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**ENTREPRENEURIAL EDGE**

## **Small Businesses Offer Alternatives to Gang Life**

**By JAMES FLANIGAN**

IN Los Angeles, a corporation that runs several small businesses is demonstrating that the training and discipline of working in a small company can make a big contribution to changing the lives of former gang members.

The corporation, Homeboy Industries, runs a silkscreen business, for example, that produced revenue of \$1.1 million last year from sales of custom T-shirts and other apparel for radio stations running promotions and college and private groups holding events. The business employs former gang members to make the T-shirts and uses the money to help offset the corporation's expenses. Homeboy Silkscreen started 12 years ago in a converted warehouse under a freeway overpass near downtown Los Angeles and now has 18 employees.

Homeboy Bakery has a new plant that has \$3 million in ovens and machinery and its managers hope to produce millions of dollars in revenue within a year or two, said the master baker, Alvaro Ocegueda. He supervises 25 former gang members who have become bakers under his guidance and with professional training at Los Angeles Trade-Technical College, a two-year community college.

There is also a Homegirl Café, that has a staff of 27 girls who were "gang impacted" either as auxiliary gang members or as residents of neighborhoods under gang influence. The cafe has brought in more than \$220,000 in five months of serving breakfast and lunch six days a week, said Patricia Zarate, who cooks for and manages the business.

Homeboy Maintenance takes in about \$6,000 a month, and a Homeboy retail store sold \$25,000 in Homeboy shirts and caps in a recent three-month period.

Though it may sound like a budding conglomerate, Homeboy is a nonprofit charitable corporation that last year had a budget of \$5 million and goals that emphasize rehabilitation over revenue.

“The aim of the cash-producing businesses is that they bring in enough to pay for the free services,” said the Rev. Gregory Boyle, a Jesuit priest who founded Homeboy Industries in East Los Angeles two decades ago and is now its executive director. Those services include mental therapy for former gang members, housing assistance, job development counseling and tattoo removal treatments.

The tattoo removals are not a fashion statement but a safety concern. Gang tattoos are a marker of the rivalries among the 26,000 members of Los Angeles’s 250 gangs, according to the Los Angeles Police Department. Many gangs have been in existence for decades, and, police department figures show, their activities in the last five years have resulted in 12,000 assaults, 10,000 robberies, 784 homicides and 500 rapes.

Twenty years ago, when he was assigned to Dolores Mission Church, the poorest parish in the Archdiocese of Los Angeles, Father Boyle decided to try employment as a way to break the cycle of gangs, crime and imprisonment for the neighborhood’s young men. He tried to persuade businesses to hire reforming gang members through a parish organization he called Jobs for a Future. Then, in 1992, he bought an abandoned bakery with a contribution from Ray Stark, the Hollywood producer (“Funny Girl,” “California Suite,” and “Annie” among others). Father Boyle put a half dozen former gang members — “homeboys” in street parlance — to work cleaning up the bakery and producing tortillas for sale. Tortilla sales led to making bread for a large baking company that supplied restaurants.

That ultimately led to Homeboy bakers being trained at Mi Vida-My Life, a family bakery run by Mr. Ocegueda, who tutored them in the mystical tradition of baking. “You knead the dough by hand and all of the tensions and the spirit you are feeling go into the bread,” Mr. Ocegueda said in an interview.

Homeboy Bakery was offered a grant to buy an automatic dough mixer, Mr. Ocegueda said. “But Father Greg said no, it is better to have them knead by hand because we can employ more people.”

The assignment seems anachronistic because Homeboy Bakery, with its gleaming new ovens and storage bins, is now housed in the Fran and Ray Stark Homeboy Industries headquarters, an \$8.5 million center built with philanthropic contributions and opened last October.

But Homeboy’s emphasis is on putting gang members to work. “Our most important task is job training,” Father Boyle said in a telephone interview from Italy, where he is on a three-month sabbatical to write a book on Homeboy’s work in reclaiming lives. Indeed, Mr. Ocegueda’s

assignment is to double the number of Homeboy bakers to 50 next year. The jobs pay \$9 to \$10 an hour, with health benefits after the employee is on the job three months. The aim is to introduce gang members to the discipline of work and eventually to graduate them to jobs in the commercial marketplace.

The Homeboy organization conducts thousands of job development interviews every year, with Father Boyle seeing more than 50 people a day. In his current absence, the chief operating officer, Veronica Vargas, is taking on that work. The organization is now compiling a database of all the people who have been helped or treated through the years, said Mona Hobson, director of development.

The organization is also anticipating expansion. The new Homeboy headquarters, a few blocks from Los Angeles City Hall, “gives us a chance to reach out to African-American gangs; our focus is countywide,” Father Boyle said.

The new center has spurred ideas for growth among supervisors of the businesses, some of whom were once troubled youths but not gang members. “I was a tagger,” a graffiti painter, said Rosaliano Mendez, who heads the maintenance business. “I dropped out of school, but I went back and now I’m studying for an associate degree in business.”

Mr. Mendez sees opportunity for expansion in commercial office cleaning. Eric Bennett, who heads the retail operation, said he “met Father Greg when I was in some trouble.” Mr. Bennett said he was hopeful that “we can spread the Homeboy brand in off-campus stores not only in California but across the country.”

Homeboy Industries’ board, whose members are business and professional people, would like to see expansion. “I think the bakery should be bringing in \$4 million to \$5 million in revenue per year,” said David Adams, the chairman of real estate investment firms in Santa Barbara and Los Angeles and the chief fund-raiser for the new Homeboy headquarters.

At the moment, the bakery is close to signing a big order for bread and pastries from a chain of coffeehouse restaurants and is seeking other big customers.

Ruben Rodriguez, who with his wife, Cristina, heads the silk screen business, also says he believes expansion is possible. A big factor for Mr. Rodriguez, one of the longest-serving Homeboy supervisors — “I met Father Greg at a bad time in my life.” — is that “Father Greg does all the marketing” for Homeboy products and services.

A question for Homeboy Industries, which is common to all small businesses, is whether the company could go on and prosper without its entrepreneurial founder. Father Boyle, 54 and healthy today, survived leukemia six years ago.

“Several years ago, I might have doubted that it could,” said Michael Hennigan, president of the Homeboy directors and founder of a Los Angeles law firm. “But today I think the organization is large enough and talent from the Jesuit order and elsewhere would come forward. The organization will go on and prosper.”