MOTION

In December 2014, the Budget and Finance Committee recommended, and the full City Council approved, new prosecutor positions within the City Attorney’s office to begin investigating and prosecuting “Qui Tam” actions against corporate misconduct and abuse of taxpayer dollars.

As a result of the efforts of those prosecutors and others within the City Attorney’s office, on September 8, 2016, a landmark settlement was announced with Wells Fargo Bank as a remedy for widespread abusive practices against its customers. Specifically, Wells Fargo had been opening unwanted accounts for customers, charging fees against those accounts and inflating the Bank’s perceived value for investors. The settlement has garnered national attention and has re-invigorated a debate about abuses in the financial sector and the need for stronger laws to protect consumers.

Under the terms of the settlement, Wells Fargo will make a $25 million payment to the City of Los Angeles to be deposited in the Consumer Protection Trust Fund. In order to make effective use of these revenues, the City Attorney’s office has requested additional staff resources to continue fighting on behalf of consumers’ interests in Los Angeles. Furthermore, the additional funding for consumer protection affords additional opportunities to expand the scope of the City Attorney’s work, in concert with the City Council.

I THEREFORE MOVE that the City Council, subject to the approval of the Mayor, approve resolution authority for the following positions devoted to civil and criminal enforcement in consumer protection matters handled by the Office of the City Attorney for the period of January 1, 2017 through June 30, 2017:

- 2 Deputy City Attorney III (Class Code 0596)
- 2 Deputy City Attorney II (Class Code 0595)
- 2 Legal Secretary II (Class Code 0581)
- 1 Paralegal II (Class Code 0577)
- 1 Investigator II (Class Code 0560)

I FURTHER MOVE that the City Council REQUEST that the City Attorney’s office reimburse the General Fund from this account for any related costs associated with these new positions.

I FURTHER MOVE that the City Council INSTRUCT the Controller to transfer $450,000 from Fund 550 Consumer Protection Trust Fund, Account 12A304 – Consumer Protection Penalty to Fund 100, Department 12, Account 001010 – Salary General.

I FURTHER MOVE that the City Council REQUEST that the City Attorney’s office report on potential categories of cases that could be pursued with these additional resources, including expansions to current efforts to enforce the Ellis Act and protect tenants in rent
stabilized apartments; to enforce laws against wage theft in minority communities, particularly those that are not currently being served because they speak neither English nor Spanish; and to enforce the Advance-Fee Talent Scam Prevention Act; and further REQUEST that the City Attorney work with the Departments on Disability and Aging to explore opportunities to expand protections for the City's senior and disabled communities.

Presented by: Paul Krekorian
PAUL KREKORIAN
Councilmember, 2nd District

Seconded by: [Signature]