

LOS ANGELES POLICE COMMISSION

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—
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 26, 2022

BPC #22-155

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

The Honorable City Council
City of Los Angeles, Room 395
c/o City Clerk's Office

Dear Honorable Members:

RE: TRANSMITTAL OF THE GRANT APPLICATION AND AWARD ACCEPTANCE FOR
THE 2022-23 REAL ESTATE FRAUD PROSECUTION GRANT

At the regular meeting of the Board of Police Commissioners held Tuesday, July 26, 2022 the Board APPROVED the Department's report relative to the above matter.

This matter is being forwarded to you for review and approval.

Respectfully,

BOARD OF POLICE COMMISSIONERS

Maria Silva

MARIA SILVA
Commission Executive Assistant

Attachment

c: Chief of Police

INTRADEPARTMENTAL CORRESPONDENCE

C- BPC 22-155
RECEIVED
JUL 20 2022
POLICE COMMISSION

July 22, 2022
1.14

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

REVIEWED BY: *Richard M. Teank* 7/20/22
RICHARD M. TEANK DATE
EXECUTIVE DIRECTOR

SUBJECT: TRANSMITTAL OF THE GRANT APPLICATION AND AWARD
ACCEPTANCE FOR THE 2022-23 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, 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 Council, subject to the approval of the Mayor, to:
 - A. AUTHORIZE by resolution authority the following existing positions within the Los Angeles Police Department (LAPD) through June 30, 2023:

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

- B. AUTHORIZE the Chief of Police or his designee to retroactively apply for and ACCEPT the grant award for the Fiscal Year (FY) 2022-23 Real Estate Fraud Prosecution (REFP) Program grant in the amount of \$873,000 from the County of Los Angeles for the period of July 1, 2022, through June 30, 2023;
- B. AUTHORIZE the Chief of Police or his designee to execute the 2022-23 REFP Program Grant Agreement with the County of Los Angeles, subject to the approval of the City Attorney as to form;
- C. AUTHORIZE the LAPD to spend up to the grant amount of \$873,000 in accordance with the grant award agreement;

- D. AUTHORIZE the LAPD to submit grant reimbursement requests to the grantor and deposit grant receipts in the Police Department Grant Trust Fund No. 339, Department 70;
- E. AUTHORIZE the LAPD to prepare Controller instructions for any technical adjustments as necessary to implement Mayor and Council intentions, subject to the approval of the CAO, and AUTHORIZE the Controller to implement the instructions;
- F. AUTHORIZE the Controller to establish a grant receivable and appropriate \$873,000 to appropriation account, account number to be determined, within Fund No. 339, Department No. 70, for the receipt and disbursement of the 2022-23 REFP Program grant funds;
- G. AUTHORIZE the Controller to transfer appropriations within Fund No. 339, Department No. 70, as follows:

<u>From:</u>	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXXX	<u>Account Name</u> To Be Determined	<u>Amount</u> \$209,596
<u>To:</u>	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXXX	<u>Account Name</u> Related Costs	<u>Amount</u> \$209,596

- H. AUTHORIZE the Controller to increase appropriations on an as-needed basis from Fund No. 339, Department No. 70, FY 2022-23 REFP Program 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	\$574,404
Account No. 001092	Sworn Overtime	\$80,000

DISCUSSION

The Los Angeles Police Department (LAPD) is seeking retroactive approval to apply for and accept a \$873,000 grant award for the Fiscal Year (FY) 2022-23 Real Estate Fraud Prosecution (REFP) Program grant from the Los Angeles County Real Estate Fraud Prosecution Trust Fund Committee (County) for the period of July 1, 2022, through June 30, 2023. This is the twenty-second year of funding for this program. To support this program, the Department also requests for the continuation of four existing resolution authorities for one Detective III and three Detective IIs.

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 costs 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 four full-time staff consisting of one Detective III and three Detective II resolution authorities funded by the grant. The Department requests that the four existing resolution authority positions be reauthorized for FY 2022-23.

The REFU opened 63 new cases in the 2021 calendar year, in addition to the cases carried over from calendar years 2017-2020. Additionally, the REFU made 16 arrests from cases filed by REFU Detectives. These cases tend to be complex, usually developing into multiple victims being identified, with identity theft continuing to be the starting point for real estate cases. The chart below details the total case workload and number of arrests made in recent grant years.

