

INTRADEPARTMENTAL CORRESPONDENCE

BPC #18-0264 3H

RECEIVED

AUG 02 2018

August 1, 2018  
14.3

POLICE COMMISSION

REVIEWED

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

*Richard M. Tefank*  
RICHARD M. TEFANK  
EXECUTIVE DIRECTOR

8-2-18  
DATE

SUBJECT: TRANSMITTAL OF THE GRANT APPLICATION AND AWARD  
ACCEPTANCE FOR THE 2018-2019 REAL ESTATE FRAUD  
PROSECUTION GRANT

RECOMMENDED ACTIONS

1. That the Board of Police Commissioners (Board) REVIEW and APPROVE this report.
2. That the Board TRANSMIT the attached grant application and award for the Fiscal Year (FY) 2018-19 Real Estate Fraud Prosecution Program Grant pursuant to Administrative Code Section 14.6(a), to the Mayor, Office of the City Administrative Officer (CAO), Chief Legislative Analyst, and to the City Clerk for committee and City Council consideration.
3. That the Board REQUEST the Mayor and City Council to:
  - A. AUTHORIZE the Chief of Police or his designee to ACCEPT the FY 2018-19 Real Estate Fraud Prosecution Program Grant award in the amount of \$750,000.00 from the County of Los Angeles, for the period of July 1, 2018 to June 30, 2019;
  - B. AUTHORIZE the Chief of Police or his designee to execute an Award Agreement with the County of Los Angeles, subject to the City Attorney's approval as to form;
  - C. AUTHORIZE the Controller to set up a grant receivable and appropriate \$750,000.00 to appropriation account number to be determined in Fund No. 339, Department No. 70, for the disbursement of the FY 2018-19 Real Estate Fraud Prosecution Program Grant funds;
  - D. AUTHORIZE by resolution to renew the following positions within the Los Angeles Police Department (LAPD) through June 30, 2019:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
1	2223-3	Detective III
1	2223-2	Detective II

- E. AUTHORIZE a new Council Resolution for the following position within the Los Angeles Police Department (LAPD) through June 30, 2019:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
1	2223-2	Detective II

- F. AUTHORIZE the Los Angeles Police Department (LAPD) to utilize the FY 2018-19 Real Estate Fraud Prosecution Grant funds in accordance with the FY 2018-19 Grant Acceptance, to fund the program intended to deter, investigate, and prosecute real estate fraud for the period of July 1, 2018 to June 30, 2019;
- G. AUTHORIZE the LAPD to submit grant reimbursement requests to the grantor and deposit grant receipts in Fund No. 339, Department No. 70;
- H. AUTHORIZE the Controller to transfer appropriation within Fund No. 339, Department No. 70, for the related costs:

From:	
<u>Account Number</u>	<u>Amount</u>
Appropriation Account Number to be determined	\$280,460.92

To:	
<u>Account Number</u>	<u>Amount</u>
Related Costs	\$280,460.92

- I. AUTHORIZE the Controller to increase appropriations as needed from Fund No. 339, Department No. 70, FY 2018-19 Real Estate Fraud Prosecution Grant appropriation, account number to be determined, to Fund No. 100, Department No. 70, account numbers and amounts as follows:

Account No. 001012, Sworn Salaries, \$401,864.05  
Account No. 001092, Sworn Overtime, \$60,000.00

- J. AUTHORIZE the LAPD to prepare the Controller instructions for any technical adjustments, subject to the approval of the CAO, and INSTRUCT the Controller to implement the instructions.

## DISCUSSION

This is the eighteenth year of funding for the Los Angeles County Real Estate Fraud Prosecution Program. The Program is funded from fees paid to Los Angeles County for filing real estate

related documents in accordance with Government Code Section 27388. It is anticipated that this filing fee will continue to be charged and that this grant award will be renewed annually.

The Real Estate Fraud Unit (REFU), Commercial Crimes Division (CCD), handles all white-collar real estate crimes within the City of Los Angeles. The REFU opened 80 new cases in calendar year 2017 in addition to the cases carried over from 2014-2016. The REFU made 17 arrests in conjunction with the cases filed by REFU detectives. These cases continue to be complex and complicated, usually developing into additional victims being located. It takes approximately 12-16 months to complete the cases from the time of reporting. The epidemic of fraudulent recorded documents has intensified the number of reported crimes. Identity theft also continues to be a frequent starting point for real estate cases. The REFU has established a reputation within the private sector of the real estate community as a valuable and experienced unit.

The FY 2018-19 grant will pay 100 percent of salary and fringe benefits for one Detective III and two Detective II investigator positions. Two Resolution Authorities have been established in LAPD for those positions. An additional Resolution Authority is being requested for a second Detective II position. In addition, it will fund related overtime expenses for the four investigative detectives assigned to the Unit. The overtime will also be utilized by other detectives assigned to the Commercial Crimes Division Fraud Unit who will assist in working on real estate fraud cases. The grant includes funding in the amount of \$7,675 for travel and training, cellular phones, equipment, title/document search services, office supplies and miscellaneous expenses.

