COMPASSION NETWORK LLC · LACONIA, NEW HAMPSHIRE

The Compassion Network Story

A permanent answer to homelessness — built over ten years, entirely self-funded.

FOR IMMEDIATE RELEASE

Thirty-Nine Years of Funding Did Not End Homelessness. One New Hampshire Woman, Spending Nothing but Her Own Money, Built a Model That Could.

LACONIA, N.H. — Federal funding to end homelessness is thirty-nine years old, dating to the McKinney Homeless Assistance Act of 1987. The documented record of those decades is now a matter of audits and court filings: California's State Auditor found in 2024 that the state could assess what only 2 of its 30 homelessness programs accomplished with billions of dollars. In June 2026, the U.S. Department of Housing and Urban Development suspended Los Angeles' lead homelessness agency after its Inspector General found repeated false statements and missing financial controls — and a contractor who held $23 million in public contracts has since pleaded guilty to federal fraud, admitting he diverted at least $2 million while his organization reported zero enrolled clients.

Betsy O'Connor of Laconia spent those same years on the other end of the phone. For seven years she was her department's first point of contact for people experiencing homelessness seeking emergency care. What the calls taught her became a design: the **Compassion Campus** — a permanent community in four buildings matched to each resident's level of need: work and training; paid work within a person's capacity; recovery and long-term care, including hospice rooms and bariatric rooms built to real specifications; and full supportive care, including dementia care and a place to heal after hospital discharge. Care is preventive, not reactive, and everything is under one roof.

The model carries a financial system designed against the failures in the audit record: public funds may pay only for residents and their care — never payroll or overhead; staff are paid solely from donations and earned income; a CFO publishes a monthly report; an independent firm performs monthly spot-audits; and a county commission publishes the results. Residents are never handed a bill for a service their funding covers — a haircut, a cafeteria meal, clothing is invoiced to their room account and settled monthly against their funding.

O'Connor built all of it over more than ten years, entirely self-funded — no government money, no donors. She is not fundraising. Compassion Network LLC is offering the complete program — model, handbook, and financial system — **for sale to a nonprofit organization**, with a contract that leaves her no ties and no control

after the sale. "My job — my quest — was to put this together in a sensible, applicable way," she says, "so that my heart knows I did something to end homelessness."

Her teaching, shared with shelter managers across New Hampshire, comes from a shelter open house where a four-year-old girl pointed at a poster of a frail man on a bench and said, *"I'm one of those."* O'Connor took the poster down, crumpled it, threw it away, and held the child: *"Honey, you are not one of those. You are a person waiting for a home, and we're going to find you one."*

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THE FULL PROPOSAL

A Permanent Answer: The Compassion Campus Proposal

Compassion Network LLC · Betsy O'Connor, Founder · Laconia, New Hampshire

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This proposal presents a complete, ready-to-operate model for ending homelessness in a community: permanent campus housing matched to each person's level of need, with healthcare, recovery, education, work, and daily life provided together — governed by a financial system built to prove, every month and in public, that the money went to the people it was meant for.

Each section below is complete in itself, so the proposal can be read in any order: the problem, the documented record, the model, the money, the oversight, the measurement, and the offer.

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1. The Problem: Thirty-Nine Years of Funding, No Conclusion

Federal funding to end homelessness is thirty-nine years old. It began in 1983, when the federal government first authorized emergency food and shelter funds through FEMA, and it became law in full in 1987, when the Stewart B. McKinney Homeless Assistance Act — the first major federal homelessness legislation — set the structure the country still uses. The HEARTH Act of 2009 consolidated the programs under HUD. Across those thirty-nine years, agencies, coalitions, and nonprofits have received federal funds for one stated purpose: to end homelessness.

It has not ended. A federal count cited before Congress puts **745,000 people** homeless on a single night, with homelessness **up 27 percent since 2013**. By HUD's own figures for Los Angeles, federal funding rose **178**

percent since 2013 while homelessness there **doubled** over the same period. The money grew. The crisis grew with it.

