

Real Estate Fraud Prosecution Trust Fund Committee Annual Meeting Minutes: FY 2015/2016

DATE: July 25, 2016

ATTENDEES:

Vern Pierson - District Attorney (voting member)
Don Ashton – Chief Administrative Officer (voting member)
Alexis Zoss – Department of Health & Human Services (voting member)
Kimberly Beal- El Dorado County Association of Realtors
James Clinchard – Assistant DA, District Attorney’s Office
Robert Leach – Investigator, District Attorney’s Office
Kerri Williams-Horn, Chief Fiscal Officer, CAO’s Office
Shaneen May – District Attorney’s Office

Absent Member(s):

John D’Agostini – Sheriff, El Dorado County Sheriff’s Office

CALL TO ORDER: 2:35 p.m.

INTRODUCTIONS:

DISTRIBUTION OF AGENDA AND ANNUAL REPORT FY 2015/2016

DISCUSSION / REVIEW OF CASES:

ADA Clinchard introduced District Attorney Investigator Robert Leach and discussed his past experience of 10+ years as a police officer and 20+ years as a real estate developer.

DAI Leach discussed and summarized the 2015-2016 Real Estate Fraud Program:

- Craigslist Real Estate Fraud has been on the rise. As most vacation rental dealings are via the internet and telephone, the suspects are able to persuade the victims to provide electronic deposits. Suspects can easily open bank accounts to receive electronic deposits and remain anonymous (Banks do not keep copies of Driver Licenses on file). This makes investigation and resolution of these matters extremely difficult. ADA Clinchard advised that Identity Theft has surged in the last year, which creates further havoc for these types of investigations. The DA’s Office has thirty-three (33) active investigation cases and has reviewed 40-50 additional matters.
- Video presentation: “Vacation Rental Scams on the Rise in Tahoe”. The DA’s office developed this video earlier in the year to bring awareness to the increasing issue of vacation rental scams in our County. The video was aired on Fox 40,

Facebook, YouTube, and television stations in the Bay Area (as many Bay Area residents travel to the South Lake Tahoe area for vacation). The video was also shared with mortgage consultants and lender offices, in addition to articles pertaining to the video in newsprint throughout our County and the Bay Area. We plan to share the video again prior to the winter vacation season.

- Discussion of ongoing investigations. We currently have four (4) cases that equal more than a million dollars in loss.
- Many matters pertain to family members, especially senior citizens. Alexis Zoss inquired if the DA's Office works with the Public Guardian. DAI Leach stated we work with the attorneys at the Senior Center on several matters. Most matters include quite a bit of investigation just to determine if it is a civil or criminal matter.
- Home defaults have decreased, however Kimberly Beal clarified that all defaults are still receiving the District Attorney notices.
- Another increasing concern is Professional Criminals ie. white collar fraud, crooks and scammers. As the economy rises, so does embezzlement. House sales are on the rise – along with fake real estate offers via the internet.

OUTREACH:

- DAI Leach states that he talks to many real estate individuals, however he would like to set up a meeting with a larger crowd.
- Leach would also like to reach out to rental companies. Kimberly Beal offers to share information with both the Placerville and South Lake Tahoe Realtor Associations.
- Leach recommends collaborating with additional outside agencies. He would like to enlist the support of DOJ and Federal agencies. ADA Clinchard stated that we may be able to reach out to the US Attorney Mortgage Fraud Task Force.
- Leach also recommends reaching out to Senior Centers and organizations that provide services to seniors.
- Discussion of possible awareness training to County Clerk personnel – how to spot scams.

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FY 15/16 EXPENDITURE REPORT:

- Discussion:
 - Vern Pierson stated the Annual Expenditure Report did not include the Professional Services charge of \$1,495.00 for the “Vacation Rental Scams on the Rise in Tahoe” Video.
 - Kerri Williams-Horn requested the expenditures be amended to the total amount of \$79,079.37.

Trust Fund Beginning Balance as of July 1, 2015	\$ 152,499.96
Revenue from Recorded Documents	130,960.80
Interest	<u>977.45</u>
Unadjusted Ending Balance as of June 30, 2016	\$284,438.21
Total Expenditures FY 15/16	<u>\$ 79,079.37</u>
Adjusted Ending Fund Balance	<u>\$ 205,358.84</u>

- Vote approving transfer of \$79,079.37 from Trust Fund:
 - Motion by: DON ASHTON
 - Second by: VERN PIERSON
 - Approved by all voting members: VERN PIERSON, DON ASHTON and ALEXIS ZOSS.

- District Attorney Vern Pierson to present this report at the Board of Supervisors Meeting on August 2, 2016.

MEETING ADJOURNED: 3:20 p.m.

<p>EL DORADO COUNTY</p> <p>REAL ESTATE FRAUD PROSECUTION</p> <p>ANNUAL EXPENDITURE REPORT, 7/1/15-6/30/16</p>
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	YTD	Budget	Variance
I. Salary	\$ 56,537.42	\$ 69,631.00	\$ 13,093.58
II. Benefits	15,051.73	3,745.00	(11,306.73)
Total Salary and benefits	71,589.15	73,376.00	1,786.85
III. Direct Operating Expenses			
	YTD	Budget	Variance
Telephone	1.87	-	(1.87)
Subscriptions	274.81	-	(274.81)
Office Expense	-	-	0.00
Professional Services	1,495.00	-	(1,495.00)
Transcription	-	-	0.00
Minor Equipment	-	-	0.00
Transportation/Travel	64.80	-	(64.80)
Total Direct Operating Expense	1,836.48	-	(1,836.48)
Total Direct Expense	73,425.63	73,376.00	-49.63
IV. Indirect Costs			
.10 of salaries	5,653.74	-	(5,653.74)
Total Costs ¹	\$ 79,079.37	\$ 73,376.00	\$ (5,703.37)

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