If you have any questions regarding this transmittal, please contact Senior Management Analyst Stella Larracas, Officer in Charge, Grants Section, at (213) 486-0380.

Respectfully,



MICHEL R. MOORE  
Chief of Police

**BOARD OF**  
**POLICE COMMISSIONERS**  
Approved *August 7, 2018*  
Secretary *Maria Silva*

Attachments



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

June 22, 2018

Chief Charlie Beck  
City of Los Angeles Police Department  
100 West 1st Street  
Los Angeles, California 90012

Board of Supervisors  
HILDA L. SOLIS  
First District  
MARK RIDLEY-THOMAS  
Second District  
SHEILA KUEHL  
Third District  
JANICE HAHN  
Fourth District  
KATHRYN BARGER  
Fifth District

### 2018-19 REAL ESTATE FRAUD PROSECUTION GRANT

Dear Chief Beck:

This is to advise you that your Real Estate Fraud Prosecution grant application for the period July 1, 2018 through June 30, 2019, has been approved by the Real Estate Fraud Prosecution Trust Fund Committee, in the amount of \$750,000.

Please complete and return the enclosed Grant Acceptance Form (Attachment I), and Budget Detail Form (Attachment II) based on the grant award amount, no later than June 30, 2018. Both documents must be submitted to accept the grant.

Prior to signing the Grant Acceptance Form, please read the Real Estate Fraud Prosecution Grant Reimbursement Requirements (Attachment III) to ensure that your agency can meet the supporting documentation requirements necessary for reimbursement for the Real Estate Fraud grant. The Grant Acceptance Form must be signed by the City of Los Angeles Police Chief.

Payment of grant funds shall be made subsequent to the receipt of quarterly invoices. Also, enclosed is the Grant Reporting Form (Attachment IV) which must be completed and returned by September 1, 2019, 60 days following the end of the grant period. Correspondence should be mailed to:

Real Estate Fraud Prosecution Trust Fund Committee  
c/o Los Angeles County Chief Executive Office  
500 West Temple Street, Room 754, Los Angeles, California 90012  
Attention: Veronica Cox

All inquiries should be directed to the Real Estate Fraud Prosecution Trust Fund Committee liaison, Veronica Cox at (213) 974-4366 or at [vc Cox@ceo.lacounty.gov](mailto:vc Cox@ceo.lacounty.gov).

Sincerely,

*for SACHI A. HAMAI*

SACHI A. HAMAI  
Chief Executive Officer

SAH:JJ:MM:SW  
RCP:VIC:cc

Enclosures

*"To Enrich Lives Through Effective And Caring Service"*



**2018-19 GRANT ACCEPTANCE FORM  
REAL ESTATE FRAUD PROSECUTION PROGRAM**

**Agency:** City of Los Angeles Police Department

**Address:** 100 West First Street, Suite 842, Los Angeles, CA 90012

**Telephone:** (213) 486-0380

**Purpose of Grant:** Investigation and Prosecution of Real Estate Fraud Cases

**Amount Awarded:** \$750,000.00

I understand by the acceptance of these funds, the above agency will:

- Utilize the funds for the prosecution and/or investigation of real estate fraud cases;
- Ensure that receipt of these funds will not be used to offset a reduction in any other source of funds;
- Submit reimbursement claims, at the end of each quarter (if any funding was expended during that quarter), to address at the bottom of this form;
- Understand that award of these funds is subject to the availability of funds deposited into the Real Estate Fraud Trust Fund and that in the event funds deposited are insufficient to cover all grant funds awarded, the Real Estate Fraud Prosecution Trust Fund Committee may reduce each agency's grant award on a pro-rata basis;
- Attend the Real Estate Fraud Task Force monthly meeting; and
- Request carryover of unspent grant funds by **May 1, 2019** if investigations and/or prosecutions are still in progress. Requests to carryover funds for salaries and employee benefits will not be allowed unless the expenditures were incurred during the authorized grant period.

\_\_\_\_\_  
Agency Director

7.9.18  
\_\_\_\_\_  
Date

Please return this completed form by **July 6, 2018** to:

Real Estate Fraud Prosecution Trust Fund  
c/o Los Angeles County Chief Executive Office  
Attn: Veronica Cox (213) 974-4366  
500 West Temple Street, Room 754  
Los Angeles, California 90012

The Los Angeles Police Department will use the grant award to fund the salaries and fringe benefits of four full-time investigative positions assigned exclusively to the Real Estate Fraud Unit (REFU), Commercial Crimes Division. The investigative positions include one Detective III, who is the Unit's supervisor and a subject matter expert, and three Detective II investigators. Funding in the amount of \$60,000 will be utilized by the four Detective investigators who are assigned to the unit for overtime. The annual salaries, employee benefits, and overtime calculations are provided below. Please note that the fringe benefits amount was calculated at the Federal approved CAP 39 rate of 65.62 percent.

