

# LOS ANGELES POLICE COMMISSION

BOARD OF  
POLICE COMMISSIONERS

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Mayor

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EXECUTIVE DIRECTOR

ALEXANDER A. BUSTAMANTE  
INSPECTOR GENERAL

EXECUTIVE OFFICE  
POLICE ADMINISTRATION BUILDING  
100 WEST FIRST STREET, SUITE 134  
LOS ANGELES, CA 90012-4112

(213) 236-1400 PHONE  
(213) 236-1410 FAX  
(213) 236-1440 TDD

July 15, 2014

BPC #14-0278

The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
City Hall, Room 303  
Los Angeles, California 90012

The Honorable City Council  
City of Los Angeles  
c/o City Clerk's Office

Dear Honorable Members:

RE: TRANSMITTAL OF THE LOS ANGELES COUNTY FISCAL YEAR 2014-15  
REAL ESTATE FRAUD PROSECUTION PROGRAM GRANT

At the regular meeting of the Board of Police Commissioners held July 15, 2014, the Board APPROVED the Department's report relative to the above matter.

This matter is being forwarded to you for approval.

Respectfully,

BOARD OF POLICE COMMISSIONERS

MARIA SILVA  
Commission Executive Assistant

Attachment

c: Chief of Police

INTRADEPARTMENTAL CORRESPONDENCE

BPC #14-027886

RECEIVED

JUL 11 2014

POLICE COMMISSION

REVIEWED

July 11, 2014  
1.17

**TO:** The Honorable Board of Police Commissioners

**FROM:** Chief of Police

*Richard M. Temank*  
RICHARD M. TEMANK  
DEPUTY CHIEF OF POLICE  
7/10/14  
DATE

**SUBJECT:** TRANSMITTAL OF THE LOS ANGELES COUNTY FISCAL YEAR  
2014-15 REAL ESTATE FRAUD PROSECUTION PROGRAM 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) 2014-15 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 2014-15 Real Estate Fraud Prosecution Program Grant award in the amount of \$555,000 from the County of Los Angeles, for the period of July 1, 2014 to June 30, 2015;
  - 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 and legality;
  - C. AUTHORIZE the Los Angeles Police Department (LAPD) to utilize the FY 2014-15 Real Estate Fraud Prosecution Grant funds in accordance with the FY 2014-2015 Grant Acceptance, to fund programs which deter, investigate, and prosecute real estate fraud for the period of July 1, 2014 to June 30, 2015;
  - D. AUTHORIZE the LAPD to submit grant reimbursement requests to the grantor and deposit grant receipts in Fund No. 339, Department No. 70;
  - E. AUTHORIZE the Controller to set up the grant receivable of \$555,000 and establish an appropriation account to be determined in Fund No. 339, Department No. 70, for the disbursement of the FY 2014-15 Real Estate Fraud Prosecution Program Grant funds;

- F. 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	\$183,188

To:

<u>Account Number</u>	<u>Amount</u>
Related Costs	\$183,188

- G. AUTHORIZE the Controller to increase appropriations as needed from Fund No. 339, Department No. 70, FY 2014-15 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, \$333,009

Account No. 001092, Sworn Overtime, \$30,078

- H. 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 fifteenth 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, handles all white-collar real estate crimes within the City of Los Angeles. The REFU opened 130 new cases in calendar year 2013 and made 21 arrests in conjunction with the cases filed by REFU detectives. The REFU has established a reputation within the private sector of the real estate community as a valuable and experienced unit.

The FY 2014-15 grant will pay 100 percent of salary and fringe benefits for one Detective III and one Detective II positions, and 80 percent of an additional Detective II position. It will also fund related overtime expenses for the four investigative detectives assigned to the Unit. The grant also includes funding in the amount of \$8,725 for travel and training, cellular phones, equipment, title/document search services, office supplies and miscellaneous expenses.

The Honorable Board of Police Commissioners

Page 3

1.17

If you have any questions regarding this transmittal, please contact Chief Information Officer Maggie Goodrich, Commanding Officer, Information Technology Bureau, at (213) 486-0370.

