



JACKIE LACEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

March 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

AUTHORIZE THE LOS ANGELES COUNTY DISTRICT ATTORNEY TO ACCEPT GRANT FUNDS FROM THE STATE OF CALIFORNIA, ATTORNEY GENERAL FOR THE FORECLOSURE CRISIS RECOVERY PROGRAM - WHITE COLLAR CRIME DIVISION (WCCD) AND APPROVE APPROPRIATION ADJUSTMENT FOR FISCAL YEAR 2013-14 AND FISCAL YEAR 2014-15 (ALL DISTRICTS) (4 VOTES)

SUBJECT

The State of California, Attorney General (AG) has awarded the District Attorney (DA) \$475,312 for the Foreclosure Crisis Recovery Program - White Collar Crime Division (WCCD) to support enhanced investigation and prosecution of mortgage foreclosure fraud cases, and approve an Appropriation Adjustment.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the District Attorney to accept grant funds from the AG, for FY 2013-14 and FY 2014-15 for the White Collar Crime Division (WCCD) in the amount of \$475,312. There is no required County match for this grant award.
2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or her designee, on behalf of the County of Los Angeles, to serve as Project Director and to sign and approve any revision to the (GAA) that do not increase the Net County Cost of the Agreement.
4. Approve the attached Appropriation Adjustment in the amount of \$475,000 to allocate funding for

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

50 March 18, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

the AG grant which includes full funding for the salaries and benefits of two additional Deputy District Attorney IIIs and of one Paralegal in the WCCD for FY 2013-14 and FY 2014-15.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On August 7, 2013, the DA WCCD submitted a grant application for funding under the AG's Foreclosure Crisis Recovery Fund to expand their ability to effectively prosecute cases relating to loan origination fraud, mortgage servicing theft, foreclosure fraud and other mortgage foreclosure fraud schemes. This grant will enable prosecutors to continue work on their current caseload while actively pursuing the prosecution of new mortgage related fraud crimes which have been reported to all sources including, but not limited to, the Los Angeles Police Department, the Los Angeles County Sheriff's Department, the Los Angeles County Department of Consumer Affairs, the California Department of Real Estate, and the Los Angeles County Office of the Assessor.

On January 9, 2014, the DA's office received notification from the AG regarding the funds awarded to DA WCCD.

Board approval is required to accept grant funds for DA WCCD from AG for FY 2013-14 and FY 2014-15.

The Request for Appropriation Adjustment is needed in order to align the DA's budget with the full amount awarded.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal No. 3, Integrated Services Delivery, by ensuring that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County, by using funds for law enforcement operation costs that enhance the quality of criminal investigations for prosecution.

FISCAL IMPACT/FINANCING

On February 3, 2011, the Los Angeles Superior Court entered a Stipulated Judgment in People of the State of California vs. David Sambol and Angelo Mozilo, Case No. LC081846. The judgment established the Foreclosure Crisis Recovery Fund.

The AG administers the Foreclosure Crisis Recovery Fund which has been established to give "authorized agencies" access to funds that can be directed towards combating the effects of high foreclosure and mortgage delinquency rates in California. Grant funds are intended to be used by authorized agencies in investigating and prosecuting misconduct relating to mortgage origination, mortgage services, and foreclosures; for consumer education regarding mortgage and foreclosure issues; and for developing and implementing programs to help neighborhoods impacted by foreclosure or very high mortgage default rates.

The AG awarded grant funding for the DA WCCD for FY 2013-14 and FY 2014-15. The \$475,000 Appropriation Adjustment will be used for Salaries and Employee Benefits.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the Final Judgment in the case of People of the State of California v. David Sambol and Angelo Mozilo, Case No. LC081846, the AG is authorized to give “authorized agencies” access to funds that can be directed towards combating the effects of high foreclosure and mortgage delinquency rates in California. An “authorized agency” means any district attorney, any city attorney, and any city and county attorney authorized to prosecute violations of California Business and Professions Code §17200 et seq., as set forth in California Business and Professions Code §17206, as well as any state, city or county agency with responsibilities related to consumer protection and education.

The DA Real Estate Fraud Section was previously awarded \$5,418 from the AG Foreclosure Crisis and Recovery Fund in FY 2011-12.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Pursuant to your Board motion of December 15, 1998, the Alternate Public Defender, Probation, Public Defender, and Sheriff’s Department have been notified of this request for review.

The Public Defender determined that this action will have minimal impact on their services. The Alternate Public Defender stated that this action will unlikely have significant impact on their operations. The Probation Department stated that this action will have no impact on the services they provide.