Personnel Costs

Salaries:

Detective III	1	\$ 11,383.25 x 12/mos. =	136,599.00
Detective II	2	\$ 10,361.92 x 12/mos. x 2 =	248,686.08
Detective II	0.21470578	\$10,361.92x12/mos.=124,343.04	<u>26,697.17</u>
			411,982.25

Fringe Benefits:

Detective III	1	\$136,599.00 x 65.62% =	89,636.26
Detective II	2	\$248,686.08 x 65.62% =	163,187.81
Detective II	0.21470578	\$26,697.17 x 65.62% =	<u>17,518.68</u>
			270,342.75

Overtime:

638.2978 hours x \$94/hr. =	<u>60,000.00</u>
<b>Total Personnel</b>	<b>\$742,324.97</b>

Operating Costs

Travel/Training	1,000
Subscription Service	100
Cellular Phones/Equipment	4,075
Office Supplies/Misc. Expenses	<u>2,500</u>
<b>Total Operating Costs</b>	<b>\$ 7,675</b>

**Total Cost \$750,000.00**

Included in the budget is \$1,000 for training and travel costs. The REFU utilizes two outside vendors for service support for the Unit. Those services include real estate title and related document searches, and cellular telephone equipment and service. The annual costs of those services are estimated at \$4,175. Grant funding in the amount of \$2,500 has been included for office supplies and miscellaneous expenses. The total Operating Costs requested are \$7,675.

The REFU, has operated with funding from the Los Angeles County Real Estate Fraud Prosecution Program for approximately seventeen years. The LAPD's original resolution authority was for five full-time positions whose responsibility was to investigate real estate fraud cases on a Citywide basis. The REFU currently operates with four full-time positions.

REFU opened 80 new cases in calendar year 2017 in addition to the cases carried over from 2014-2016. The REFU made 17 arrests in conjunction with the cases filed by REFU detectives. These cases continue to be complex and complicated, usually developing into additional victims being located. It takes approximately 12-16 months to complete the cases from the time of reporting. The epidemic of fraudulent recorded documents has intensified the number of reported crimes. Identity theft also continues to be a frequent starting point for real estate cases.

The REFU has established a valuable and experienced reputation within the private sector of the real estate community. Frequently, the REFU receives calls from private industry regarding possible suspects in the act of committing real estate fraud. Other law enforcement agencies also contact the REFU for advice and direction.

Detective III Ernest Munoz, Serial No. 27624, is the current supervisor for the REFU.

### **LAPD REFU Detective III (D III) and Detective II (D II) Job Duties Summaries**

#### ***D III, Officer In Charge of REFU:***

Duties are to supervise three D IIs and set goals for the unit. The D III reviews all incoming reports, and evaluates and assigns cases. He also discusses cases with D IIs and provides advice, support and direction. This position liaises with supervisors from federal, state, and local agencies regarding investigations and jurisdictions. He works closely with the head deputy at the DA's Real Estate Fraud Unit to increase the quality of investigations to move cases forward and increase convictions.

The D III provides instruction regarding real estate fraud at POST courses and other teaching opportunities.

The D III's administrative duties include completing personnel evaluations with supporting documentation, researching and preparing monthly productivity reports, and resolving issues with victims and others regarding cases.

Other duties include working closely with the LAPD Grants Unit to administer grant funds. The D III also researches and prepares dates and statistics on a monthly and yearly basis for the grant application and year-end report. The position manages spending on supplies, cell phone bills, travel and training, and overtime of the entire unit. He manages and prepares information for LAPD's online access of the YODA Viewing System administered by the Los Angeles County Registrar-Recorder's Office.

The D III investigates complex real estate fraud cases that require the experience and knowledge of the LAPD Department subject matter expert.

*D II:*

Duties are to complete comprehensive investigations of real estate related crimes on a Citywide basis. As subject matter experts in the area of real estate documents and crimes that constitute criminal investigations, they must determine what matters are civil and require civil litigation. They are assigned cases in which they must interview victims, witnesses, and suspects. As part of their investigations, they must review voluminous real estate documents and financial records to prepare the cases for a felony filing. They prepare and serve search warrants for locations and records. Upon the completion of an investigation they present the cases to the District Attorney's office for filing consideration.

The D IIs handle a high volume of phone calls from citizens, divisional LAPD detectives, private industry contacts, attorneys and other government agencies. They conduct immediate investigations and analyses of information to determine course of action (Report, Referral or Advise). They attend and present case info at monthly real estate task force meetings. The D IIs also assist in the training of other LAPD detectives and help at community outreach opportunities.