Calendar Year	No. of Cases Under Investigation	No. of Opened New Cases	Total No. of Cases	No. of Arrests
2017	125	80	205	17
2018	150	78	228	14
2019	136	80	216	12
2020	99	43	142	12
2021	139	63	202	16

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

Expense Category	Amount
Sworn Salaries	\$ 574,404
Fringe Benefits	209,596
Sworn Overtime	80,000
Travel/Training	2,000
Equipment (Cellular Phones and Service)	2,500
Office Supplies	4,000
Other Costs*	500
Total	\$ 873,000

*Other Costs include document fees, court reporter fees, title searches, and other miscellaneous expenses Detectives may incur in relation to investigative work.

The REFP Program grant provides \$574,404 to finance 100 percent of the salary for one Detective III and three Detective II positions, as well as \$209,596 to fund 100 percent of fringe benefits for one Detective III and 87 percent of fringe benefits for one Detective II position. The General Fund will fund the remaining indirect costs (fringe benefits, central services, and department administration and support). The REFP Program grant also provides \$80,000 for sworn overtime expenses for Detectives assigned on an overtime basis. This allows the LAPD to

The Honorable Board of Police Commissioners

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1.14

designate additional resources to case investigations, which includes interviewing victims and witnesses. In addition, the grant provides \$2,000 for travel and training for REFU personnel to enhance their knowledge and subject matter expertise relating to real estate fraud. The balance of \$7,000 will be utilized for equipment, office supplies, court reporter fees, and other miscellaneous fees that the detectives may need to pay in relation to the investigations.

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 *July 26, 2022*
Secretary *Maria Silva*

Attachments

**COUNTY OF LOS ANGELES REAL ESTATE FRAUD PROSECUTION PROGRAM
2022-23 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, 2022 through June 30, 2023. Please return completed application via **scanned email** and originals must be mailed and postmarked by April 28, 2022 to:

Real Estate Fraud Prosecution Trust Fund Committee
Anna Petrosyan, Senior Analyst, CEO
apetrosyan@ceo.lacounty.gov
Chief Executive Office
500 West Temple Street
Hall of Administration, Room 754
Los Angeles, California 90012
(213) 974-6869

Name: Detective III Manuel Segura, Real Estate Fraud Unit

Agency: Los Angeles Police Department

Address: 100 West First Street, Room 530, Los Angeles, California 90012

Telephone: (213) 486-8732 E-mail: 32218@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 in the City of Los Angeles. The secondary purpose is to support the investigators in this assignment by providing funding for expenditures related to overtime, travel, training, supplies, equipment, and other costs. The total amount requested for salaries, fringe benefits, overtime, travel, training, supplies, equipment, and other costs is \$1,080,859.67.

Number of real estate fraud cases currently under investigation: 57 cases

Amount of aggregated monetary losses suffered by victims in real estate fraud cases currently under investigation: \$ 27,017,128

Number of real estate fraud cases filed with the court(s) in either calendar year 2020 or fiscal year 2020-21 (July 1, 2020 through June 30, 2021): 16 presented, 14 filed, 15 pending filing, 12 rejects, and 2 conviction

Number of victims involved in the cases filed with the court(s) in either calendar year 2020 or fiscal year 2020-21: 20 victims

Amount of aggregated monetary losses suffered by victims in real estate fraud cases filed with the court(s) in calendar year 2021 or fiscal year 2020-21: \$ 7,390,667



Signature of Authorized Representative

Chief of Police

Title



Date

The Los Angeles Police Department is seeking \$1,080,859.67 in grant funding for the investigation and deterrence of real estate fraud. The grant will fund the salaries and fringe benefits, totaling \$1,069,859.67, of four 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 subject matter expert, and three Detective II investigators. The funding will also be utilized for overtime in the amount of \$60,000. Overtime funding will primarily be utilized by REFU detectives, but will also be extended to other CCD detectives, who are not part of the REFU but provide vital support for the REFU investigators in building solid cases. The annual salaries, employee benefits, and overtime calculations are provided below. Please note that the fringe benefits amount was calculated based on the Federally approved CAP 41 rate of 75.81%. Additionally, included in the requested budget is \$2,000 for training and travel costs, \$3,000 for equipment (cellular phone equipment and services), \$5,000 for office supplies, and \$1,000 for other costs related to investigations (including document fees, court reporter fees, title searches, and similar fees associated with the REFU investigations).