The Los Angeles County Sheriff’s Department (LASD) Real Estate Fraud Team has three major foreclosure rescue fraud cases which involve hundreds of victims and large monetary losses. It took approximately one to two years for the LASD Real Estate Fraud Team to fully investigate these cases before presentation to the DA WCCD for filing consideration. Any additional funding which brings prosecutorial resources to the DA WCCD will directly affect LASD by expediting the prosecution of three major foreclosure rescue fraud cases. Prosecution of these cases will assist LASD by "stemming the tide" on additional foreclosure rescue scams being committed within Los Angeles County.

CONCLUSION

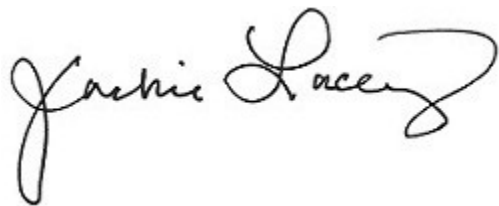
Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted copy of this Board letter to Maria Baldwin, Contracts and Grants Section, Los Angeles County District Attorney’s Office, 201 North Figueroa Street, Suite 1300, Los Angeles, California 90012. Any questions may be directed to Ms. Baldwin at (213) 202-7684.

The Honorable Board of Supervisors

3/18/2014

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Respectfully submitted,

A handwritten signature in black ink that reads "Jackie Lacey". The signature is written in a cursive, flowing style.

JACKIE LACEY

District Attorney

no

Enclosures

c: Executive Officer, Board of Supervisors
Chief Executive Officer
County Counsel
Auditor-Controller

**LOS ANGELES COUNTY Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000**

Department: District Attorney

**Grant Project Title and Description: FORECLOSURE CRISIS RECOVERY PROGRAM –
WHITE COLLAR CRIME DIVISION (WCCD)**

The objective of this program is to expand the DA WCCD's ability to effectively prosecute cases relating to loan origination fraud, mortgage servicing theft, foreclosure fraud and other mortgage foreclosure fraud schemes in Los Angeles County. These grant funds will enable the District Attorney's Office to continue work on the current caseload while actively pursuing the prosecution of new mortgage related fraud crimes which have been reported to all sources including, but not limited to, the Los Angeles Police Department, the Los Angeles County Sheriff's Department, the Los Angeles County Department of Consumer Affairs, the California Department of Real Estate, and the Los Angeles County Office of the Assessor.

Funding Agency:
State of California, Attorney
General

Program (Fed. Grant # /State Bill or Code #):

Grant Acceptance Deadline:
N/A

Total Amount of Grant Funding: \$475,312

County Match: \$0

Grant Period: FY 2013-14 and FY 14-15 **Begin Date:** TBD*

End Date: TBD*

Number of Personnel Hired Under This Grant: 3

Full Time: 3 **Part Time:** 0

*TBD (To Be Determined). The DA is already in receipt of the Grant Award Letter. The program will commence upon receipt of the duly-signed Contract Agreement.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes No

Will all personnel hired for this program be placed on temporary ("N") items? Yes No

Is the County obligated to continue this program after the grant expires? Yes No

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes No

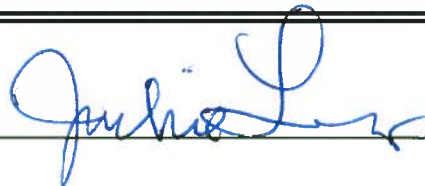
b). Identify other revenue sources Yes No
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes No

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature _____



Date _____

2/11/14

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF DISTRICT ATTORNEY

DEPT'S. NO. 370

January 24, 2014

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2013-2014

4 - VOTES

SOURCES

District Attorney
A01 - DA - 88 - 8810 - 14030
State Special Grants - \$475,000
Increase Revenue

USES

District Attorney
A01 - DA - 1000 - 14030
Salaries and Employee Benefits - \$475,000
Increase Appropriation

SOURCES TOTAL: \$ 475,000

USES TOTAL: \$ 475,000

JUSTIFICATION

This appropriation adjustment reflects State revenue awarded by the State of California Attorney General from the Foreclosure Crisis Recovery Fund to the District Attorney's Office. The White Collar Crime Division (WCCD) will expand its ability to effectively prosecute cases relating to loan origination fraud, mortgage servicing theft, foreclosure fraud, and other mortgage foreclosure fraud schemes. This appropriation adjustment will enable prosecutors assigned to WCCD to expand current case loads while actively pursuing the prosecution of new mortgage related fraud crimes in Los Angeles County.

ADOPTED
BOARD OF SUPERVISORS

AUTHORIZED SIGNATURE Norbert Ruiz

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

50 MAR 18 2014

SACHI A. HAMAI
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR --

- ACTION
RECOMMENDATION

- APPROVED AS REQUESTED
APPROVED AS REVISED

AUDITOR-CONTROLLER

BY Karen Shikama
Feb 27 20 14

CHIEF EXECUTIVE OFFICER

BY [Signature]
March 3 20 14

B.A. NO. 157