The D IIs work in collaboration with the private industry to stop ongoing transactions, and to identify suspects or locations for alerts and sting operations. Upon the issuance of a felony warrant, they initiate investigations to locate and arrest the involved suspects. They also work closely with the district attorney during the court process, serve subpoenas and assist with the successful prosecution of a court case.



**COST ALLOCATION PLAN 39**  
**INDIRECT OR ADMINISTRATIVE COST FACTORS – POLICE DEPARTMENT**  
**Effective 7/1/2016 through 6/30/2017**

COST ALLOCATION PLAN (CAP) 39  
APPROVED BY THE FEDERAL GOVERNMENT

SWORN EMPLOYEES STRAIGHT TIME:

Fringe Benefits	
Pension .....	44.53%
Flex Benefit Program .....	12.09
Employee Assistance .....	0.06
Medicare .....	1.47
Part Time/Seasonal/Temporary Pension.....	0.03
Unused Sick/Vacation Payout .....	1.23
Unemployment Claims .....	0.01
Workers Compensation .....	7.90
Carry Forward, Negative .....	-1.71
<b>Total Fringe Benefits</b>	<b>65.62%</b>
Department Administrative Rate .....	61.79%
General City Overhead .....	17.73
	<u>79.52%</u>
<b>Total Sworn Overhead</b>	<b>145.14%</b>

**Department Field Support** **21.80%**

Note: This indirect cost rate is added to the other rates, when the function or grant includes services provided by sworn employees assigned to the field, and is to be applied only to that portion of the function or grant. The rate represents five Department divisions that support field operations: Records and Identification, Scientific Investigation, Communications, Property and Jail.

CIVILIAN EMPLOYEES STRAIGHT TIME:

Fringe Benefits	
Retirement .....	27.28%
Flex Benefit Program .....	17.31
Employee Assistance .....	0.01
Ordinance Life Insurance .....	0.00
Medicare .....	1.31
Union-Sponsored Benefits .....	0.30
Unused Sick/Vacation Payout .....	0.73
Unemployment Claims .....	0.06
Workers' Compensation .....	4.30
Carry Forward, Positive .....	7.83
<b>Total Fringe Benefits</b>	<b>59.13%</b>
Department Administrative Rate .....	22.35%
General City Overhead .....	16.27
	<u>38.62%</u>
<b>Total Civilian Overhead</b>	<b>97.75%</b>

NOTE: CAP rates are not applied to overtime charges. If extensive overtime is charged to a grant (more than 50% of straight-time charges), or for more information about applying CAP rates, call Fiscal Operations Division at (213) 486-8550.

**COST ALLOCATION PLAN 39 (CAP 39) - INDIRECT COST RATES WITH CARRY FORWARD**

The rates below are to be used to prepare grant applications, contracts and billings for grant activities, and to compute Fees for Special Services, during 2016-17. They are to be applied only to straight time, gross salaries (with CTO). When only net salaries (without CTO) are available, convert net salaries to gross salaries using the CTO rate. For rates applicable to **part time** or **overtime** salaries, please contact CAP staff. **Note: You MUST adjust rates to deduct directly billed costs.** See Instructions - Attachment B, and Indirect Costs Included in Rate Calculations - Attachment C.

DEPARTMENT/Cost Center	Fringe Benefits	Central Services	Department Administration & Support	Division Overhead*	CTO
<b>AGING:</b>					
Balance of Department	48.50%	21.63%	n/a	*	20.12%
Title V	27.87%	5.11%	n/a	*	0.00%
<b>ANIMAL SERVICES</b>	57.90%	42.73%	12.00%	*	24.32%
<b>BUILDING &amp; SAFETY</b>	49.65%	12.24%	22.61%	*	22.37%
<b>CITY ADMINISTRATIVE OFFICER (CAO):</b>					
Petroleum Admin., Proprietary, Capital Projects (Phy. Plant)	40.86%	28.53%	25.10%	*	19.14%
Disaster Grants Coordination	49.80%	22.58%	43.70%	*	19.14%
<b>CITY ATTORNEY:</b>					
Criminal	46.12%	23.44%	12.55%	*	19.34%
Direct Billed - User's Site (Proprietary Depts.)	42.41%	0.35%	15.23%	*	19.34%
Direct Billed - In City Space	43.61%	10.72%	10.87%	*	19.34%
<b>CITY CLERK:</b>					
Elections	48.40%	32.90%	47.62%	*	4.30%
Special Assessments Section	58.65%	121.51%	0.00%	*	20.61%
<b>CONTROLLER:</b>					
Direct Billed (at User's site)	51.11%	4.22%	32.12%	*	20.01%
Direct Billed (in City space)	49.11%	38.91%	18.20%	*	20.01%
<b>CULTURAL AFFAIRS</b>	59.78%	90.13%	69.84%	*	15.64%
<b>DEPARTMENT on DISABILITY</b>	45.95%	42.85%	27.04%	*	16.93%
<b>ECONOMIC AND WORKFORCE DEVELOPMT:</b>					
Balance of Department	51.69%	27.65%	n/a	*	23.42%
As Needed Employees	25.54%	0.00%	n/a	*	n/a
<b>EL PUEBLO</b>	7.24%	0.00%	0.00%	*	23.27%
<b>EMERGENCY MANAGEMENT</b>					
Em. Prep. Policy & Public info.	37.09%	22.26%	21.59%	*	18.09%