This proposal was built the opposite way. Its founder spent more than ten years developing it entirely self-funded. In her words: *"I pushed so hard for 10 years to prove it can be done and I did it without one cent from the government or donors! One person can make a change."*

The sections that follow show, first, what the documented record says went wrong; then the model built to answer it — and the financial controls built so that no one ever has to take its word for anything.

2. What the Record Shows

The case against the current system does not rest on opinion. It rests on audits, investigations, and the system's own filings.

California could not say what its money bought. The California State Auditor reported in April 2024 that the state had failed to track homelessness spending and outcomes across more than 30 programs run by nine agencies. Auditors could assess cost-effectiveness for only **2 of 30 programs** — for the rest, the data did not exist. The state's oversight council had **not tracked spending or outcomes since June 2021**. Five major programs alone totaled **$13.7 billion**. In several large counties, nearly a third of the people leaving one major program left for "unknown" destinations — counted, funded, and gone, with no record of where they went.

When reporting was proposed, it was refused. A California bill (AB 2903) that would have required agencies to publish cost and outcome data passed the legislature **without a single no vote** — 72–0 in the Assembly, 40–0 in the Senate — and was vetoed in September 2024. The narrower law signed instead (AB 799) does not make its first data public until **January 31, 2027**.

Los Angeles: suspension, charges, and a guilty plea. On June 11, 2026, HUD suspended the Los Angeles Homeless Services Authority (LAHSA) — which had received nearly **$1 billion in federal funds in five years** through its Continuum of Care — after its Inspector General's investigation. HUD charged repeated false statements, absent financial controls, and no conflict-of-interest safeguards. Among HUD's findings: LAHSA could not determine whether it had paid for **empty motel rooms**, because it never recorded when people left; a 2025 assessment found it **could not verify the existence of nearly 2,300 housing sites** it was responsible for; it had **no written internal conflict-of-interest policy until September 26, 2025**; and its former chief executive resigned after committing more than **$2 million** in federal funds to her husband's employer. LAHSA denies the allegations, and a court initially blocked the suspension — but the findings are HUD's, made on the record.

The individual cases show where unaudited money goes. **Alexander Soofer**, whose nonprofit Abundant Blessings held $23 million in public contracts, **pleaded guilty on October 15, 2026** to wire fraud and money laundering, admitting he diverted at least $2 million — to a $7 million home, a vacation property in Greece,

luxury cars, and private jets. LAHSA renewed his contracts after its own reviewers had flagged his organization "high-risk" while it reported **zero enrolled clients**. Others stand **charged, not convicted**: Michael Young of Home At Last (which received over $118 million in public funds since 2019) is charged with diverting more than $7.5 million through shell companies — prosecutors allege over $1 million went into a nightclub; he has pleaded not guilty. A referral worker is charged with taking roughly $180,000 in bribes to steer "ghost" participants — people billed for, and never served.

The pay grew; the outcomes didn't. An analysis of the federal tax filings of **1,458 Continuum of Care providers** (Cicero Institute, from public Form 990 data) found that between 2013 and 2024, total compensation rose **117.8 percent** and total revenue **123.9 percent** — against cumulative inflation of 34.7 percent. Eighty-four percent of providers grew compensation faster than inflation.

The honest counter-argument — and why it does not rescue the record. Defenders of the current system note that funding per person is thin — the National Alliance to End Homelessness calculates federal homelessness spending at about **$1,829 per person per year** — and that housing programs, where they are properly run and measured, demonstrably reduce homelessness; veteran homelessness fell sharply between 2009 and 2020. This proposal does not dispute any of that. Its model *is* permanent housing. The charge is narrower and, on the audit record, undisputed: **housing handed over without treatment matched to need, without accountability, and without outcome tracking fails the sickest people first** — and a system that cannot say what it bought cannot be trusted with more until it can. Under current federal definitions, a person can be counted as "no longer homeless" the moment their name appears on a subsidized lease — which is how the same person cycles back through the shelter door and is counted again as a brand-new client. The revolving door is not an accident. It is how the counting works.

