home insurance rates. With all the costs of living spiking at once, coupled with lower levels of personal security and opportunity, hundreds of thousands of residents each year find the costs impossible to continue to bear.

The sad reality is it doesn't have to be this way. While the pandemic accelerated some of California's problems, most can be traced back to failed

progressive polices or public corruption—or both. When you strip away these self-inflicted wounds, the state is one of the most richly blessed places on earth and worthy of saving.

California's dramatic landscapes and amazingly livable weather have for centuries drawn settlers from around the world. It's served as the embodiment of the rugged American West, home to the glamorous golden age of Hollywood, and more recently, Silicon Valley's tech revolution. The internet and iPhones were born in California; the state also produced two Republican presidents, Richard Nixon and Ronald Reagan (albeit with disparate legacies).

Despite having more going for it than just about anywhere on the globe, statistics and new research back my experiences over the last seven years: California's golden patina of optimism is dimming. According to *U.S. News and World Report's* 2023 rankings of US states, California ranks dead last in the category of opportunity.⁵ What this means is that when experts analyzed various metrics and data related to equality, affordability, and economic opportunity, they found that every single state is doing a better overall job than California.⁶

Newsom and Harris have touted California as a model for the nation. In reality, the opposite is true. The not-so Golden State leads the nation in a litany of dishonorable distinctions: no state taxes personal income and gas more than California, and only two states have a worse tax climate for business. It has more poverty than any state, and at the time of this book's writing, its unemployment rate is the highest in the nation. In 2023, 28 percent of all the homeless people in America called California home, despite the state including only 12 percent of the national population, and drug addiction and violent crime are on the rise amid a statewide mental health crisis that worsens by the day.

If your state has the fourth-best health care quality in the nation but ranks thirty-fourth in health care access, this means many of your poorest and most vulnerable never receive the top-notch health care that's right at their fingertips. And if your higher education system ranks third but your K–12 Education ranks thirty-eighth, then it's clear your priority is catering

to the exclusive class of financial elites, while throwing scraps to the middle- and lower-class Californians reliant on public schooling. The state also has the biggest budget and the largest budget deficit in the nation. California's deficit was an estimated \$68 billion in 2024, while many other states were running surpluses.

The beloved historian of California, Kevin Starr, once wrote: "From the beginning, American California was caught in a paradox of reverent awe and exploitative use...there has always been something slightly bipolar about California. It was either utopia or dystopia, a dream or a nightmare, a hope or a broken promise—and too infrequently anything in between."⁷

Wild banking scandals and investment fraud now plague the state, but consider this: during the Great Depression, when banks across the country were crashing, not a single California bank went bankrupt. Fast-forward to 2023 and we see two California banks collapse in the same year: Silicon Valley Bank in Santa Clara and First Republic Bank in San Francisco.

In short, the Golden State is now a shadow of its former self. Like fool's gold, California life retains a glittery allure but has lost much of its true luster. For too many residents, pursuing the California Dream has now become a fool's errand.

It would be tragic enough if this devastation were contained, but what's happening in California is not staying in California—and, shockingly, that's by design. Take a look at the power brokers of the Democratic Party and you'll quickly notice that nearly all are from California. What you are about to read reveals a darker side of the Golden State:

- We meet powerful politicians and family dynasties with close ties to mob bosses and cult leaders.
- We show how world-class con artists defraud, plunder, and literally poison the people and institutions of California, including illegal immigrant drug dealers getting rich and avoiding prison and deportation while poisoning Americans with fentanyl and other illicit drugs.

- We chronicle the myriad schemes in which officials line their own pockets and sell out the state to foreign interests, including the Chinese government and its nefarious transnational Triad organized crime syndicates.

Many of the narratives that follow have been downplayed or left undiscovered by mainstream media because collectively they expose the failure and futility of California's progressive agenda and governance. Ultimately, these narratives will reveal who is influencing California's influencers, and how they stand to benefit from the economic, social, and cultural—and even physical devastation of America from coast to coast.

—Susan Crabtree and Jedd McFatter

The Failed Progressive Vision

ONE CRISP AUTUMN DAY IN 2023, residents of San Francisco awoke to find their city transformed.¹ Almost overnight, the city by the bay had become virtually unrecognizable. Street corners and plazas previously crowded with homeless encampments and open-air drug markets were clear, and the trash heaps, piles of feces, tainted needles, soiled mattresses, and ragged tents were gone. Storefront windows that had long been boarded shut now shone. All the crude graffiti, scummy debris, and filth were replaced with painted murals, brand new flower boxes, and colorful new crosswalk markings. Freshly pressure-washed sidewalks—the forgotten pathways through the city—now gleamed.²

After decades of failure and \$24 billion squandered in the previous five years on statewide strategies aimed at ending homelessness, San Franciscans witnessed a bona fide miracle: their city (or at least the downtown) was golden once again.³ Perhaps most shocking of all, the homeless population had vanished, and no one seemed to know where they went. How could a problem that plagued authorities for decades be solved overnight?

The closer that residents looked, the more unsettling the answer became: large concrete barricades and steel fences had been erected downtown, and the formidable police presence could best be described as a “shock and awe” campaign. Stranger still were the cheering crowds waving giant Chinese flags on long poles while acrobats and Chinese dance troupes performed on the sidewalks. Hundreds of blood-red lanterns were strung above the streets.⁴

And it was certainly ironic that the leader who unabashedly touted the cleanup of San Francisco that day, Governor Gavin Newsom, was the very same career politician who had failed the city for so long.⁵ Chinese President Xi Jinping was there for the Asian-Pacific Economic Cooperation (APEC) summit held at the St. Regis Hotel on November 10, 2023. And Newsom was locked in, ready to prove he was a serious player on the global stage. His lucrative and long-standing business relationships with Chinese apparatchiks gave him an affinity for China that most politicians do not possess.