OT from other division, investigative support

Personnel Costs

Salaries:

Detective III	1	\$ 12,965/mo x 12/mos. x 1 =	\$ 155,580.00
Detective II	3	\$ 11,634/mo x 12/mos. x 3 =	<u>418,824.00</u>
			\$ 574,404.00

Fringe Benefits:

Detective III	1	\$ 155,580 x 75.81% =	\$ 117,945.20
Detective II	3	\$ 418,824 x 75.81% =	<u>317,510.47</u>
			\$ 435,455.67

Overtime:

579.71 hours x \$103.50/hr. =	\$ 60,000.00
<i>Total Personnel Costs</i>	\$ 1,069,859.67

Operating Costs

Travel/Training	\$ 2,000.00
Equipment (Cellular Phones)	3,000.00
Office Supplies	5,000.00

Other Costs

Total Operating Costs 1,000.00
\$ 11,000.00

Total Cost \$ 1,080,859.67

The REFU has operated with funding from the Los Angeles County Real Estate Fraud Prosecution Program for approximately nineteen 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 35 new cases in calendar year 2020 in addition to the cases carried over from 2017-2019. The REFU made 14 arrests in conjunction with the cases filed by REFU detectives. These cases continue to be complex and complicated, usually developing into additional victims being identified and located. An average case takes approximately 12-16 months to complete from the time of reporting. The prevalence 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 reputable name within the private sector of the real estate community and is known for its professionalism and expertise. Frequently, the REFU receives calls from the 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 Manuel Segura, Serial No. 32218, is the current supervisor for the REFU.



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>

FESIA A. DAVENPORT
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

June 17, 2022

Chief Michael Moore
City of Los Angeles Police Department
100 West 1st Street
Los Angeles, California 90012

cc. OCPP
Dup. _____
_____ Information use
35 _____ Approp. action, re: _____
_____ Reply to correspondent by _____
_____ Copy to COP
_____ Fact sheet to CO
_____ Invest. re: COP _____
_____ Resulting documents _____

RECEIVED-5

JUN 28 2022 #1692

Dear Chief Moore:

OFFICE OF THE
CHIEF OF POLICE

COUNTY OF LOS ANGELES 2022-23 REAL ESTATE FRAUD PROSECUTION GRANT PROGRAM

This is to advise you that your Real Estate Fraud Prosecution grant application for the performance period of July 1, 2022 through June 30, 2023, has been approved by the Real Estate Fraud Prosecution Trust Fund Committee, in the amount of \$873,000.

Please complete and return the enclosed Grant Acceptance Form (Enclosure I), and Budget Detail Form (Enclosure II) based on the grant award amount, by June 30, 2022. 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 (Enclosure III) to ensure that your agency can meet the supporting documentation requirements necessary for reimbursement for the Real Estate Fraud Prosecution grant. The Grant Acceptance Form must be signed by you or your designee.

Payment of grant funds shall be made subsequent to the receipt of quarterly invoices. Also, enclosed is the Grant Reporting Form (Enclosure IV) which must be completed and returned by September 1, 2023, 60 days following the end of the grant period. Correspondence should be mailed to:

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

Chief Michael Moore
June 17, 2022
Page 2

All inquiries should be directed to the Real Estate Fraud Prosecution Trust Fund Committee liaison, Anna Petrosyan at (213) 974-1138 or at apetrosyan@ceo.lacounty.gov.

Sincerely,



FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:MM:SW
RCP:AP:cc

Enclosures

**2022-23 GRANT ACCEPTANCE FORM
REAL ESTATE FRAUD PROSECUTION PROGRAM**

Agency: Los Angeles Police Department

Address: 100 West 1st Street, Los Angeles 90012

Telephone: (213) 486-8715

Purpose of Grant: Investigation and Prosecution of Real Estate Fraud

Amount Awarded: \$873,000.00

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, 2023** 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

Date

Please return this completed form by **June 30, 2022** to:

Real Estate Fraud Prosecution Trust Fund
c/o Los Angeles County Chief Executive Office
Attn: Anna Petrosyan (213) 974-1138
500 West Temple Street, Room 754
Los Angeles, California 90012
apetrosyan@ceo.lacounty.gov

BUDGET DETAIL FORM

Name of Agency: Los Angeles Police Department (LAPD)

FY 2022-23 REAL ESTATE FRAUD GRANT

Performance Period: July 1, 2022 through June 30, 2023

Allocation: \$873,000

- Original Budget
 Budget Modification

A. Personnel:

List each position by title of employee. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization. Include a description of the responsibilities and duties of each position in relationship to fulfilling the project goals and objectives in the narrative.

Title	# of Pos.	Annual Salary	Monthly Salary	% of Time	Length of Time	Salary Cost
Detective III	1	\$ 155,580.00	\$ 12,965.00	100.00%	12	\$ 155,580
Detective II	3	\$ 139,608.00	\$ 11,634.00	100.00%	12	\$ 418,824
Total Personnel Costs:						\$ 574,404

Personnel Narrative:

The Los Angeles Police Department (LAPD) is seeking to fund the salaries of four full-time investigative positions assigned exclusively to the LAPD Real Estate Fraud Unit (REFU). The Unit is within the Commercial Crimes Division (CCD). The investigative positions are: one Detective III with an annual average salary of \$155,580, who is the Unit's supervisor and subject matter expert; and three Detective II investigators, with annual average salaries of \$139,608. The REFU is responsible for investigating real estate fraud cases in the City of Los Angeles.