The people who pay for all of this are not the administrators. They are the people sleeping outside tonight. In the founder's words: that is not fair, and it is not acceptable.

3. The Doctrine: Preventive Care, Not Reactive Care

The current system is reactive. It waits for the crisis — the emergency room, the encampment, the arrest — and pays the highest possible price for the worst possible moment. And much of what it treats is the symptom: the addiction without the trauma underneath it, the illness without the years of neglect that caused it, the shelter bed without a door out.

This model's doctrine is the reverse: **preventive care, not reactive care.** Care arrives before the crisis, matched to the person, under one roof, and it stays.

Two teachings govern everything in the sections that follow.

First: a person is not a label. As administrator of New Hampshire's state grant and aid program for emergency shelters, the founder visited a shelter open house and found a four-year-old girl building houses out of blocks. The child pointed at a poster on the wall — a frail, shabby elderly man on a bench, in black and white — and said, *"I'm one of those."* The founder took the poster down in front of everyone, crumpled it, and threw it away. Then she held the child and said: *"Honey, you are not one of those. You are a person waiting for a home, and we're going to find you one."* She has taught that story to every shelter manager and director she has worked with, because it sums up the whole model: *You're not a homeless person — that's just a label. You're a person waiting for a home, and it's our job to get you one.*

Second: shame makes people hide, and hiding is dangerous. Homelessness is not a crime and nothing to be ashamed of. When people are shamed, they hide — from services, from safety, from help. Children taught to hide are children exposed. A campus that treats every resident as a person waiting for a home — a neighbor, a host, a member of a community — is not a soft idea. It is a safety design.

4. The Model: Four Buildings, Matched to Need

The campus is a permanent community, not a shelter with a longer clock. It can be created two ways, under one master plan: by acquiring existing buildings — closed campuses, vacant commercial properties — and retrofitting them, or by designing and building new. The standards in this section apply the same either way.

When a person enters residency, they are **evaluated** — their health, their abilities, their capacity for work, their care needs — and matched to the building built for their level of need. No one is warehoused, and no one is placed where the care is wrong for them. Four housing types form a continuum of capacity, so there is a place for every level of ability, and nobody falls through the cracks.

Building A — Work and growth. For residents who want to work. They begin with light-duty work and progress as job skills and training build — a path toward real employment, at the pace the person can sustain.

Building B — Paid work within capacity. For residents who cannot perform full-time work or heavy labor — but who can do honest, paid work matched to what they *can* do: collecting trash from the grounds and emptying barrels; transporting bedding and linens to the laundry, pushing carts; kitchen help — dishes, wiping tables, sweeping; and other odd jobs around the campus, for pay. Nobody is punished for what they can't do. Dignity stays intact, and so does a paycheck.

Building C — Recovery and long-term care. Mental health recovery and long-term care, including two rooms the current system almost nowhere provides:

- **Hospice rooms** — two rooms, peaceful, sunny, and comfortable: dignity and comfort at the end of life, instead of dying alone on a street.

- **Bariatric rooms** — extra-wide doorways and spaces; heavy-duty furniture, toilets, and shower areas; bariatric hospital beds rated for **750–1,000 lbs**. These rooms exist because of the case that drove this model (Section 12): a bariatric patient, about to enter homelessness in northern New Hampshire in wintertime, with skin disease from prolonged wetness and neglect — and nowhere to go. Emergency shelters were not prepared for bariatric needs, and at the time of that case there was no bariatric care unit available in the state. New Hampshire hospitals have since begun adding bariatric capacity — proof the gap was real, and proof that a facility which chooses to fill it, by design, changes what is possible. The campus fills it by design.

Building D — Full supportive care and disease control. The medical heart of the campus: full-time supportive care for ambulatory residents, dementia care, hospice with heavier medical needs, and surgery recovery including rehabilitation — in a completely sanitized area dedicated to health betterment. Building D closes one of the cruelest gaps in the current system: people discharged from a hospital with nowhere to heal.

