

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 14, 2015

CAO File No. 0220-03529-0016

Council File No. 14-0955-S1

Council District: --

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Board of Police Commissioners Transmittal dated August 4, 2015

Subject: **2015-16 REAL ESTATE FRAUD PROSECUTION GRANT PROGRAM**

SUMMARY

The Los Angeles Police Department (LAPD) is seeking retroactive approval to apply for and accept a \$312,000 grant award for the 2015-16 Real Estate Fraud Prosecution Grant Program (Program) from the County of Los Angeles Real Estate Fraud Prosecution Trust Fund Committee (County) for the period July 1, 2015 through June 30, 2016. This is the sixteenth year of funding for this Program.

BACKGROUND

The Real Estate Fraud Prosecution Trust Fund (Trust Fund) is funded by a filing fee for real estate documents recorded in the County, as provided by the California Government Code Section 27388. The Trust Fund supports the efforts of local law enforcement and prosecuting agencies to investigate and prosecute real estate fraud. The County evaluates applications for funds and provides grant awards to selected jurisdictions. The level of annual funding provided by the fee is dependent upon the number of document titles filed within the County of Los Angeles.

The grant reimburses a portion of the annual cost of the LAPD's Real Estate Fraud Unit (REFU). The REFU, which is within the LAPD's Commercial Crimes Division, is responsible for administering the City's Real Estate Fraud Prosecution Program. This unit handles white-collar real estate crimes within the City. The REFU is currently comprised of one Police Detective III and three Police Detective II positions.

The REFU opened 105 new cases in calendar year 2014 in addition to the cases carried over from 2013. The REFU made 19 arrests from the cases filed by REFU Detectives. These cases tend to be complex, usually developing into multiple victims being identified. The Department also states that Identity Theft often becomes a starting point for real estate fraud cases.

Under the grant agreement, the County will reimburse the City for expenses incurred as follows:

Sworn Salaries	\$160,516
Fringe Benefits	101,655
Sworn Overtime	41,754
Travel/Training	500
Subscription Service	100
Equipment – Cell phones and service	4,075
Office Supplies	3,400
Total	<u>\$312,000</u>

The LAPD will utilize \$262,171 to finance 100 percent of the salary and fringe benefits costs of one Detective III position and 30 percent of one Detective II position. The remaining cost of four Detective II positions is funded in the LAPD's 2015-16 Adopted Budget. The LAPD will also utilize \$41,754 in grant funds for sworn overtime expenses for the detectives assigned on an overtime basis. This allows the LAPD to dedicate additional resources to case investigations, including interviewing victims and witnesses. The LAPD will also use \$500 for REFU personnel to travel to and attend trainings that will enhance their knowledge and expertise as it relates to real estate fraud. The balance of \$7,575 will be utilized for a subscription service, equipment, and office supplies. Further details on the grant are provided in the correspondence from the Board of Police Commissioners dated August 4, 2015.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the Chief of Police or designee to:
 - a. Retroactively apply for and accept the 2015-16 Real Estate Fraud Prosecution Grant (RFPG) in the amount of \$312,000 from the County of Los Angeles Real Estate Fraud Prosecution Trust Fund Committee for the period July 1, 2015 through June 30, 2016;
 - b. Execute the RFPG Agreement on behalf of the City and submit all necessary documents relative to the grant award and to negotiate, execute and submit any other necessary agreements and documents relative to the grant, subject to the approval of the City Attorney as to form and legality;
2. Authorize the Los Angeles Police Department (LAPD) to:
 - a. Submit RFPG reimbursement requests to the grantor and deposit grant receipts in the Police Department Grant Trust Fund No. 339, Department 70;

- b. Spend the RFPG funds up to the grant amount of \$312,000 in accordance with the grant award agreement;
3. Authorize the Controller to:
- a. Establish a grant receivable and appropriate \$312,000 to appropriation account, account number to be determined, within Fund 339, Department 70 for the receipt and disbursement of RFPG grant funds.
 - b. Transfer appropriations within Fund 339, Department 70 as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	70XXXX	2015-16 Real Estate Fraud Prosecution	\$101,655

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
To:	70XXXX	Police Related Costs	\$101,655

- c. Increase appropriations on an as-needed basis as follows:

From:

<u>Fund/Dept</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
339/70	70XXXX	2015-16 Real Estate Fraud Prosecution	\$202,270

To:

<u>Fund/Dept</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/70	001012	Sworn Salaries	\$160,516
	001092	Sworn Overtime	41,754

- 4. Authorize the LAPD to prepare Controller's instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize and instruct the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

Approval of the recommendations within this report will allow for the expenditure of the 2015-16 Real Estate Fraud Prosecution Grant Program award totaling \$312,000. The grant will provide 100 percent of the salary and fringe benefits costs of one Detective III position and 30 percent of one Detective II position, overtime funding for sworn personnel, and other expenses. No matching funds are required for this grant. All other sworn salary and fringe benefits costs supporting this grant are already included in the 2015-16 Adopted Budget and do not represent any additional General Fund impact.