The transformation of San Francisco was so striking, not because of how sudden it was, but because of who Gavin Newsom is. For more than twenty years, Newsom claimed that he was trying to fix the problems of crime, drugs, and homelessness in San Francisco and across the state. And on his watch, those problems only got worse. Why? Because, under ordinary circumstances, Newsom cannot fix those problems. His ideology prevents him from doing what is necessary.

At his core, Newsom embodies the sinister progressive vision that has seeped outward from California and now threatens every American, whether they live in the cities, suburbs, or even remote rural locations. The progressive vision for America maintains that crime should be made legal; jails should be emptied; dangerous drugs should be freely available; borders should be opened; illegal aliens should be given amnesty and free health care and interest-free loans. San Francisco became one of America's first "sanctuary cities" when it passed its "City of Refuge" resolution in 1985, and in 2021, after Black Lives Matter demanded that cities "defund the police," San Francisco was among the first to do exactly that, slashing \$120 million from the city law enforcement budget.⁶ Accordingly, Newsom's progressive vision enforces "racial justice," "social justice," "restorative justice," "economic justice," and "climate justice"—everything but *actual* justice.⁷

More than any current politician, Newsom has executed the progressive vision across his city and state with swiftness and precision. Every problem he encounters, Newsom addresses in typical performative progressive fashion:

convene a commission, appoint a czar, hold a press conference, and ultimately, just throw more money at it. The result of his decades-long reign in California has been abject failure. Compounding Newsom's ruthless drive to enact the failed progressive vision is his boundless and selfish ambition. Despite his policy failures, he has amassed personal success, thus incentivizing his current course. For an unimaginative political creature who sprang from the loins of California's corrupt Democratic establishment, Newsom's first response to a problem has always been to trot out the progressive platitudes and boring bromides of the Left Coast elite. It's pure reflex.

Newsom has learned that actually solving problems is not necessary for personal success in a one-party progressive state like California, where an endless geyser of bad policy spews forth schemes of extreme permissiveness and dysfunction. For Newsom's political opponents desperate to tackle the perennial problems of crime, drugs, and homelessness, Newsom's enforced leniencies are not just policy failures; they are existential crises as criminals inevitably gravitate toward his sanctuaries of lawlessness. For nonprogressives, ending these policies seem to be common sense.⁸ Newsom appears capable of tapping into common sense when convenient, as demonstrated with the instant cleanup for Xi's visit or, earlier, when he ran for governor. Speaking to the *Chronicle* in 2018, Newsom admitted that San Francisco had become "too permissive" and tolerant toward "bad behavior on the city's streets."⁹

The aspiring governor addressed one particularly heinous spectacle that had become an everyday occurrence in his state: "People shooting up [drugs] on the streets and sidewalks, where kids are in strollers, is not acceptable—it's just not."¹⁰ But once elected, Newsom's fickle aversion to junkies overdosing in front of toddlers never translated into policy. Newsom's soft-on-crime strategy also aims to decriminalize prostitution, public intoxication, and retail theft, as well as so-called "quality of life" crimes such as loitering, sleeping, and panhandling in public spaces. The progressive alternative to punishment for crime, "incarceration diversion programs," have released many dangerous or drug-addicted criminals back onto the streets. The results have been devastating.

* * *

North Highlands resident John Oliveira experienced Newsom's dangerous policies firsthand. In the summer of 2022, Oliveira noticed a foul odor coming from his neighbor's house, and he immediately knew something was very wrong. Oliveira had first met seventy-seven-year-old Pamela May a few days before the overwhelming stench began to waft from her property. When the police arrived to investigate, they found May's decomposing body, which had been "dismembered beyond recognition."¹¹

The man eventually arrested for the "heinous psychopathic murder" of May was Darnell Erby, a repeat offender who had been released in April 2021 after serving less than half of a twelve-year sentence for first-degree burglary and fraud. Erby's life of crime began in 1999. In the interim, he racked up a rap sheet that included twenty arrests, eight felonies, and sentences totaling twenty-four years.¹² Such cases had become numbingly familiar in California.

Several months later, David Fidel Mora-Rojas killed his three daughters, ages nine, ten, and thirteen, and another man inside a church in Sacramento before turning the gun on himself. Mora-Rojas was in the country illegally but wasn't handed over to US Immigration and Customs Enforcement (ICE) after being arrested for drunk driving, assaulting an officer, and attacking a medical professional shortly before the killing spree. When Mora-Rojas went on the deadly shooting rampage, he had been free for only five days.¹³

Later that year, a young police officer, Gonzalo Carrasco Jr., was shot and killed while on routine patrol in the small town of Selma. He left behind a pregnant girlfriend, his parents, and siblings, all of whom lived in the same Central Valley farm community. It was the first loss of an officer in the line of duty since Selma's 1893 founding.¹⁴

Authorities say Officer Carrasco was slain by a convicted felon named Nathaniel Dixon, who had been released on probation in July 2020. Dixon has pleaded not guilty on first-degree murder and other charges. In 2019, Dixon was convicted of second-degree felony robbery and was in jail until July 2020, then released on probation. Sheriff's Office officials say that a month after his release, the felon was arrested again for carrying a loaded gun and possessing

drugs. He was arrested yet again (a third time) shortly afterward on five felony charges, including possession of meth and having a firearm, the latter of which is prohibited for felons, according to court documents.¹⁵

Dixon stayed in jail until September 2022, when he was released on probation for time served and in accordance with a new state law that allowed the release of lower-level felons to provide relief for prison overcrowding.¹⁶ Dixon was then back in jail again (a fourth time) one month later after he ditched a meeting with his probation officer. He was released again just two and a half months before murdering Carrasco.¹⁷

“When I see someone who was sentenced to prison...who was later released and commits a crime, and they have served a fraction of the sentence they received, I get angry,” the district attorney said after Darnell Erby was arrested and charged with dismembering Pamela May. “I think our community gets angry. And the next question is, how did this happen?”¹⁸

None of these crimes should have happened. Each of the perpetrators should have been in jail but were set free thanks to Newsom’s failed progressive vision.

