



# The County of El Dorado

## Chief Administrative Office

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Gayle Erbe-Hamlin  
Chief Administrative Officer

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July 8, 2009

Mr. & Mrs. Rudolph Rosen  
12155 Tributary Pointe Drive #212  
Gold River, CA 95670

2009 JUL 10 AM 8:10  
BOARD OF SUPERVISORS  
EL DORADO COUNTY

Dear Mr. & Mrs. Rosen:

After reviewing the documentation provided to this office requesting a waiver of various fees associated with the construction of your home at 2069 Chateau Montelana, El Dorado Hills, I have determined the county acted in accordance with all policies relating to the processing of the permit applications in question. Furthermore, the Development Services department successfully collected fees totaling \$3,763.56 for the Grading Permit, Plan Check and Site Review fees. At this point any waiver would be in the form of a reimbursement of that amount.

The outstanding balance of \$42,457.09 you request be waived is for Traffic Impact Mitigation (TIM) fee(s) assessed by the Department of Transportation. Waiver of TIM fees may only be considered by the Board of Supervisors and must be placed on their regular agenda by one or more members of the Board of Supervisors.

Therefore, Pursuant to El Dorado County Board of Supervisors Policy B-2, Fee Waivers, I hereby deny reimbursement of the previously collected Development Services related fees.

If I can be of further assistance, do not hesitate to contact me.

Sincerely,

Ron Grassi  
Assistant Chief Administrative Officer

Cc: Ron Briggs, District IV Supervisor, Chairman  
John Knight, District I Supervisor ✓  
Roger Trout, Director of Development Services

June 23, 2009

We are Rudy and Jackie Rosen, owners of a partially completed home located at 2069 Chateau Montelana in El Dorado County. Please note that many of the circumstances described below are under investigation by the El Dorado County District Attorney. Any allegations against individuals or statements about amounts of theft are also under investigation. No individuals have been convicted of any crimes to date, so all statements below are based only on our opinion regardless of how stated below. However, we encourage you to contact staff at the El Dorado County DA's office for verification of facts and matters now the subject of our opinion.

### Summary

Home construction fraud now under investigation by the El Dorado County District Attorney involves County permits and fees, fraudulently written checks to the County, altered County documents, and lack of notification to Rudy and Jackie Rosen by County staff of failures by a contractor to pay for permits for which County staff issued receipts and issued permits. We paid the contractor for all County fees. The contractor wrote checks to the County in payment for these fees. The County issued signed receipts for payment of all fees and issued permits. Checks passed to the County for the fees were returned for insufficient funds or were stopped by the contractor. The contractor passed to the County bad checks.

### Details

Now we are victims of what is under investigation by El Dorado County as construction fraud. In investigation of the alleged theft, we became aware that the money we paid the contractor for the El Dorado County Building Permit and El Dorado County Department of Education School Fees appears never to have been paid to the County, even though we had received signed receipts for County fees.

There were circumstances connected to the El Dorado County Building Permit application process that enabled the contractor to obtain permits and provide us with receipts, despite never completing payment (according to County records), without detection. We would like to convey to you the circumstances that allowed this to occur and the impact this had had on our lives and finances.

El Dorado County Building Inspectors conducted inspections of construction. We were not informed by County staff of returned checks or of any failure to obtain a valid building permit. We continued contracting for construction of the house because we had no reason to suspect any irregularities or improprieties regarding county permits: 1) we had paid our contractor for County permits, 2) we had received copies of receipts of payment initialed by County officials, 3) County inspections of the project continued, and 4) we never received notice from the County regarding an invalid building permit or failure to pay for the permit. This continued until late September at which time we still had not received any notice or indication from County Building Department staff that anything was amiss with either payments or permits.

We did receive an indication something was amiss when we received a letter from the El Dorado County Office of Education on August 25, 2008 stating that the check they received from our contractor for School Fees due on our project was returned for non-sufficient funds. We immediately contacted the Office of Education to verify this, and then contacted the contractor. We followed up with staff at the Office of Education who said they knew the contractor, and that they had spoken with him and had made arrangements for him to issue another check. We assumed the County was addressing the matter, as we confirmed the contact with our contractor and were told County staff knew him well and were working with him to clear up the discrepancy. This information comported with information we had received from the County at that time. This scenario played out over a couple of weeks immediately before we legally terminated our contract with the contractor on October 1, 2008. At that point we were still unaware that County building permit fees had not been paid.

