

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 27, 2017

CAO File No. 0220-03529-0018
Council File No. 14-0955-S2
Council District: --

To: The Mayor and Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Board of Police Commissioners Transmittal dated August 29, 2017

Subject: **2017-18 REAL ESTATE FRAUD PROSECUTION GRANT PROGRAM**

RECOMMENDATIONS

That the Council, subject to approval of the Mayor:

1. Authorize by resolution the following positions within the Los Angeles Police Department (LAPD) through June 30, 2018:

<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 his designee to:
 - a. Accept the grant award for the 2017-18 Real Estate Fraud Prosecution Program Grant in the amount of \$492,673.82, from the County of Los Angeles, for the period of July 1, 2017 through June 30, 2018;
 - b. Execute the Grant Agreement with the County of Los Angeles for the period of July 1, 2017 through June 30, 2018, subject to the approval of the City Attorney as to form;
3. Authorize the Controller to:
 - a. Establish a grant receivable and appropriate \$492,673.82 to appropriation account, account number to be determined, within Fund 339, Department 70 for the receipt and disbursement of the 2017-18 Real Estate Fraud Prosecution Program Grant Funds;
 - b. Increase appropriations on an as-needed basis from Fund No.339, Department 70, 2017-18 Real Estate Fraud Prosecution Program Grant appropriation, account number to be determined, as follows:

From:	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXXX	<u>Account Name</u> 2017-18 Real Estate Fraud Prosecution	<u>Amount</u> \$295,496.05
To:	<u>Fund/Dept</u> 100/70	<u>Account No.</u> 001012	<u>Account Name</u> Sworn Salaries	<u>Amount</u> \$258,283.74
		001092	Sworn Overtime	37,212.31
			Total	\$295,496.05

c. Transfer appropriations within Fund 339, Department 70 as follows:

From:	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXXX	<u>Account Name</u> 2017-18 Real Estate Fraud Prosecution	<u>Amount</u> \$189,502.77
To:	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXXX	<u>Account Name</u> Police Related Costs	<u>Amount</u> \$189,502.77

4. Authorize the Los Angeles Police Department (LAPD) to:

- a. Spend up to the grant amount of \$492,673.82 in accordance with the grant award agreement;
- b. Submit grant reimbursement requests to the grantor and deposit grant receipts into Fund No. 339, Department 70; and,
- c. Prepare Controller instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

SUMMARY

The Los Angeles Police Department (LAPD) is seeking approval to accept a \$492,673.82 grant award for the 2017-18 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, 2017 through June 30, 2018. This is the seventeenth year of funding for this program. The Department also requests resolution authority for one Detective III and one Detective II to staff the program.

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 currently comprised of four full time staff, including two positions authorized by Council Resolution and funded by the grant (one Detective III and one Detective II) and two regular authority positions (Detective II) funded by the General Fund. The Department is requesting authority to continue the two resolution authority positions.

The REFU opened 120 new cases in 2016-17 in addition to the cases carried over from 2013-16. The REFU made 19 arrests from the cases filed by REFU Detectives. Additionally, there were 18 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:

<u>Expense</u>	<u>Amount</u>
Sworn Salaries	\$258,283.74
Fringe Benefits	189,502.77
Sworn Overtime	37,212.31
Travel/Training	1,000.00
Subscription Service	100.00
Equipment – Cell phones and service	4,075.00
Office Supplies	2,500.00
Total	\$492,673.82

The LAPD will utilize \$447,786.51 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 2017-18 Adopted Budget. The LAPD will also utilize \$37,212.31 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 \$6,675 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 August 29, 2017 (C.F. 14-0955-S2).

FISCAL IMPACT STATEMENT

Approval of the recommendations within this report will allow for the expenditure of the 2017-18 Real Estate Fraud Prosecution Grant Program award totaling \$492,673.82. The grant will provide 100-percent of the salary and fringe benefits costs of one Detective III position and 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 benefit costs supporting this grant are already funded in the 2017-18 Adopted Budget and do not represent any additional General Fund impact.