These three cases paint a grim picture of California’s soft-on-crime system, but the state’s crime epidemic is only growing worse. And there are countless tragic and preventable stories just like these. Under Newsom’s watch, violent crime in California has skyrocketed. Homicides jumped by 33.9 percent and aggravated assaults by 25.3 percent in 2022, with gun-related homicides and aggravated assaults soaring by 37.7 percent and 61.1 percent, respectively.¹⁹ The actual rates are likely much higher. Crime data only captures incidents reported to police, and many crimes go unreported.

The rapidly rising crime rates didn’t just occur in a vacuum. They directly correspond with Newsom’s decade-plus-long progressive experiment with criminal justice reform, which has resulted in far lighter sentences and the premature release of violent criminals from jail. After Newsom released tens of thousands of prisoners during COVID, ostensibly to prevent the virus from spreading among California’s incarcerated criminals, the state prison population dropped from 160,000 in 2011 to around 91,556 by

mid-2024. As we discuss in Chapter 4, Newsom has been accused of releasing these prisoners under a false premise. COVID death rates in the state corrections system have been markedly lower than in the outside population. Even as crime surges, Newsom's administration estimates the prison population will drop to roughly 86,000 by 2028.²⁰

Newsom is not only emptying prisons; he is also shutting them down. His administration has closed or is closing four state prisons, and has plans to "reimagine and transform" San Quentin, the state's oldest and most notorious prison (and previous home to the largest "death row" in the United States), into a rehabilitation center.

"We are literally tearing down walls to reimagine our prison system, incentivize true rehabilitation, and end cycles of violence and crime," Newsom said in a 2024 press release.²¹ "Brick by brick, we're building a new future that will make all of us safer."

But Newsom cited no evidence that the state is growing safer because there is none. As we will explain in Chapter 5 the state's corrections agency won't disclose rehabilitation results for the years Newsom has served in office. Again, Newsom and the progressives' failed COVID policies exacerbated the problem. During the pandemic, when millions were out of work and the state had the highest unemployment in the nation, flash mobs of masked robbers stormed through the doors of Nordstrom and other high-end retailers in San Francisco and Greater Los Angeles, stealing thousands of dollars of purses, clothes, and jewelry. This type of organized retail theft has become such a massive problem that many retailers are closing their doors for good. By mid-2024, Nordstrom, Macy's, Whole Foods, Anthropologie, Old Navy, Office Depot, 7-Eleven, and Denny's all announced plans to close stores in downtown San Francisco or nearby Oakland. Starbucks and Target have also closed locations.²²

Newsom attributes business closures in downtown San Francisco to "macroeconomic" shifts, not rampant theft, drug use, and violent crime.²³ In August 2023, downtown San Francisco was such a hotbed of crime, homelessness, and drugs that the US Department of Health and Human Services advised employees at the Nancy Pelosi Federal Building in the

Tenderloin District to work remotely “for the foreseeable future.” Showing up for work at the building had become just too dangerous.²⁴

In January 2024, California’s homegrown, beloved burger joint, In-N-Out Burger, announced that it would close a store for the first time in its seventy-five-year history, citing crime. The franchise no longer considered the store near Oakland International Airport safe for operation. “We feel the frequency and severity of the crimes being encountered by our customers and associates leave us no alternative,” the company said. “Despite taking repeated steps to create safer conditions, our customers and associates are regularly victimized by car break-ins, property damage, theft, and armed robberies.”²⁵

Southern California isn’t faring much better. More and more businesses in Santa Monica and Los Angeles, even on once tony and vibrant Wilshire Avenue, have boarded up due to vandalism, crime, and homelessness scaring customers away.

“Mayor, we need your help. We need your help in this area,” Sean James, an independent contractor who runs a business in Santa Monica pleaded in an interview with a local Fox News affiliate.

The surge in violent murders, rapes, organized retail thefts, and other crimes that shock the conscience are directly the result of Newsom’s failed progressive vision and can be laid squarely at his feet. Back in 2014, when Newsom was lieutenant governor, he was the highest-ranking official pushing the specific progressive ballot measure responsible for the chaos: Proposition 47. This was the George Soros-backed policy that decriminalized drug, property crimes, and even certain sex crimes. Prop. 47 turned theft of items valued under \$950, and some drug offenses, from felonies to misdemeanors. Newsom vocally supported the progressive activists and organizations pushing Prop. 47, while his boss, then-Governor Jerry Brown, remained quiet. The measure passed by a wide margin.²⁶

Despite the bedlam that has ensued, Newsom now seems in denial over the disastrous effects of Prop. 47. In early 2024, he revealed that he witnessed a shoplifter steal from Target without workers intervening to stop. When he confronted an employee about it, the woman blamed the

California governor for passing laws that emboldened criminals—before realizing he was in fact the governor. “Why didn’t you stop him?” Newsom recalls asking the Target employee. “The governor lowered the threshold . . . there’s no accountability,” the employee said. Newsom’s description of the encounter was widely ridiculed for his failure to recognize the obvious truth in the Target employee’s accusation.