We were never notified by the El Dorado County Building Department that the contractor's check for our Building Permit for \$42,457.09 was returned "NSF". We became aware of this situation on October 6, 2008 only when we called the Building Department to check on the status of our permit due to the circumstances regarding our contractor.

During a visit to the El Dorado County Building Department on November 10, 2008 in order to get a copy of our "Stamped and Approved" plans, a Building Department employee provided a copy of our Grading and Building Permit Applications. It was then we learned that our correct address and telephone number on the Building Permit had been altered to an address and phone number the contractor controlled. Our address had been altered to his personal residential address, and our phone number had been altered to his office telephone number. In addition, Mr. Rosen's signature had been forged on the application. This change of address was also recorded in Building Department notes.

Had we been informed by the El Dorado County Building Department in July when County officials became aware that the check provided by our contractor to pay for our Building Permit was returned, according to County records, we would have taken immediate action with him and held up construction of our home until the matter was corrected.

### **Conclusion**

Approximately \$450,000 we believe was stolen. In addition, we now have Mechanic's Liens totaling approximately \$130,000 recorded against us (although we paid the contractor for all of this work). NO work has been done on our home since October 1, 2008. The structure is partially framed and is rapidly deteriorating in the weather.

Because of the role of the County of El Dorado in this matter, receipt by the County of allegedly fraudulently written checks to the County for County Fees, efforts now underway by the County DA to recover restitution for such checks written to the County, and the extreme emotional and financial hardship we have endured, we respectfully ask El Dorado County Board of Supervisors to credit us for our payment of all Building Permits associated with our property, and to allow the County DA's office to continue to pursue from the contractor restitution plus costs of damages and prosecution as allowed by law for fraudulently written checks passed to the County. As we are attempting to find adequate financing, help from the county would play a large role in whether or not we can continue construction of our home and become taxpaying citizens of El Dorado County.

Thank you,

Rudy and Jackie Rosen

## El Dorado Hills Fire Department Fee Waiver

T07 D

COMMENTS - LMIS

06/23/09

PERMIT: 188868 - 1 BUILDG-NEW -1-FMLY STATUS: CHRGADDN  
SUBMIT: 06/05/2008 ISSUED: 07/10/2008  
NOTE: GRADING PERMIT #187904

06/23/09 EHJRO ON JUNE 18TH, THE EDHFD BOARD OF DIRECTORS VOTED TO WAVE THE \$4,709.34 DEVELOPMENT FEE DUE TO THE ONGOING LITIGATION WITH THE ORIGINAL CONTRACTOR. THE DEVELOPMENT FEE WILL BE ASSESSED AT TIME OF THE CERTIFICATE OF OCCUPANCY IF THE EDC DISTRICT ATTORNEY'S OFFICE HAS RECOUPERATED THE FEE THAT WAS ALLEGEDLY STOLEN. IT MAY BE DETERMINED THAT THE FEE BE WAVED ALL TOGETHER BY THE EDHFD AT C OF O.

03/12/09 PLRPT DISCUSSED STATUS OF PERMIT THIS DATE:  
CORRECT ADDRESS FOR OWNER IS;  
12155 TIBUTARY POINT DRIVE #212

INTAKE INSPECTOR: JANETTE GERONDAKIS  
RESPONSIBLE AGENCY: 1 BUILDING SERVICES/PV PRIORITY: 99  
\*\* BEGINNING OF COMMENTS \*\* LMC107A  
F1=HELP 2=CLR 3=QUT 4=DSP 5=UPD 6=ADD 7/8=SCROLL S7/8=PREV/NEXT F9=ROUTE 12=X

The amount of El Dorado County Building Permit Fees paid in full by us to our contractor for our Building Permit #188868 is \$42,457.09. This is strictly associated with our Building Permit and does not include the amounts paid for our El Dorado County Grading Permit #187904.

Attached is an e-mail sent to us from the El Dorado Hills Fire Board stating the outcome of a vote of their Board regarding the waiver of Fire Fees of \$4,709.34 associated with our property.