Respectfully,



CHARLIE BECK  
Chief of Police

Attachments

**BOARD OF  
POLICE COMMISSIONERS**  
Approved *July 15, 2014*  
Secretary *Maria Delia*

INTRADEPARTMENTAL CORRESPONDENCE

RECEIVED

JUL 11 2014

POLICE COMMISSION

June 30, 2014  
1.17

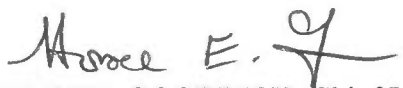
**TO:** Chief of Police

**FROM:** Commanding Officer, Information Technology Bureau

**SUBJECT:** TRANSMITTAL OF THE LOS ANGELES COUNTY FISCAL YEAR  
2014-15 REAL ESTATE FRAUD PROSECUTION PROGRAM GRANT

Attached for your review and approval is a transmittal to accept the grant application and award for the Fiscal Year 2014-2015 Real Estate Fraud Prosecution Program Grant. The Los Angeles Police Department has been awarded \$555,000 by the County of Los Angeles. The awarded grant funds will assist the Department in staffing 2.8 full-time investigative positions at the Real Estate Fraud Unit. It will also provide additional program funding to investigate white-collar real estate fraud crimes. The award period begins July 1, 2014, and ends on June 30, 2015.

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



MAGGIE GOODRICH, Chief Information Officer  
Commanding Officer  
Information Technology Bureau

Attachments



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>

WILLIAM T FUJIOKA  
Chief Executive Officer

June 9, 2014

Board of Supervisors  
GLORIA MOLINA  
First District  
MARK RIDLEY-THOMAS  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

Chief Charlie Beck  
Los Angeles Police Department  
100 West First Street  
Los Angeles, California 90012

Dear Chief Beck:

**2014-15 REAL ESTATE FRAUD PROSECUTION GRANT**

This is to advise you that your Real Estate Fraud Prosecution grant application for the period July 1, 2014 through June 30, 2015, has been approved by the Real Estate Fraud Prosecution Trust Fund Committee, for the amount of \$555,000.

Please complete and return the enclosed Grant Acceptance Form and a revised budget based on the new grant amount no later than June 30, 2014. Both documents must be submitted to accept the grant. The Grant Acceptance Form must be signed by the Chief of Police.

Payment of grant funds shall be made subsequent to the receipt of quarterly invoices. Also, enclosed is the Grant Reporting Form which must be completed and returned by September 1, 2015, 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: Patricia Vallejo Rodarte

All inquiries should be directed to the Real Estate Fraud Prosecution Trust Fund Committee liaison, Patricia Vallejo Rodarte at (213) 974-2535 or at [pvallejo@ceo.lacounty.gov](mailto:pvallejo@ceo.lacounty.gov).

Sincerely,

WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:GAM:SW  
PV:cc

Enclosures

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

*Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only*

**2014-15 GRANT ACCEPTANCE FORM  
REAL ESTATE FRAUD PROSECUTION PROGRAM**

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

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

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

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

**Amount Awarded:** \$555,000

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, 2015** 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

JUNE 20, 2014

\_\_\_\_\_  
Date

Please return this completed form by **June 30, 2014** to:

Real Estate Fraud Prosecution Trust Fund  
c/o Los Angeles County Chief Executive Office  
Attn: Patricia Vallejo (213) 974-2535  
500 West Temple Street, Room 754  
Los Angeles, California 90012

Upon receipt of grant funding, Commercial Crimes Division (CCD) will fund 2.8 full-time investigative positions assigned exclusively to the Real Estate Fraud Unit (REFU). The investigative positions are one Detective III, who is the Unit's supervisor and a subject matter expert, and 1.8 Detective II investigators. Also included in Personnel Costs is \$30,078 to be utilized by the five Detective investigators 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 34 rate of 55.01 percent.

Personnel Costs

Salaries:

Detective III	1	\$10,534.50 x 12/mos. =	\$126,414
Detective II	1.8	\$ 9,564.58 x 12/mos. x 1.8 =	<u>206,595</u>
			333,009

Fringe Benefits:

Detective III	1	\$126,414 x 55.01% =	69,540
Detective II	1.8	\$206,595 x 55.01% =	<u>113,648</u>
			183,188

Overtime:

364.58 hours x \$82.5/hr. =	<u>30,078</u>
<b>Total Personnel</b>	<b>546,275</b>

Operating Costs

Travel/Training	1,000
Subscription Service	600
Cellular Phones/Equipment	4,075
Office Supplies/Misc. Expenses	<u>3,050</u>
<b>Total Operating Costs</b>	<b>8,725</b>

**Total Cost \$555,000**

Additionally, 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 \$4,675. Grant funding in the amount of \$3,050 has been included for office supplies and miscellaneous expenses. The total additional Operating Costs requested are \$8,725.