Prop. 47 was coauthored by a George Soros–backed prosecutor named George Gascon. (Soros is famously a key architect of the failed progressive vision.) Newsom, who is very close to the Soros family, and Kamala Harris, endorsed Gascon for district attorney of Los Angeles despite his record of failure as San Francisco district attorney. In fact, Newsom set Gascon on his political glidepath by appointing him chief of police, then turned to him again in 2011 to be district attorney when Harris left the post after her election to attorney general.²⁷

Gascon’s lenient prosecutorial record led to a sharp increase in crime in both cities and two failed efforts to recall him from office during his Los Angeles tenure before voters ousted him in 2024. In addition to freeing criminals and unleashing lawlessness, Gascon’s office has waged a secret war on police. In December 2021, Gascon’s chief of staff, Joseph Iniguez, and his partner, Dale Radford, were arrested for suspicion of public intoxication and for driving under the influence, respectively, when they were stopped on their way home from a wedding.²⁸ No charges were filed and Iniguez later sued the local police department for allegedly violating his civil rights. He eventually received a \$10,000 settlement which critics described as a “nuisance” payment.

According to the arresting officer, Gascon’s chief of staff allegedly threatened to put his name on the “Brady list”—a database that indicates an officer must not be trusted to testify—effectively ending his career, although this alleged threat does not appear in the videotape Iniguez made of the incident.²⁹ However, during an investigation of the charge, the California Department of Justice discovered that another Gascon aide, Diana Teran, had been inappropriately accessing and using confidential police files for years. In April 2024, Teran was arrested and charged with eleven

felonies relating to “unauthorized use of data from confidential, statutorily-protected peace officer files.” According to an unsealed affidavit in the case, Teran “accessed computer data including numerous confidential peace officer files in 2018, while working as a Constitutional Policing Advisor at the Los Angeles County Sheriff’s Department (LASD), and, after joining the LADA in January 2021, impermissibly used that data at the LADA.”³⁰

The corruption in the district attorney’s office has hardly deterred Newsom from continuing to defend Gascon’s Prop. 47 agenda. If anything, Newsom has doubled down in the most unethical ways. Since Prop. 47 was implemented, there have been numerous efforts to reform the measure, staunch the bleeding, and end the carnage, as even some of California’s most liberal mayors are opposed to it. The latest effort—the Homelessness, Drug Addiction, and Theft Reduction Act—was sponsored by a non-partisan group of former district attorneys, public safety and crime victim advocates, and big box retailers, including WalMart, Home Depot and Target.³¹ Newsom and the progressives smeared the bill as a “Republican-led initiative,” and fought against it tooth and nail. Leaked emails revealed that Newsom’s administration refused to negotiate any crime bills unless the district attorneys pulled Proposition 36, a separate 2024 ballot initiative designed to gut Prop. 47. Progressive lawmakers allied with Newsom put a poison pill into the crime reduction act that would automatically repeal it should any Prop. 47 reform ballot measures pass.³²

In a bizarre twist, Newsom and Democratic lawmakers then backed away from plans to put a competing crime measure on the November ballot in 2024 that would have largely overturned Prop. 47.³³ Reality had dawned on them: they simply didn’t have the votes, even in their Democratic super-majorities in the state legislature, to pass it. By the end of the summer of 2024, Newsom had signed ten carefully crafted bills focused on cracking down on retail theft and increasing prison time for offenders, while still preserving Prop. 47’s core tenets.³⁴

On Nov. 5, California voters sent an indisputable message: Proposition 36, which eviscerates its soft-on-crime predecessor, won in a landslide, and Gascon suffered a resounding loss to Nathan Hochman, a Republican

turned Independent former federal prosecutor. California voters abruptly ended the progressives' decade-long soft-on-crime experiment in their state. But the early architects of the disastrous era should not be allowed to skirt responsibility.³⁵

Newsom and Harris—while she was serving as attorney general—were two of the biggest proponents of Prop 47. In California, attorneys general are responsible for writing the titles of ballot initiatives, which are often manipulated to deceive the public into backing or opposing the proposed new laws. Harris was notorious for this practice during her attorney general tenure and seemed all too eager to mislead voters that Prop 47 was tough on crime. Backers promoted the ballot measure as the “Safe Neighborhoods and Schools Act,” and Harris gave it the innocuous title: “Criminal Sentences. Misdemeanor Penalties. Initiative Statute.”³⁶

State Democrats were aggressively reversing tough-on-crime laws in response to a Supreme Court order to reduce its overcrowded prison population.

This extreme approach to prison reform earned an embarrassing public smackdown in mid-2024, when a transgender-identifying California convict with a long record of criminal violence had to be transferred out of a women's correctional facility and back to a men's prison after being indicted for rape.³⁷

Illegal drug use has skyrocketed during Newsom's tenure, and his policies are partially if not directly to blame for creating a culture of drug permissiveness, starting with cannabis. His support for legalization of widespread pot smoking has been unequivocal: “For me, you can't be neutral here. This is a social justice issue. It's an economic justice issue. It's a racial justice issue.”³⁸ After Newsom came under heavy fire for his efforts to legalize cannabis in California, he began bucking his party's efforts to likewise legalize harder drugs in his state. To his credit, Newsom vetoed the progressives' bills to legalize hallucinogenic drugs and create drug injection sites. Newsom may have simply learned from Oregon's mistakes. California's neighbor to the north recriminalized hard drugs in mid-2024 after a deluge of overdose deaths and chaos in the streets of Portland led to a surge in homelessness and an exodus of downtown businesses and record

homicides. The three-year experiment with addicts' lives that focused on treatment over punishment as a model for the nation had failed miserably.³⁹