**COST ALLOCATION PLAN 39 (CAP 39) - INDIRECT COST RATES WITH CARRY FORWARD**

The rates below are to be used to prepare grant applications, contracts and billings for grant activities, and to compute Fees for Special Services, during 2016-17. They are to be applied only to straight time, gross salaries (with CTO). When only net salaries (without CTO) are available, convert net salaries to gross salaries using the CTO rate. For rates applicable to part time or overtime salaries, please contact CAP staff. **Note: You MUST adjust rates to deduct directly billed costs.** See Instructions - Attachment B, and Indirect Costs Included in Rate Calculations - Attachment C.

DEPARTMENT/Cost Center	Fringe Benefits	Central Services	Department Administration & Support	Division Overhead*	CTO
FINANCE, OFFICE OF					
Revenue Collections	53.14%	48.19%	17.99%	*	23.94%
Cash Management & Street Bonds	43.75%	64.65%	18.21%	*	23.94%
FIRE:					
Civilian	46.33%	19.16%	36.51%	*	21.96%
Sworn (Firefighters)	69.85%	20.32%	34.64% a.	*	12.91%
			14.50% b.		
			49.14% c.		
			Field Support Rate,		
	Combined Dept. Admin. & Support Rate, including Field Support Rate				
GENERAL SERVICES:					
Materials Testing	49.98%	39.76%	16.17%	*	22.13%
Print Shop	50.77%	52.11%	14.97%	*	26.87%
HOUSING & COMM. INVESTMENT (HCID)					
Grant-Funded Housing	47.65%	8.89%	n/a	*	21.32%
Enforcement	45.73%	7.10%	n/a	*	21.32%
Internal Administration	47.53%	36.39%	n/a	*	21.32%
LIBRARY	55.49%	19.81%	21.10%	*	20.27%
LOS ANGELES CONVENTION CENTER	79.32%	2.13%	272.95%	*	17.11%
MAYOR:					
Executive/Policy	43.22%	67.79%	11.38%	*	9.67%
Grant Funded/Spec. Programs	49.38%	101.20%	15.20%	*	14.76%
Direct in City Space	0.00%	0.00%	0.00%	*	0.00%
NEIGHBORHOOD EMPOWERMENT	56.56%	126.07%	164.48%	*	26.82%
PERSONNEL:					
Custody Care (Jails)	52.20%	7.39%	14.36%	*	21.08%
Personnel Grant Funded/Spec. Programs	49.86%	54.70%	11.26%	*	21.08%
PLANNING	49.20%	34.51%	27.87%	*	18.96%
POLICE:					
Civilian	59.13%	16.27%	22.35%	*	28.48%
Sworn	65.62%	17.73%	61.79% a.	*	32.72%
			21.80% b.		
			83.59% c.		
	Combined Dept. Admin. & Support Rate, including Field Support Rate				
			Field Support Rate,		

**\*\*NOTE:** For Fire and Police, the Field Support rate (line b.) captures overhead costs that are in addition to other Administrative and Support Costs. It has been added to the Department Administration rate on this (line a.), together with the other (Fringe, Central Service and CTO) rates.

**COST ALLOCATION PLAN 39 (CAP 39) - INDIRECT COST RATES WITH CARRY FORWARD**

The rates below are to be used to prepare grant applications, contracts and billings for grant activities, and to compute Fees for Special Services, during 2016-17. They are to be applied only to straight time, gross salaries (with CTO). When only net salaries (without CTO) are available, convert net salaries to gross salaries using the CTO rate. For rates applicable to **part time** or **overtime** salaries, please contact CAP staff. **Note: You MUST adjust rates to deduct directly billed costs.** See Instructions - Attachment B, and Indirect Costs Included in Rate Calculations - Attachment C.