Around the buildings, one front door. Services wrap around the resident instead of scattering across a town: permanent housing; on-site physical and behavioral healthcare; recovery support; education — GED, licensing, digital access; job training connected to the region; childcare, so parents can train and work; spiritual care; and assisted living for residents who need help for the long term. The campus networks with local mental-health and substance-use rehabilitation programs rather than duplicating them. A person walks in one door and the whole system is there.

Placement, with rights protected

Evaluation guides a supportive match — it never reduces a resident to a label. Placement is individualized: each person is matched to a housing setting and a level of support based on their needs, their strengths, and their informed participation. Rights are guaranteed in writing: protection of personal property, privacy, and medical autonomy, and freedom from criminalization for the status of being unhoused. No one is forced into a medical or psychiatric exam except where the law permits it under a defined emergency standard — and where a person's capacity to consent is in question, an independent legal advocate protects their interests. Assessment opens doors here. It never closes them.

Architecting, in the physical sense

This is not a plan on paper. It is architecting in the physical sense: building, reconstructing, and redesigning properties that already stand — vacant campuses, closed facilities, empty buildings — into a permanent community. A visionary strategy with absolute clarity, deconstructed into executable roadmap phases, with precision from initial audit to final scale.

That is our business strategy: foresight with precision for sustainable impact, carried at full strength for those who need us.

5. Community Life: Residents Are Hosts, Not Spectators

A campus that only houses people is a warehouse with better intentions. This model builds a community with a year of gatherings — concrete life that residents can picture, and that pulls the surrounding town *in* instead of walling it out.

- **Halloween parade and contest**, for the whole neighborhood, with winners in different age groups and practical prizes — coupons for food shopping at the local supermarket.
- **Thanksgiving Basket of Giving**: low-income large families are signed up — community members can sign families up — and the community fills the baskets and delivers them to their neighbors.
- **Christmas cookie contest**: elected officials — the mayor, the governor — are invited to sample the cookies and vote; first, second, and third prizes are funded by donations; afterward, a cookie swap everybody joins.
- **The Community Christmas Tree**: the names and wishes of local children in need are placed on the tree; community members pick them, buy the gifts, and bring them back to be wrapped and distributed.
- **Get to Know Your Neighborhood**: speakers — police officers and the chief, firefighters, Fish and Game officers — give job talks with questions and answers, then return for a community barbecue where their emergency vehicles are parked for children to touch and explore, with baskets of candy and safe toys supplied by the campus, and food for everybody. Residents and first responders meet over food — not in a crisis.
- **School plays**: local grade schools bring their plays, especially holiday plays, to perform for the whole community, and the campus makes a big thing of it for the children.

This is not decoration. A community that celebrates together is one its neighbors defend, its officials visit, and its residents belong to — and belonging is what makes housing *stay* housing.

6. Financial Architecture: The Money Is Firewalled

The model's funding is divided by law of its own design, so the failure documented in Section 2 — care money absorbed by overhead — cannot happen here.

- **Federal and state funding goes to the people.** Public funds pay for residents and the expenses of their care — only. They never pay for payroll or overhead.
- **Payroll is paid from money the program earns and is given.** Staff salaries, medical insurance, and benefits — **the same as a state government job provides**, including paid time off — are funded solely by **donor funds and earned income**: the education program, room rentals, building rentals, and the profits from them.
- **0% of core care funds go to executive overhead.**

- **Donors keep control of their gifts.** A donor may designate a gift for a specific purpose, and receives specific tracking on their own funds — what came in, what it bought, what it accomplished. A designated gift is spent as directed, or not spent at all.
- **Earned income is kept in its own ledger**, because it carries the payroll: it is never mixed into the care funds, and neither fund can quietly cover for the other.

The architecture is the answer to the audit: in this system, a dollar given for care can only ever buy care.

Residents are never handed a bill for what their funding already covers. When a resident uses an on-site service — a haircut or a shave at the barber or the salon, a meal in the cafeteria, clothing — the charge is invoiced to their **room account**, never to the person. Each month the room account is settled against the funding that covers that resident: the month's charges are applied to their funding, and the program pays the difference. Food, clothing, and personal care stay current month to month; every provider on campus is paid on time; and no resident is ever expected to pay out of pocket for a necessity their funding was meant to include. The room ledger does one more job: it gives the monthly report its true cost per resident — real numbers, from real services used by real people.