It's worth noting that Harris, in filling out a 2019 American Civil Liberties Union presidential questionnaire, supported decriminalizing federal drug possession for personal use, including hard drugs like crack and fentanyl, along with defunding ICE and using federal funds for sex-reassignment surgeries for illegal immigrants. In an interview at the National Center for Transgender Equity Action Fund conference in 2019, Harris bragged that she worked "behind the scenes" when she was California attorney general to change the state's law to support taxpayer-funded gender transition surgeries for prisoners.⁴⁰

Many observers noted an obvious reason for Newsom's calculation: "It's not hard to see why Newsom was unwilling to touch the issue," *Politico* reported. "Every move he makes is now being scrutinized nationally. He's quickly become a Democratic contender for president, without ever saying he has any interest in the job. His veto has become the latest evidence of his national ambitions as he shows a wariness of swinging too far left and a willingness to anger the progressive wing of a party that helps keep him in office."⁴¹ But cannabis and hallucinogenic drugs like LSD are not California's biggest drug problem.

Much like the rest of the United States, California is in the throes of a fentanyl overdose epidemic that grows worse every day. The deadly synthetic opioid is now ubiquitous in the open-air drug markets in San Francisco's Tenderloin and South of Market neighborhoods. A video released by Hochman, during his campaign for Los Angeles district attorney, shows how the Hollywood Walk of Fame, with its famous pink stars bearing the names of the industry's most glamorous and notable actors and actresses, has been transformed into a Walk of Shame. Its once glimmering sidewalks are now home to drug-addled residents in various stages of stupor and filth.

Fentanyl is assembled by Mexican cartels using chemicals manufactured in China, then smuggled up the West Coast and distributed throughout the interior of America.

Local sheriffs and law enforcement officials have blamed Kamala Harris,

while serving as California attorney general, for undercutting their efforts to stop criminals and Mexican cartels from flooding the state with guns and drugs from across the border. Harris, they argue, repeatedly defunded and disbanded antidrug task forces across the state just as fentanyl trafficking was on the rise.

Deadly fentanyl is now a booming industry for California's illegal immigrants. A disproportionate number of the street dealers are Hondurans who are in the United States illegally, a recent *San Francisco Chronicle* investigation revealed.⁴² Los Hondos, as they are called, send so many remittances to their hometowns in Siria Valley, Honduras, that a boomtown of attractive new homes—mansions by local standards—have sprung up there. And there's often a distinctive theme: a connection to San Francisco so strong that the homes and gates are often embellished with the Golden Gate Bridge, San Francisco 49ers, or Golden State Warrior logos. The Golden Gate Bridge has also become a popular neck tattoo for dealers, as San Francisco's sanctuary city status carries a lower risk of deportation in addition to more lenient prosecution and sentencing.⁴³

Even if Los Hondos are arrested and convicted, the state's sanctuary policies mean they are rarely deported; and drug-dealing profits are so high that even if these pushers are imprisoned they are quickly replaced by more Honduran immigrants. "They're poisoning people," one local business owner told the newspaper. "They're this cancer, this aggressive, metastasizing cancer on the Tenderloin—the dealers and the addicts."⁴⁴

The irony of Newsom clearing out the homeless in San Francisco to welcome an authoritarian kleptocrat like China's Xi Jinping was particularly stunning, given that—as the *Washington Examiner* put it—"no one has done more to put more homeless people on San Francisco's streets than Xi and his fentanyl-exporting minions."⁴⁵ In his 2023 best seller *Blood Money*, Peter Schweizer provides ample evidence that China is the source and purveyor of all the precursor chemicals used to create the fentanyl that's killing Californians in record numbers.⁴⁶ And Xi has tacitly blessed this twenty-first-century Opium War. Recent stats on the fentanyl devastation wrought

in California are frightening. In 2022 and 2023, the number of drug overdoses in America topped two hundred thousand, with fentanyl comprising the vast majority. Deaths from fentanyl in 2024 were just as bad.⁴⁷ Governor Newsom's office released statistics in February 2024 showing that the California National Guard seized a record 62,224 pounds of fentanyl in the previous year—an increase of more than 1,000 percent since 2021. According to Newsom, that amount of fentanyl “is enough to potentially kill the global population nearly twice over.”⁴⁸

The fentanyl wave has undoubtedly pushed many desperate Californians off the cliff into homelessness. But it's those who are already unhoused who suffer the most. In Los Angeles alone, deaths among the homeless surged 300 percent over the past ten years, with fentanyl accounting for a third of these deaths in 2023.⁴⁹ Tragically, most of the homeless who die of fentanyl overdoses are not seeking out fentanyl. They're actually using meth and crack and other stimulants to help them stay awake during the night so they don't get attacked or robbed, unaware that some of these drugs have been laced with fentanyl.⁵⁰

Newsom's failed progressive vision that facilitated California's crime waves and drug epidemic has fueled another crisis every bit as tragic: homelessness. Newsom's history of supporting “Housing First” programs is based on the misguided notion that issues such as crime, unemployment, drug addiction, or mental illness should only be dealt with *after* the homeless have received housing. This approach poses special problems when you consider that housing construction, labor, and land cost significantly more in California than in other states, and local fees imposed on developers for city infrastructure improvements currently add tens of thousands in costs per affordable housing unit built.⁵¹ Over the past five years, the state's homeless population has grown more than 40 percent to its current level of 181,000 unhoused individuals, nearly twice the number of its closest rival, New York. In 2023, 28 percent of all people experiencing homelessness were in California, even though only 12 percent of the US population resides

there.⁵² In 2023, the number of homeless *women* in California spiked to sixty thousand, which is nearly as many as Florida, Texas, and New York combined.⁵³

Unfortunately, 68 percent of California's homeless are defined as "unsheltered," which means they experience their homeless plight outdoors.⁵⁴ On any given night in 2023, 50 percent of unsheltered individuals nationwide were sleeping on the streets of California, including half of America's unaccompanied homeless youth.⁵⁵ Unsurprisingly, 60 percent of all unsheltered individuals in the US suffering from *chronic* homelessness can be found in California.⁵⁶ In 2019, Gavin Newsom broke his promise to appoint an official "homelessness czar" for the state, which would have been a cabinet-level secretary working full time out of Newsom's office to solve the state's homeless crisis. Newsom's promise was silly because it's clear that appointing an individual figurehead does nothing to resolve serious social problems.