DEPARTMENT/Cost Center	Fringe Benefits	Central Services	Department Administration & Support	Division Overhead*	CTO
PUBLIC WORKS, Board Office:					
Public Services	55.55%	89.00%	9.22%	*	21.68%
PW - Contract Administration:					
Construction Inspection	49.30%	8.31%	11.98%	30.66%	20.31%
PW - Engineering:					
Clean Water Infrastructure	47.13%	22.90%	14.90%	*	20.35%
Development Services	46.34%	15.42%	14.75%	*	20.35%
Mobility	45.84%	13.56%	14.65%	*	20.35%
Public Bldgs. & Open Spaces	46.04%	9.50%	15.08%	*	20.35%
PW - Sanitation:					
Solid Waste Program	55.37%	104.20%	7.07%	*	22.67%
Cleanwater/Stormwater Program	51.55%	22.15%	6.26%	*	22.67%
PW - Street Lighting	51.55%	36.58%	22.07%	*	20.51%
PW - Street Services	53.23%	74.91%	23.25%		27.85%
RECREATION & PARKS	47.66%	29.97%	14.58%	*	22.41%
TRANSPORTATION	56.16%	25.00%	13.44%	*	26.08%
ZOO	57.54%	32.32%	26.93%	*	21.89%

**Notes:**

\* Division Overhead includes costs of division heads, section supervisors, clerical and other support staff within divisions or sections. These costs are not part of the Department Administration rate, but are legitimate costs which should be recovered if allowed by your grantor. If these costs are not charged directly to a grant, a Division Overhead indirect cost rate should be calculated. To maintain consistency and insure that Division Overhead costs do not overlap with Department Administration costs, please contact CAP staff for assistance in calculating these rates. Public Works Division Overhead rates are computed by Public Works staff and published herein as a courtesy.





**COST ALLOCATION PLAN INDIRECT COSTS INCLUDED IN RATE CALCULATIONS**

**1. Fringe Benefits Rate includes the department's share of the Citywide costs of:**

Retirement (Civilians)	Employee Assistance	Union Sponsored Benefits
Pensions (Fire/Police Sworn)	Ordinance Life Insurance	Unused Sick/Vacation Payout
FLEX Benefit Program	Medicare	Unemployment Insurance
- Health Insurance	Social Security	Workers' Compensation
- Dental Insurance	Part Time/Seasonal/Temporary	Hiring Hall Fringe
- Basic Life Insurance	(PST) 457 Retirement Plan	

**2. Central Services Rate includes the department's share of the Citywide costs of:**

Building Leases [GSD & Spec. Funds]	Equipment Use Allowance (Equipment costing \$5,000 & above)	General City Purposes [League Dues and audits]
Building Depreciation	Equipment Exp. Under \$5,000 (Equipment Costing under \$5,000)	Liability Claims
Computer Assets Depreciation (items costing \$5,000 & above)	Gas (Natural Gas Utility) [GSD]	Petroleum Products [GSD]
Communications Lease (Telephone bill)	Insurance on bond-financed assets	Vehicle Depreciation
		Water & Electricity
		Emergency Operations Organization

**CITY ADMINISTRATIVE  
OFFICER (CAO)**

- Budget
- Employee Relations & Living Wage
- Gen. Support (Finance, Systems,  
Productivity & Risk Management)
- Mgt/Policy Analysis & Dept Liasion
- Municipal Facilities Projects

**EMPLOYEE RELATIONS BOARD**

**EMERGENCY MANAGEMENT**

- Emergency Preparedness Policy & Public Information

**PERSONNEL**

- Workers' Compensation & Safety
- Personnel Balance of Dept.

**CITY ATTORNEY**

- Civil Litigation & Workers Comp
- Employee Relations
- Municipal Counsel / Legis. Svcs.
- Land Use
- Police Division

**FINANCE**

- Citywide Collections
- Custody & Disbursement  
& Debt Administration

**POLICE DEPARTMENT**

- Security Services

**CITY CLERK**

- Council and Public Services
- Records Management

**GENERAL SERVICES**

- Building Services
- Construction Division
- Fleet Services
- Assets Management (Leasing & Real Estate)
- Mail & Messenger
- Parking Services
- Supply Services

**PUBLIC WORKS**

- Board Office
- Contract Admin:
- Office of Contract Compliance

**CONTROLLER**

- Accounts Payable
- Budget & General Acctg.
- CAP
- FMS
- Internal Audit
- Payroll (incl. Fiscal Systems)
- Single Audit

**INFORMATION TECHNOLOGY**

- AGENCY (ITA)
- IT Services
- Communications Division
- Telecommunications (PPEB)

**PENSIONS: OVERHEADS ALLOCATED**

TO PENSIONS. *(Other Pension costs included in Fringe Benefits)*

**CERS: OVERHEADS ALLOCATED**

TO CERS. *(Other CERS costs included in Fringe Benefits)*

**INDIRECT COSTS INCLUDED IN CAP RATE CALCULATIONS (continued)****3. Department Administration and Support Rate includes costs of support functions within a department:**

The rate includes expenditures which: -- benefit the department as a whole  
 -- are NOT directly charged to a grant or fee program  
 -- are NOT line operations.