7. Financial Oversight: The CFO Standard

Architecture alone is not proof. This model runs its finances the way a chief financial officer runs a foolproof auditing and management system — cross-checks and balances, with monthly reporting — so it can prove, beyond a shadow of a doubt, that the program works and the money went first to the people.

The Chief Financial Officer is guardian of every dollar:

- Runs the monthly close and **publishes a monthly financial report**: every dollar in, every dollar out, each mapped to its line item.
- Enforces the firewall of Section 6 — no exceptions, no quiet transfers between funds.
- **Three-way match before any payment clears**: bank statement, ledger, and receipt must all three agree.
- **Outcome-linked release of funds**: vendor billing is matched against verified service-delivery logs — clinic hours actually fulfilled and used by residents, meals actually served — before the next month's funds are unlocked.
- Manages the **independent audit firm** that performs **monthly rolling spot-audits** of receipts against resident outcomes. The firm that checks the books never prepares them.
- **Freeze authority**: any payment that lacks documentation is halted — and the freeze is reported in that month's public report. No quiet fixes.
- Tracks every donor-designated gift separately and reports to each donor on their own funds.
- May not approve any payment to a vendor in which the CFO holds a financial interest; a written conflict-of-interest policy applies from day one.

A Property Management Financial Accountant serves each property, keeping the books true at the level where money actually moves: per-building ledgers so every building's true cost is visible; purchase order matched to delivery matched to invoice before payment is submitted; service delivery verified before billing is accepted; petty cash reconciled weekly; and **occupancy recorded honestly and currently** — who is housed, who has moved on — so no payment is ever made for an empty room or a departed resident. Every discrepancy is reported to the CFO the day it is found, never carried forward silently. The property's monthly packet — ledger, receipts, and a written explanation of every variance — is what the CFO's monthly proof is built from.

8. Independent Oversight: The County Commission

Inside controls, however strong, still ask the public to trust the organization. This model adds a check outside itself.

A **County Commission for Financial Oversight, Review and Audit** — appointed by the county, with no member employed by, contracting with, or holding a financial interest in the network or its vendors, under a written conflict-of-interest policy adopted at its first meeting and published — holds these powers:

- Receives the CFO's monthly report and the independent firm's monthly spot-audit results — and **publishes both**.
- Holds a **quarterly public review**, questioning the CFO and property accountants on the record; minutes are public.
- **Appoints the audit firm**, rotates it on a fixed term, and replaces it for cause. The commission, not the network, controls who audits.
- May order a **special audit** of any line item, contract, or property, at any time, without notice.
- Verifies the outcome link: that spending maps to anonymized, aggregate resident outcomes — housing stability and health — not merely to invoices.
- Issues findings **to the public and to funders, with corrective actions and deadlines**. Suspected fraud is referred immediately to the county attorney and the appropriate inspector general.

Why this layer exists is in Section 2: in Los Angeles, audit findings sat unaddressed for years, and the oversight body had no conflict-of-interest policy at all until 2025. This commission's findings come with deadlines, in public, every quarter. Oversight that cannot be quietly filed away.

9. How Success Is Measured

A program that cannot say what it bought has already failed — so this model counts what the current system does not, and publishes it monthly.

- **People, counted once and followed.** Each resident is counted as one person, once, and followed over time. An exit is recorded with its destination — permanent housing, family, another program — and followed up. "Unknown" is reported as what it is: a failure to be investigated, not a statistic to be filed. No one who returns is re-counted as a new client to inflate the numbers.
- **Housing stability**: how many residents remain housed at six and twelve months — and where those who left actually went.
- **Health outcomes**: primary-care connection, chronic-disease control, medication continuity, recovery milestones, hospitalizations avoided — measured in aggregate, with resident privacy protected.
- **Service delivery, verified**: the same logs that unlock vendor payments (Section 7) are the service record. Billing and delivery are never two different stories.
- **True cost**: cost per resident, per building, per outcome — visible monthly, so a funder can compare this campus against any shelter bed or motel room in the current system, dollar for dollar.
- **Community life**: participation, employment and training progress, and resident satisfaction, surveyed and published.