A year into his governorship, when reporters were peppering him with questions about making good on his promise, an irritated Newsom pounded on a podium at a budget news conference and snarled, "You want to know who's the czar? I'm the homeless czar in the state of California."⁵⁷

Thankfully, Newsom changed course. Instead, he decided to trust the homelessness task force he'd previously created to do the job. "That committee is profoundly important and I'm looking forward to big things coming from their work," Newsom said.⁵⁸ The name of the committee is the Homeless and Supportive Housing Advisory Task Force, and it's cochaired by two Newsom appointees: Los Angeles County Supervisor Mark Ridley-Thomas and Sacramento Mayor Darrell Steinberg. Newsom appears to have been a big fan of Ridley-Thomas: in 2020, the governor created a thirty-second ad endorsing Ridley-Thomas during his election campaign for Los Angeles City Council. Here's what he had to say about his future task-force cochair:

I'm urging you to support Mark Ridley-Thomas for City Council. I've had the privilege of getting to know local elected officials all across this state. A lot of folks hold hands, talk about the way the world

should be. Other people get things done. Not only does Mark Ridley-Thomas get it, but he knows how to deliver. And so, I could not encourage you more to take this opportunity, take this moment, and make sure that we have a doer in the City Council of Los Angeles, Mark Ridley-Thomas.⁵⁹

When he was appointed to the task force, Ridley-Thomas took a serious tone in his response, stating that he looked forward “to partnering with California Governor Gavin Newsom, Sacramento Mayor Darrell Steinberg, and other members of this Task Force to ensure that the State of California steps up its efforts in confronting the defining civic and moral crises of our time.”⁶⁰

Indeed, Ridley-Thomas’s framing of California’s homelessness as a “moral crisis” was fitting and accurate. But Gavin’s favorite LA councilman was also dealing with his own personal “moral crisis,” which would soon be splashed all over the front page. In August 2023, the US Attorney’s Office issued a press release announcing that Ridley-Thomas had been sentenced “to 42 months in federal prison for a bribery and fraud scheme in which the longtime politician demanded benefits for his son from a university dean in exchange for Ridley-Thomas’s political support for a lucrative Los Angeles County business.” He was also ordered to pay a \$30,000 fine. In Ridley-Thomas’s sentencing memo, the prosecutors put it bluntly:

This was a shakedown. Not the kind in movies with bags of cash or threats of force. But the kind that is polite and pervasive. The kind that happens too often by sophisticated, powerful people. The kind to which society, sadly, has become so accustomed that it often goes unreported and rarely yields consequences for the offender but strikes a devastating blow to the integrity of our democratic system... One’s public service cannot be a bargaining chip for personal, private gain.⁶¹

Here again we see Newsom’s lack of discernment, to say the least, in choosing his allies, but more importantly, it undermines citizens’ faith in

their governor's ability to develop creative solutions to the homelessness crisis.

As the homeless numbers continued to rise, Newsom shifted to blaming local governments' failures in reducing California's homeless numbers and threatened to withhold state funds for city needs and even to marshal the state Department of Justice's powers to take legal action against localities.⁶² But at least on paper, the state already had a mechanism for coordinating and overseeing homelessness. It's dubbed the California Interagency Council on Homelessness, and the governor is the one who appoints its members. (The state auditor in 2024 would issue a sharply critical report on the Interagency Council on Homelessness, finding that it had not tracked the funds the state deployed, nor had it collected any outcomes from the programs.)

When that didn't work, Newsom blamed a federal appeals court that ruled against Grants Pass, a city in Oregon that ticketed people for sleeping outside, arguing that it violated the Constitution's ban on "cruel and unusual punishment," and ruling that cities cannot clear encampments unless they can provide alternative housing for all the people in them. Newsom seized on the ruling, arguing that it tied his and local officials' hands when it came to sweeping encampments off city property.

All the while, Newsom continued his housing-first policies. But there was little success, and there were plenty of abject failures.

The federal government paid an undisclosed sum during COVID to convert the Mayfair Hotel, a 294-room boutique hotel in Los Angeles's Westlake neighborhood, into apartments to use as part of the Project Roomkey program (Newsom's initiative to convert hotels into low-cost homeless residences) to provide temporary shelter for the homeless during the pandemic. But the hotel shut its doors in 2022 after a disturbing and turbulent period.

There were reports of rats, mounting trash piles, defecation in the hallways, chaotic assaults, and rampant drug use. Windows were smashed, bathrooms had been spray-painted, and objects had been hurled from windows. A staff of nurses, security guards, and hotel managers complained

about all kinds of criminal activity in rooms, stairwells, the parking garage, and nearby streets.

After just two years, the city paid \$11.5 million to cover the damage, and residents of the neighborhood are now fiercely opposing Mayor Karen Bass's efforts to purchase the Mayfair and spend \$83 million converting it into homeless housing again.

Nobody likes to ask the question, but it needs to be raised: who benefits from California's chronic homelessness?