**Expenditures include those of:**

Accounting staff	Department Management (Gen. Mgr. & Asst. Gen. Mgrs)
Budget staff	Clerical Staff/word processing staff serving the entire department.
Payroll staff	Systems Staff (if serving the whole department, not a special project)
Personnel & training staff	Warehouse/inventory/stores staff
Inventory staff	Vehicle maintenance staff (Police & Fire only)

*NOTE: The support costs discussed here must conform to Federal definitions of allowable overhead costs and are not necessarily the same as the City's General Administration and Support Program (GASP) in a departmental budget.*

**4. Division Overhead Rates include the costs of support functions within divisions:**

The rate includes the salary and expenses of division heads, section supervisors, and other support within divisions which are not included in the Department Administration costs discussed above. For example, within the Bureau of Engineering, the City Engineer, Deputies, their secretaries and the Administration Division are included in the Department Administration indirect cost rate. Within operating divisions, division heads, assistant division heads, and their secretaries and division support staff are NOT included in the Department Administration rate.

To recover the overhead costs within a division, a department or bureau should directly charge the time of the division head, secretary, assistant division head, and other division support services to a project, or calculate an indirect cost rate to recover their costs. Please work with the CAP office when calculating such rates, to insure that Division Overhead costs do not overlap Department Administration costs.

**5. Compensated Time Off Rate includes the salary paid to employees who are on paid leave such as:**

Sick Leave	Jury Duty	Floating Holiday
Vacation	Bereavement leave	Injury on Duty
Holiday	Preventive Medicine	
Military Leave	Workers' Compensation (salary continuance	
Family Illness	paid by the employing department.)	

**Special Note regarding CTO:**

*CTO rates are to be used only when sick, vacation, and other CTO hours are not directly charged to a fee or grant project. For employees who charge only part of their hours worked to a grant, their time off is usually not being charged to the project, so the cost of that time off must be recovered using the CTO Rate. For employees whose entire annual salary is charged to a fee or grant, CTO is recovered as they take their time off, and the CTO Rate is not to be used. When the CTO Rate is applied to net salaries, the amount derived is added to net salaries to create gross salaries. The derived gross salaries becomes the base against which the fringe benefit rate and other indirect cost rates described above are applied.*

**6. OTHER DEFINITIONS**

- Gross Salaries - Total annual salaries, which include pay for time worked AND compensated time off.
- Net Salaries - Pay for time worked only, not including compensated time off.

**COUNTY OF LOS ANGELES REAL ESTATE FRAUD PROSECUTION PROGRAM  
2018-19 GRANT APPLICATION**

Please complete all the information requested by this grant application. The grant funds can only be used for investigation and deterrence of real estate fraud (Government Code Section 27388(b)). Grant funds cannot be used to offset a reduction in any source of funds (Government Code Section 27388(g)). This grant will fund programs from July 1, 2018 through June 30, 2019. Please return completed application by May 7, 2018 to:

**Real Estate Fraud Prosecution Trust Fund Committee  
Veronica Cox, Principal Analyst, CEO  
Chief Executive Office  
500 West Temple Street  
Hall of Administration, Room 754  
Los Angeles, California 90012  
(213) 974-4366**

**Name:** Detective III Ernest Munoz, Real Estate Fraud Unit

**Agency:** Los Angeles Police Department

**Address:** 100 West First Street, Room 533, Los Angeles, California 90012

**Telephone:** (213) 486-8715      **E-mail:** 27624@lapd.online

**Purpose of Grant:**

The Los Angeles Police Department (LAPD), Real Estate Fraud Unit (REFU), will utilize grant funding to support four full-time investigative positions whose responsibility is to investigate real estate fraud cases on a Citywide basis. The secondary purpose is to support the investigators in this assignment by providing funding for expenditures related to overtime, travel, training, supplies and equipment. The total amount requested for salaries, benefits, travel, training, supplies, equipment, and support services is \$932,972.58.

**Amount Requested:** \$932,972.58





Los Angeles County Real Estate Fraud Prosecution Program  
2018-19 Grant Application  
Page 3

Number of real estate fraud cases currently under investigation: 150 Cases

Amount of aggregated monetary losses suffered by victims in real estate fraud cases currently under investigation: \$118,906,164

Number of real estate fraud cases filed with the court(s) in either calendar year 2017 or fiscal year 2016-17: 17 presented, 11 filed, 18 pending filing, 19 rejects and 3 convictions.