Performance targets are set with the operating organization and the county commission, and published with the first monthly report — so the program is graded against numbers it announced in advance, not numbers chosen afterward.

10. Implementation: From Vacant Property to Working Campus

The model is built to start with assets a community already has. Five steps take it from paper to pilot:

1. **Identify.** Screen a closed campus, vacant mall, or unused commercial property for suitability: structural condition, accessibility, zoning, and proximity to healthcare, transportation, and work.
2. **Convene.** Bring together the housing, health, education, government, and community partners, with defined responsibilities for property, care, operations, and oversight — including the county commission of Section 8, seated before the doors open, not after.
3. **Convert.** Adapt the buildings to the standards of Section 4 — the care rooms, the wide doorways, the sanitized care areas — with licensing and legal review for every care component.
4. **Open in phases.** First buildings first: housing, the one front door, and core services live from the start; further buildings open as conversion completes.
5. **Measure from day one.** The monthly reporting, spot-audits, and public reviews of Sections 7 through 9 run from the first month of operation — the proof is built alongside the program, not reconstructed after questions are asked.

11. The Offer: Complete Acquisition by a Nonprofit

Compassion Network LLC offers this program — **the model, the handbook, the financial system, the materials, and the name** — for complete sale to a nonprofit organization.

Upon closing, ownership transfers in full. The acquiring organization owns the program: it takes control of it, takes its marketing, owns everything. It may operate the model, adapt it, share it, or sell it onward to other nonprofits, entirely as it wishes. The contract will state in writing that **Compassion Network retains no ties, no control, and no claims after the sale is complete.** This is not a partnership offer and not a license. It is a finished program, ready to become theirs — and the acquiring nonprofit brings what completes it: the tax-exempt structure for grants and deductible donations, and the established channels of the Continuum of Care.

What the buyer receives is ten years of development, already done: the four-building model and its care standards, the handbook, the financial architecture and oversight system, the community-life program, and the case documented in Sections 1 and 2.

12. The Founder

Betsy O'Connor lives in Laconia, New Hampshire. For **seven years** she was the first point of contact in her department — the person who answered when someone experiencing homelessness called looking for emergency help. The stories of pain and suffering in those calls led her to work closely with hospitals and to provide training.

She served as **administrator of the state grant and aid program** that funds emergency shelters in New Hampshire. Her bureau chief gave her permission to change and update many of the laws, policies, and statutes that had been in effect for years, so they made more sense and better reflected the needs of the people they served.

One case changed state practice. A bariatric patient in northern New Hampshire was about to enter homelessness in wintertime, suffering from skin disease caused by prolonged wetness and neglect — and there was nowhere for him to go. The result: New Hampshire Health and Human Services instituted **monthly patient-care reviews**, with department heads at the table and current information on every patient. Betsy was included in those reviews for four years and helped write the policies that came out of them — on training, on examinations, on note writing, and on when to move forward with care plans.

Through a **human trafficking task force**, she trained highway rest-stop workers across the state to recognize the signs of trafficking and report them safely. Two of the workers she trained were themselves homeless, living out of their cars in different parts of the state. She got them housing. And over the years, she has taken **more than 20 people into her own home** — people about to become homeless, or already homeless and living in a tent — many staying for months while their lives were put back together, with church fundraisers she organized helping them into apartments of their own.

She has built this model for more than ten years — 2016 to today — checking at each step with folks who know the business, for options, advice, debates, and recommendations. She has done all of it self-funded: not one cent from the government, not one cent from donors.

Why build a program in order to sell it and walk away with no ties? In her words:

"My job — my quest — was to put this together in a sensible, applicable way, so that my heart knows I did something to end homelessness."

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