The obvious big winners are all the nonprofits, foundations, and NGOs that receive a nonstop stream of public and private funding to operate the state's "homelessness industrial complex" with little oversight or accountability.

Los Angeles-based developer Shangri-La Industries won a \$121 million state contract to turn motels across the state into housing for the homeless. The massive funds were awarded under Project Homekey. Despite numerous ribbon-cuttings featuring Project Homekey's top officials and a golden spade emblazoned with its logo, much of the work on the motels came to a grinding halt or never began at all in early 2024. According to the lawsuit that followed, that's when the company discovered that its twenty-something CFO, Cody Holmes, had spent millions of the funds on Beverly Hills real estate, a Ferrari, a Bentley, and other expensive cars, private jet travel, and VIP passes to the Coachella music festival. He'd also spent millions of dollars on jewelry and handbags, including a \$111,000 Birkin bag, for his girlfriend. Many of the properties went into deep debt, then slipped into foreclosure and were taken over by lenders.

How was the housing contractor with such a heavenly name chosen in the first place?

Shangri-La Industries had a politically connected partner in Step Up on Second Street, which helped Newsom come up with his housing-first HomeKey grant program, then turned around and raked in big contracts from the program. Step Up aspired to take its model for solving homelessness to the national stage, but the nonprofit is now mired in controversy.

Attorney General Rob Bonta filed suit against Shangri-La and Step Up in January 2024.⁶³

Lobbyists for Shangri-La Industries include Panorea Avdis, a partner at Sacramento Advocates, a public affairs and lobbying firm.⁶⁴ Before becoming a lobbyist, Avdis was the chief of staff to Newsom's deputy, Lieutenant Governor Eleni Kounalakis, and served as the director to Newsom's Office of Business and Economic Development.⁶⁵ Through Avdis, there was also a direct link to the agency providing the homelessness contracts. Avdis previously served a stint as the director of external affairs at California's Department of Housing and Community Development.

Because there's no consensus among California progressives of what programs work best, the *Santa Monica Daily Press* has argued that "officialdom has taken a scattergun approach, providing money to a bewildering array of often overlapping programs and services."⁶⁶ In San Francisco alone, there's a maze of 232 service providers that have received billions from nine city agencies.⁶⁷ Such a long track record of failure has forced some to conclude that California's harnessing of the nonprofit sector to combat homelessness has only intensified the problems it sought to remedy. From 2018 to 2021, California spent around \$10 billion fighting homelessness, but the number of folks without a roof over their head only increased during that time.⁶⁸ In 2022, the state spent \$42,000 per homeless person, a mind-boggling sum when you consider that a family of four earning \$42,000 would place them well beyond California's official poverty line of \$39,900.

The hidden beneficiaries of California's homeless explosion were the wealthy elite (including Chinese billionaires) who had enough cash to snap up devalued urban properties that depreciated significantly from all the unresolved chaos in the streets.⁶⁹

In what became a viral video, a sneering Newsom, standing outside a 2019 presidential debate, bristled when we asked him about his failures to curb homelessness during his first year in office. He then blamed Trump for holding back hundreds of millions of dollars in federal housing voucher money he said he needed to help jump-start their failing housing-first

remedies.⁷⁰ When we pressed Newsom on whether he would address the mental health and drug addiction crisis afflicting many homeless people, he simply put the blame on Republicans for shuttering insane asylums in the 1970s and '80s, including former Governor Ronald Reagan.

Local cities cited other reasons for the lack of progress. They countered Newsom's periodic complaints that cities still weren't bringing down homeless numbers by pointing out that they couldn't help homeless people get housing and complicated treatment for mental illness and drug addiction if the state was only sending a lump sum for those efforts once a year.

Newsom continued to harp on the locals, even while Step Up and Shangri-La's corruption was exposed, and the motel conversions came to a halt across California.

In 2023, as Newsom worried that his homelessness failures could foil his presidential ambitions, he rolled out Proposition 1, a ballot measure providing \$6.4 billion to build more treatment beds and permanent housing for people with existing mental health issues who were chronically homeless. It narrowly passed in March of 2024 without the support of conservatives and far-left disability advocates who argued it would fund coerced mental health treatment.⁷¹

Newsom called the ballot measure's passage a "victory for doing things radically different" and once again placed the onus for its success and failure on localities, lest he be blamed for its failures in the future when he runs for president, as expected in 2028. "Now counties and local officials must match the ambition of California voters," he declared. "This historic reform will only succeed if we all kick into action immediately."⁷²

In the summer of 2024, the Supreme Court shredded Newsom's main excuse for his failures to address homelessness, ruling in favor of the Grants Pass law ticketing homeless people who set up tents on city property. The decision gave cities more power to arrest, cite, and fine people living outside in public spaces.

By the time this ruling was in place, the Democratic Party had already

kicked Joe Biden off the ticket and installed Harris, ending speculation that Newsom could leapfrog her and cinch the presidential nomination for himself.

Newsom had finally run out of excuses for the squalor and the blight. He began ordering state agencies to remove homeless encampments throughout California, even though many had nowhere to go.

“This executive order directs state agencies to move urgently to address dangerous encampments while supporting and assisting the individuals living in them—and provides guidance for cities and counties to do the same,” Newsom said in a news release. “The state has been hard at work to address this crisis on our streets. There are simply no more excuses. It’s time for everyone to do their part.”⁷³

Newsom’s sudden demand for instant action on the homelessness problem was an obvious attempt to paper over the past and erase his role in causing the scourge. Decades of “housing first” policies by him and other far-left politicians incentivized homelessness in California, enabling the problem to worsen while failing to address its root causes. In response to Newsom’s pressure for swift solutions, skeptics wonder if the unsheltered will merely migrate to the most liberal areas of the state where residents and authorities are more lenient.