Number of victims involved in the cases filed with the court(s) in either calendar year 2017 or fiscal year 2016-17: 20 victims

Amount of aggregated monetary losses suffered by victims in real estate fraud cases filed with the court(s) in calendar year 2017 or fiscal year 2016-17: \$4,728,461

Charlie Beck  
Authorized Representative

  
Signature of Authorized Representative

Chief of Police  
Title

05/03/18  
Date

The Los Angeles Police Department will use the grant award to fund the salaries and fringe benefits of four full-time investigative positions assigned exclusively to the Real Estate Fraud Unit (REFU), Commercial Crimes Division. The investigative positions include one Detective III, who is the Unit's supervisor and a subject matter expert, and three Detective II investigators. Funding in the amount of \$60,000 will be utilized by the four Detective investigators who are assigned to the unit for overtime. The annual salaries, employee benefits, and overtime calculations are provided below. Please note that the fringe benefits amount was calculated at the Federal approved CAP 38 rate of 69.79 percent.

Personnel Costs

Salaries:

Detective III	1	\$ 11,383.25 x 12/mos. =	\$136,599.00
Detective II	3	\$ 10,361.92 x 12/mos. x 3 =	<u>373,029.12</u>
			509,628.12

Fringe Benefits:

Detective III	1	\$136,599.00 x 69.79% =	95,332.44
Detective II	3	\$373,029.12 x 69.79% =	<u>260,337.02</u>
			355,669.46

Overtime:

638.2978 hours x \$94/hr. =	<u>60,000.00</u>
<b>Total Personnel</b>	<b>\$925,297.58</b>

Operating Costs

Travel/Training	1,000
Subscription Service	100
Cellular Phones/Equipment	4,075
Office Supplies/Misc. Expenses	<u>2,500</u>
<b>Total Operating Costs</b>	<b>\$ 7,675</b>

**Total Cost \$932,972.58**

Included in the budget is \$1,000 for training and travel costs. The REFU utilizes two outside vendors for service support for the Unit. Those services include real estate title and related document searches, and cellular telephone equipment and service.

The annual costs of those services are estimated at \$4,175. Grant funding in the amount of \$2,500 has been included for office supplies and miscellaneous expenses. The total Operating Costs requested are \$7,675.

The REFU, has operated with funding from the Los Angeles County Real Estate Fraud Prosecution Program for approximately seventeen years. The LAPD's original resolution authority was for five full-time positions whose responsibility was to investigate real estate fraud cases on a Citywide basis. The REFU currently operates with four full-time positions.

REFU opened 80 new cases in calendar year 2017 in addition to the cases carried over from 2014-2016. The REFU made 17 arrests in conjunction with the cases filed by REFU detectives. These cases continue to be complex and complicated, usually developing into additional victims being located. It takes approximately 12-16 months to complete the cases from the time of reporting. The epidemic of fraudulent recorded documents has intensified the number of reported crimes. Identity theft also continues to be a frequent starting point for real estate cases.

The REFU has established a valuable and experienced reputation within the private sector of the real estate community. Frequently, the REFU receives calls from private industry regarding possible suspects in the act of committing real estate fraud. Other law enforcement agencies also contact the REFU for advice and direction.

Detective III Ernest Munoz, Serial No. 27624, is the current supervisor for the REFU.



## INTRADEPARTMENTAL CORRESPONDENCE

July 11, 2018  
14.3

**TO:** Chief of Police

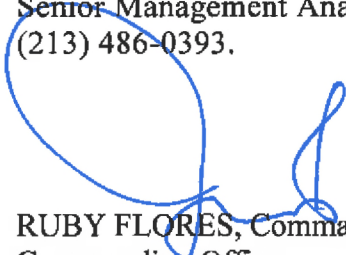
**FROM:** Commanding Officer, Community Policing and Policy Group

**SUBJECT:** TRANSMITTAL OF THE GRANT APPLICATION AND AWARD  
ACCEPTANCE FOR THE 2018-2019 REAL ESTATE FRAUD  
PROSECUTION GRANT

Attached for your approval and signature is an Intradepartmental Correspondence to the Board of Police Commissioners, requesting approval to transmit the attached Grant Application and Award for the Fiscal Year 2018-2019 Real Estate Fraud Prosecution Program Grant, pursuant to Administrative Code Section 14.6(a), to the Mayor, Office of the City Administrative Officer, Office of the Chief Legislative Analyst and to the City Clerk for Committee and City Council consideration. The Los Angeles Police Department is requesting authorization to accept the \$750,000.00 of grant funding from the County of Los Angeles for the period of July 1, 2018 through June 30, 2019.

Program funds will assist the Department in staffing three full-time investigative positions assigned to the Real Estate Fraud Unit. It will also provide overtime funding to investigate white-collar real estate fraud crimes.

If you have any questions regarding this matter, a member of your staff may contact Senior Management Analyst Stella Larracas, Officer in Charge, Grants Section, at (213) 486-0393.



RUBY FLORES, Commander  
Commanding Officer  
Community Policing and Policy Group

Attachments