

# Real Estate Fraud Prosecution Trust Fund Committee Annual Meeting Minutes: FY 2017/2018

**DATE:** July 18, 2018

## **ATTENDEES:**

Vern Pierson – District Attorney (*voting member*)  
Patricia Charles-Heathers – Department of Health & Human Services  
(*voting member*)  
Bryan Payne – EDSO (proxy for Sheriff D’Agostini)  
Jamie Pesce – Deputy District Attorney, District Attorney’s Office  
Edwin Kim – Deputy District Attorney, District Attorney’s Office  
Shawn Eastman – Supervising Investigator, District Attorney’s Office  
Ted Horlbeck – Investigator, District Attorney’s Office  
Kimberly Beal- El Dorado County Association of Realtors  
Kerri Williams-Horn, Chief Fiscal Officer, CAO’s Office (proxy for CAO Ashton)  
Megan Arevalo – Dept. Analyst, CAO’s Office  
Shaneen May – District Attorney’s Office

### **Absent Member(s):**

John D’Agostini – Sheriff, El Dorado County Sheriff’s Office (*voting member*)  
Don Ashton – CAO, El Dorado County (*voting member*)  
James Clinchard – District Attorney’s Office

**CALL TO ORDER:** 10:00 A.M.

## **DISTRIBUTION OF AGENDA AND ANNUAL REPORT FY 2017/2018**

### **DISCUSSION / REVIEW OF CASES:**

Deputy District Attorney Jamie Pesce welcomed everyone and made introductions.

DAI Horlbeck discussed and summarized the 2017-2018 Real Estate Fraud Program:

- Vacation Rental Scams: Discussion of reduction in South Lake Tahoe vacation rental scams being reported. Due to our emphasis on public outreach to educate and inform our citizens, the stats decreased from 33 in FY15-16, to 10 in FY 16-17 and only 3 in FY 17-18.

- Case No. 2017-001: Vacation rental scam matter with the same suspect and two unrelated victims. Investigation revealed suspect out of state, complaint filed – subject failed to appear and an arrest warrant was issued. Beal requested clarification of warrant process, Pierson explained the law enforcement procedures.
- Case No. 2017-065: Foreclosure rescue delay scam. Investigation identified two suspects involved in multi-state fraud, encompassing forty-five separate properties. The DA office collaborated with the Attorney General's Office, discovering eight additional victims. This matter will be prosecuted at the federal level.
- Case No. 18-04-002617: Victims alleged suspect misused escrow funds.
- Case No. 2017-083: Complaint that a Certified Public Accountant working for a Limited Liability Corporation (LLC) infiltrated the corporation naming himself as a general partner. In conjunction with the California Board of Accountancy, this matter is still pending further investigation.
- Case No. 18-05-003874: Suspect is a license Real Estate Appraiser who filed false documents with the Secretary of State. As one of the suspects resides in Canada, the DA Investigator is working with the Ontario Provincial Police. Our Investigation involves three victims, two residents of El Dorado County and an additional victim in Sacramento County. Discussions with Sacramento County District Attorney's Office have resulted in the agreement for El Dorado County to be the lead law enforcement agency.
- We have several attorneys and investigators involved in a large-scale investigation comprised of multiple suspects and multiple law enforcement agencies. It is expected that this investigation will continue for many more months.

## **DISCUSSION:**

Matter wherein a property owner discovered her rental property being fraudulently advertised on Craigslist. The DA office worked in conjunction with Polk County Sheriff's Office in Florida for assistance in subpoenaing bank records. Beal thanked DA Investigator Horlbeck for his diligent and professional handling of this matter.

## **OUTREACH:**

- Sierra Economic Crimes Task Force. Deputy District Attorney Kim and DA Investigator Horlbeck presented at the quarterly meeting which included attendees from Sacramento, Yolo, and Placer County District Attorney Offices (Deputy District Attorneys and Investigators), the El Dorado County and Sacramento County Sheriff Departments, the Franchise Tax Board and the Dept. of Consumer Affairs.
- Deputy District Attorney Kim and DA Investigator Horlbeck met with realtors affiliated with Lyon Real Estate to discuss real estate fraud.
- DA Investigator Horlbeck has contacted both the El Dorado County and South Lake Tahoe Association of Realtors to schedule fraud awareness presentations.
- Representatives from our office attend monthly Adult Protective Services and Crisis Intervention Team meetings.
- Public Service Announcement Video: Available on the District Attorney website.
- Facebook: The DA Office posted two separate Fraud Warning Advertisements that garnered a combined 78,831 views.
- Real Estate Fraud Brochure: The DA Office created a Brochure entitled "Protect Yourself from Real Estate Fraud". The Brochure focuses on identification and awareness of real estate fraud, providing assistance and resources.
- BEWARE Vacation Rental Scam Flyer: The DA Office created a Flyer offering helpful tips to avoid vacation rental scams.
  - Both the Brochure and Flyer are available at the DA's Office, County Clerk/Recorder Office, El Dorado Hills and El Dorado County Chamber of Commerce and displayed at the El Dorado County Fair, in addition to any other events where the DA office has a presence.
- El Dorado County Fair: Annual Regional event wherein the DA Office hosts a *Fraud Awareness* Booth staffed by DA personnel. Personnel were on hand to address any fraud related issues, offering the Real Estate Brochure and BEWARE Vacation Rental Scam Flyer in addition to DA Investigator Horlbeck's business cards.
- South County Health and Safety Fair: County event wherein the DA Office hosted a *Fraud Awareness* Booth staffed by DA and Victim Witness personnel. Personnel were on hand to address any fraud related issues, offering the Real Estate Brochure and BEWARE Vacation Rental Scam Flyer in addition to DA Investigator Horlbeck's business cards.
- Worked in conjunction with Craigslist to post a vacation rental advertisement that when accessed redirects the visitor to the DA website for information on rental fraud.

## **DISCUSSION:**

Pierson stated that the increased presence of the District Attorney's Office on social media has been effective in reducing real estate fraud. More Outreach = Smarter Consumers. Eastman stated that we target the Bay Area consumers for vacation rental scams.

**FY 17/18 EXPENDITURE REPORT:**

- Discussion: Kerri Williams-Horn reviewed the FY 17/18 Real Estate Fraud Summary. Total revenue of \$122,543.81 and expenses of \$72,191.01. Williams-Horn stated that the District Attorney's Office continues to improve in identifying personnel expenses to possibly utilize additional funds in the next fiscal year. Pierson stated we do not have a need to increase the County recording fees; the committee may discuss the reduction of fees in FY 19/20.

Trust Fund Beginning Balance as of July 1, 2017	\$ 300,047.99
Revenue from Recorded Documents	117,709.20
Interest	<u>4,834.61</u>
Total Revenue	\$122,543.81
Total Expenditures FY 17/18	<u>\$ 72,191.01</u>
Adjusted Ending Fund Balance	<u>\$ 350,400.79</u>

- Vote approving transfer of \$72,191.01 from Trust Fund:
  - Motion by: Kerri Williams-Horn (proxy for CAO Ashton)
  - Second by: Patricia Charles-Heathers
  - Approved by all voting members: Vern Pierson and  
Bryan Payne (proxy for Sheriff D'Agostini)
- This Report is scheduled on the Consent Calendar for the Board of Supervisors Meeting on July 24, 2018.

**MEETING ADJOURNED: 10:30 A.M.**