California’s homelessness crisis is ultimately caused by a failure of leadership, and no leader has had more chances to solve it than Gavin Newsom. The problem is that Newsom’s only options are ipso facto failed approaches, because his entire political career is just a reflection of the failed progressive vision he’s locked into. That’s why Newsom will never have the courage or creative thinking that’s needed to solve the homelessness problem. Just imagine if Newsom had dared to step out of the progressive ghetto years ago and push a different set of innovative policies that genuinely reduced the number of unsheltered Californians. Such a huge win would have undoubtedly garnered widespread political support for Newsom and likely made him a leading contender for president. But Newsom has always been more puppet than pioneer, and in a state that seems to value propaganda over tangible results, he’ll continue to use sly rhetoric and even

outright lies to gloss over his failure to address the full-blown humanitarian crisis unfolding in the urban wastelands of California.

* * *

As Chinese Premier Xi Jinping's rocket-proof armored vehicle made its way through the freshly cleaned streets of San Francisco to the St. Regis Hotel, throngs of pro-Beijing activists heralded his arrival.⁷⁴ As it happened, the activists were United Front operatives on the payroll of the Chinese Communist Party (CCP) and had been bused in from their stations embedded across the United States. In Newsom's California, the paid CCP foot soldiers assaulted American human rights activists protesting Xi's arrival with impunity.⁷⁵

"The world has entered a new period of turbulence and change," Xi declared during his APEC speech and stressed the need to continue the cooperation that had characterized the relationship between the East and West over the past thirty years. The summit was attended by more than twenty thousand foreign leaders and dignitaries who were there to discuss open trade and investment between nations in the Asia-Pacific region. American titans of business, including Apple's Tim Cook, Blackstone's Steve Schwarzman, BlackRock's Larry Fink, Boeing's Stanley Deal, and Pfizer's Albert Bourla paid \$40,000 a table to fête Xi as a guest of honor at a banquet at the Hyatt Regency drawing nearly four hundred attendees, including Commerce Secretary Gina Raimondo. After Xi's remarks, attendees gave him a standing ovation while just outside the dinner CCP goons in surgical masks and wielding long metal pipes attacked human rights activists who were promoting democracy in Hong Kong, autonomy for Tibet, and freedom for the estimated one million Uyghurs imprisoned in forced labor camps under Xi's rule.

In addition to persecuting millions of his own people, Xi's laudable record apparently includes waging a silent war on the West, intentionally exporting the coronavirus, and killing roughly one hundred thousand Americans per year with fentanyl.⁷⁶

The theme of the summit was ambitious, albeit vague: "Creating a Resilient and Sustainable Future for All." Such platitudinal rhetoric comes

straight from the failed progressive playbook: always announce progress toward some grand utopian goal, especially when the results are intangible, elusive, or potentially disastrous. One needs to look no further than the issues of crime, drugs, and homelessness in California under Newsom's tenure. Newsom has consistently asserted that progress has been made on all these fronts. But because he is so wedded to the failed progressive vision, he cannot fix these issues—not in any meaningful way.

Critics mocked Newsom's preparation for Xi, calling it a "convenient scurryfunge," and likened it to frenzied teens rushing to clean up after a house party before the parents returned.⁷⁷ Newsom admitted as much. "I know folks say, 'Oh, they're just cleaning up this place because all those fancy leaders are coming into town,' that's true," he said, "because it's true."⁷⁸

So the streets were sanitized, but where did all the criminals, drug addicts, illegal migrants, and homeless people go? Did the cleanup also magically lift them from their predicaments? Of course not. It turned out that, on Newsom's orders, most of them were merely rounded up by police and herded, like cattle in a rotational grazing loop, to other parts of the city. Many of the homeless ended up in the Sunset District, some congregated on Willow Street, others huddled in alleyways and camped under free-ways. The Marina was crammed with as many as possible. The problems were pushed out of sight so that Newsom could impress the elite guests and benefactors who will fund his political ambitions.

As soon as APEC ended and all the dignitaries jetted home, reporters began to ask the question on everyone's mind: will all the unhoused chaos return to the streets? The answer came fast and hard. Just hours after the summit concluded, the homeless returned to their encampments and open drug use was once again ubiquitous. Within a week, the shiny streets that only a fool would believe could remain golden were scummy once again.⁷⁹ Vagrants were back in the Tenderloin urinating in public, and "pretty quickly the mentally disturbed folks, the fent zombies, started making their way back into the neighborhood." Shop owners and other leaders in the Tenderloin were shocked at how quickly all the problems returned

and now claim the homeless crisis has grown worse than ever: “the post-APECalypse.”⁸⁰ Referring to city leaders, San Francisco Deli Board owner Adam Mesnick said, “They are very good at creating an illusion and they are very good at performance art . . . it’s a Band-Aid and indicative of a poor administration.”⁸¹

Progressives identify innumerable “root causes” for crime and homelessness, including some combination of economic factors, racism, predatory capitalism, mental illness, drug addiction, broken families, illegal immigration, climate change, or even all the above. Newsom’s solutions have nothing to do with the problems. In fact, progressive policies tend to mask the problems, at best, and more often make them worse. Newsom and his Left Coast mentors did not only spawn the failed progressive vision for America. They also abetted the infiltration of America by the CCP, which is now waging unrestricted warfare against US citizens via fentanyl, TikTok, intellectual property theft, massive hacking enterprises, subversion in academia, social unrest, and other methods of what our adversaries in Beijing call “disintegration warfare.”⁸²

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ENDNOTES

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