

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 1, 2016

CAO File No. 0220-03529-0017
Council File No. 16-0808
Council District: --

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Board of Police Commissioners Transmittal dated July 12, 2016

Subject: **2016-17 REAL ESTATE FRAUD PROSECUTION GRANT PROGRAM**

SUMMARY

The Los Angeles Police Department (LAPD) is seeking retroactive approval to apply for and accept a \$473,531 grant award for the 2016-17 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, 2016 through June 30, 2017. This is the fifteenth year of funding for this program. The department also requests resolution authority for one Detective III and one Detective II to staff the program. Grant funds fully cover the cost of the positions.

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 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 assigned four full time positions, including two positions for which the Department requests Council Resolution Authority (one Detective III and one Detective II) to facilitate accuracy in tracking grant-related expenses associated with the positions. Previously, these positions were partially funded by the General Fund and filled by regular position authorities. The remaining two positions assigned to the REFU are fully funded by the General Fund (Detective IIs) and will continue as regular authority positions.

The REFU opened 97 new cases in calendar year 2015 in addition to the cases carried over from 2014. The REFU made 18 arrests from the cases filed by REFU Detectives. Additionally, there were 29 court convictions associated with cases filed within the past two years. 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	\$250,730
Fringe Benefits	154,901
Sworn Overtime	57,645
Travel/Training	1,000
Subscription Service	150
Equipment – Cell phones and service	4,075
Office Supplies	5,030
Total	\$473,531

The LAPD will utilize \$405,631 to finance 100-percent of the salary and fringe benefit costs of one Detective III position and one Detective II position. The remaining cost of two Detective II positions is funded in the LAPD’s 2016-17 Adopted Budget. The LAPD will also utilize \$57,645 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 \$1,000 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 \$9,255 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 July 12, 2016.

RECOMMENDATIONS

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

1. Authorize by resolution the following positions within the Los Angeles Police Department (LAPD) through June 30, 2017:

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

2. Authorize the Chief of Police or designee to:
 - a. Retroactively accept the 2016-17 Real Estate Fraud Prosecution Grant (RFPG) in the amount of \$473,531 from the County of Los Angeles for the period July 1, 2016 through June 30, 2017;
 - b. Execute an Award Agreement with the County on behalf of the City and submit all necessary documents relative to the grant award and submit any other necessary agreements and documents relative to the grant, subject to the approval of the City Attorney as to form;

3. 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 \$473,531 in accordance with the grant award agreement to fund the program intended to defer, investigate, and prosecute real estate fraud for the period of July 1, 2016 to June 30, 2017 as follows:

4. Authorize the Controller to:

- a. Establish a grant receivable and appropriate \$473,531 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>From:</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
	70XXXX	2016-17 Real Estate Fraud Prosecution	\$154,901

<u>To:</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
	70XXXX	Police Related Costs	\$154,901

- c. Increase appropriations on an as-needed basis from Fund No.339, Department 70, 2016-17 RFPG appropriation, account number to be determined, as follows:

From:

<u>Fund/Dept</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
339/70	70XXXX	2016-17 Real Estate Fraud Prosecution	\$308,375

To:

<u>Fund/Dept</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/70	001012	Sworn Salaries	\$250,730
	001092	Sworn Overtime	<u>\$57,645</u>

Total \$308,375

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

FISCAL IMPACT STATEMENT

Approval of the recommendations within this report will allow for the expenditure of the 2016-17 Real Estate Fraud Prosecution Grant Program award totaling \$473,531. 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 2016-17 Adopted Budget and do not represent any additional General Fund impact.

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