Therefore, we are requesting that the El Dorado County Board of Supervisors credit the remainder of our County Fees totaling \$37,747.75.

These fees do not include our contractor for those fees. He stopped payment on the check he provided to the Department of Education for those fees as well.

We would stress again that all County Fees associated with our property located at 2069 Chateau Montelana, El Dorado Hills have been paid in full by us to our contractor. It was he who in turn either paid El Dorado County with non-sufficient funds checks, or stopped payment of those checks at his bank before payment was made to the County. Only El Dorado County can press charges for these bad checks through the County DA's Office.

Please let me know if you need any other documentation.

Thank you for your help.

Jackie Rosen

Dear Members of the Board of Supervisors,

On June 15th we sent a detailed e-mail to you explaining a highly unique set of circumstances where we were deeply harmed by fraud in the course of constructing a new home in El Dorado County. This fraud is under investigation by the El Dorado County District Attorney, and it involves fraudulently written checks to the County for permits and fees (which we were never informed of), and altered County documents.

Passing fraudulently written checks is a crime in the State of California, and more specifically in this instance it is a crime against El Dorado County which is now being investigated by the County DA's office in pursuit of restitution and criminal charges. The full extent of the alleged fraud resulted in theft from us of approximately \$450,000 and, in addition, Mechanic's Liens totaling approximately \$130,000.

We have been living an emotional and financial nightmare since we first learned of the fraud in late September, last year. We are now trying to move forward to complete our home, live in it, and eventually hope to recoup a portion of our financial loss when we sell it someday. Completing the house would increase the assessed value of our property to the County.

In order for us to move forward we are requesting credit for the amount we already paid to El Dorado County for fees associated with our Building Permit #188868. Fees associated with our Grading Permit have all been paid.

We paid our contractor in full for these fees (see attached invoice and copy of our cancelled check paid to our contractor). He then wrote a check to the County which he then stopped payment on or for which he had insufficient funds in his account, so the County was not actually paid.

We received a signed receipt of payment for the fees from the County, but were never told the check was a fraud. The signed receipt (attached) we received from the El Dorado County Development Services Department shows payment of \$42,458.09.

Within that payment was \$4,709.34 for El Dorado Hills Fire Department fees. After thoroughly reviewing the matter and action to seek restitution by the EDC District Attorney, the EDH Fire Department Board voted at their June 18, 2009 meeting to credit us for their fee of \$4,709.34 (see attached ). We greatly appreciate the Fire Board's decision to credit us for what we already paid, and not to ask us to double pay their fees. They agreed the legal process underway by the EDC District Attorney is the appropriate means to seek restitution for the bad check.

We are now requesting a credit for the remaining amount from the EDC Board Of Supervisors. That remaining balance is \$37,747.75.

We are also working with the El Dorado County Department of Education to receive credit for their fees of \$18,330 which we also paid in full to our contractor, but he stopped payment on his check for those fees also.

If we do not receive credit for the County fees we have already paid, we will not be able to continue building our home. Payment of liens and legal fees will have taken everything we had left in our bank account after learning of the theft. We have eliminated everything from the design of the home that we can to decrease the cost of completing our home, but we cannot afford to continue if we must double pay these County fees. Based on our income, we are seeking the maximum loan we can get from the bank. Paying for County fees twice takes us beyond what it will require to complete a minimal home within the construction on site already in place.

The EDC DA's Office is working to address the fraudulent checks issued to the County, forgery and other alleged crimes in their investigation. We want the individual who passed these bad checks to the County and allegedly committed many other financial crimes against us and others to be brought to justice and make restitution to those owed, including EDC.

We hope the EDC Board Of Supervisors will follow in the footsteps of the El Dorado Hill Fire Department, provide us credit for fees we have already paid and to fully support the EDC DA's Office in their ongoing effort to investigate, file charges, and seek restitution for monies owed the County, us and others who were subject to this fraud in El Dorado County.

To help convey the unique circumstances of this situation we are asking for the opportunity for a brief meeting with each of the members of the EDC Board Of Supervisors prior to the meeting on August 4.

Thank you,

Rudy and Jackie Rosen