The REFU, has operated with funding from the Los Angeles County Real Estate Fraud Prosecution Program for approximately thirteen years. Due to City and County cutbacks, REFU currently operates with four full-time positions. However, if the additional position is funded, a position authority will be requested.



**LOS ANGELES COUNTY REAL ESTATE FRAUD PROSECUTION PROGRAM  
2014-15 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, 2014 through June 30, 2015. Please return the completed application by May 2, 2014 to:

Real Estate Fraud Prosecution Trust Fund Committee  
Patricia V. Rodarte, Analyst  
500 West Temple Street, Room 754  
Los Angeles, California 90012  
(213) 974-2535

**Name:** Detective III Eugene Tapia, 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:** 22894@lapd.lacity.org

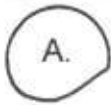
**Purpose of Grant:**

The Los Angeles Police Department (LAPD), Real Estate Fraud Unit (REFU), will utilize grant funding to support five 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 \$950,380.

Amount Requested: **\$950,380**

On a separate page, please detail how the amount of funding requested will be expended, including number of positions, salaries and employee benefits, equipment, supplies, administrative overhead, and/or any other expenditure by type.

The statute requires that the law enforcement agency receiving funds either (please check if appropriate):



- A. Have a unit, division, or section devoted to the investigation or prosecution of real estate fraud, or both, which has been in existence for at least one year prior to the application date.
  
- B. Have on a regular basis, during the three years immediately preceding the application date, accepted for investigation or prosecution, or both, and assigned to specific persons employed by the agency, cases of suspected real estate fraud, and actively investigated and prosecuted those cases.

Please describe your department's current real estate fraud investigation program, and if applicable, the length of time this unit has been devoted to investigating these cases. Please also state the name of the supervisor of your real estate fraud investigation/prosecution unit and the number of staff positions assigned to it.

**Please refer to page 4**

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Number of real estate fraud cases currently under investigation: **97**

Amount of aggregated monetary losses suffered by victims in real estate fraud cases currently under investigation: **\$21,181,612**

Number of real estate fraud cases filed with the court(s) in either calendar year 2013 or Fiscal Year 2012-2013: **61 presented, 55 filed, 9 pending filing**

Number of victims involved in the cases filed with the court(s) in either calendar year 2013 or Fiscal Year 2012-2013: **130 victims**

Amount of aggregated monetary losses suffered by victims in real estate fraud cases filed with the court(s) in calendar year 2013 or Fiscal Year 2012-13: **\$28,534,181**

  
\_\_\_\_\_  
Signature of Authorized Representative

Commanding Officer, Commercial Crimes Division  
\_\_\_\_\_

Title

April 23, 2014  
\_\_\_\_\_

Date

Upon receipt of grant funding, Commercial Crimes Division (CCD) will fund five full-time investigative positions assigned exclusively to the Real Estate Fraud Unit (REFU). The investigative positions are one Detective III, who is the Unit's supervisor and a subject matter expert, and four Detective II investigators. Also included in Personnel Costs is \$30,375 to be utilized by the five Detective investigators 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 34 rate of 55.01 percent.

Personnel Costs

Salaries:

Detective III	1	\$10,534.50 x 12/mos. =	\$126,414
Detective II	4	\$ 9,564.58 x 12/mos. x 4 =	<u>459,100</u>
			585,514

Fringe Benefits:

Detective III	1	\$126,414 x 55.01% =	69,540
Detective II	4	\$459,100 x 55.01% =	<u>252,551</u>
			322,091

Overtime:

368.18 hours x \$82.5/hr. =	<u>30,375</u>
<b>Total Personnel</b>	<b>937,980</b>

Operating Costs

Travel/Training	1,000
Subscription Service	3,000
Cellular Phones/Equipment	4,400
Office Supplies/Misc. Expenses	<u>4,000</u>
<b>Total Operating Costs</b>	<b>12,400</b>

**Total Cost \$950,380**

Additionally, 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 \$7,400. Grant funding in the amount of \$4,000 has been included for office supplies and miscellaneous expenses. The total additional costs requested are \$12,400.

The REFU, has operated with funding from the Los Angeles County Real Estate Fraud Prosecution Program for approximately thirteen years. Due to City and County cutbacks, REFU currently operates with four full-time positions. However, if the additional position is funded, a position authority will be requested.

REFU opened 130 new cases in calendar year 2013 in addition to the cases carried over from 2012. The REFU made 21 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 Foreclosure Fraud 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 Eugene Tapia, Serial No. 22894, is the current supervisor for the REFU.