B. Overtime

List each position by title of employee. Show the number of hours and rate to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization. Include a description of the responsibilities and duties of each position in relationship to fulfilling the project goals and objectives in the narrative.

Title	# of Pos.	Rate	Number of Hours	OT Cost
REFU & CCD Investigators	4	\$ 103.50	772.95	\$ 80,000
Total Personnel Costs:				\$ 80,000

Personnel Narrative:

Overtime funding will primarily be utilized by REFU detectives, but may also be extended to other CCD detectives, who are not part of the REFU but provide vital support for the REFU investigators in building solid cases. For example, CCD detectives may assist with the service of search warrants regarding real estate matters, operate in an undercover capacity to pose as a notary public or loan officer, and conduct surveillance on suspects that the REFU arrested for real estate crimes. REFU and CCD investigators may be a Detective I, Detective II, or a Detective III.

C. Taxes and Fringe Benefits (FB)

Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Worker's Compensation, and Unemployment Compensation.

Title	# of Pos.	Basis Monthly	Basis Monthly	Benefit Rate	FB Cost
Detective III	1	\$ 12,965.00	12	75.81%	100% \$ 117,945
Detective II	1	\$ 11,634.00	12	75.81%	86.5983% \$ 91,651
Total Taxes and Fringe Benefit Costs:					\$ 209,596

FB Narrative:

Agency to provide a copy of the Indirect Cost Rate sheet. This rate should reconcile to the Benefit Rate used on this sheet.

As of the submission of the application, the federally approved Cost Allocation Plan (CAP) for the sworn employees of the LAPD is 75.81%, CAP 41 attached. The total FB for the four positions is: \$574,404 x 75.81% = \$435,458. The City of Los Angeles will pay the remaining costs of the fringe benefits not covered by the grant award.

D. Travel/Training

Item	Computation	Travel Cost
Travel/Training		\$ 2,000.00
Total Travel Costs:		\$ 2,000.00

E. Equipment

Item	Computation	Equipment Cost
Cellular Phones and Monthly Services		\$ 2,500.00
Total Equipment Costs:		\$ 2,500.00

Equipment Narrative:

The REFU has four cellular lines to enhance communication within the Unit and to use during its investigations. Funding will support cellular phone equipment and services during the grant period of July 2022 - June 2023.

Name of Agency: Los Angeles Police Department (LAPD)

FY 2022-23 REAL ESTATE FRAUD GRANT

Performance Period: July 1, 2022 through June 30, 2023

Allocation: \$873,008

Original Budget
 Budget Modification

F. Office Supplies/Misc. Expenses

List items by type (office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items (Itemize)	Computation	Supplies Cost
Office Supplies		\$ 4,000.00
Total Supplies Costs:		\$ 4,000.00

Supplies Narrative:

Provide copies of supplies receipts when submitting invoices for payment.

Funding will support the investigative and administrative activities under the Real Estate Fraud Grant Program. Items include, but are not limited to: paper products, pens, binders, standing desks, printer ink, recorders, label makers, USBs, computer accessories, Adobe Creative Cloud subscriptions, tablets, laptops, video conferencing television, video conferencing accessories, etc. In particular, the Adobe Creative Cloud subscriptions will greatly help the detectives in their ability to do redactions on their case-related documents. The various technology supplies (tablets, laptops, video conferencing television, video conferencing accessories, etc) will enable the REFU detectives and grant administrator in efficiently carrying out REFP-related activities with up-to-date supplies.

G. Other Costs (Itemize)

List items (e.g., rent, reproduction, telephone, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, and provide a monthly rental cost and how many months to rent.

Item	Computation	Other Costs
Fees (Document Fees, Court Reporter Fees, Title Searches, etc)		\$ 500.00
Total Other Costs:		\$ 500.00

Other Costs Narrative:

Funding will cover costs of fees paid during the course of investigations, such as document fees, court reporter fees, title searches, etc.

Budget Summary – When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs.

Budget Category	Amount
A. Personnel	\$ 574,404.00
B. Overtime	\$ 80,000.00
C. Fringe Benefits	\$ 208,586.00
D. Travel	\$ 2,000.00
E. Equipment	\$ 2,500.00
F. Supplies	\$ 4,000.00
G. Other Costs	\$ 500.00
Total Projected Costs	\$ 873,000.00