



# REPORT TO COUNCIL

## City of Sacramento

15

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
**August 9, 2005**

Honorable Mayor and  
Members of the City Council

**Subject:** Funding Award: Real Estate Detective Augmentation

**Location/Council District:** Citywide (All Districts)

**Recommendation:**

Adopt a Resolution authorizing the Police Department to accept the funding from the Real Estate Fraud Prosecution Trust to provide a full-time detective that would investigate all cases of real estate theft and fraud within the City of Sacramento and a part-time clerk for clerical support.

**Contact:** John Parker, Captain, 433-0551; Milt Nenneman, Lieutenant, 433-0552

**Department:** Police Department

**Division:** Investigations

**Organization No:** 2145

**Summary:**

Real estate fraud is becoming more common within the City of Sacramento. Due to the technicalities associated with real estate law, investigating these types of crimes requires the hiring of specialized investigators. Currently, the Sacramento Police Department (SPD) does not have any trained real estate investigators and is forced to refer most investigations to the District Attorney's (DA) Office. Acceptance of the funding will provide for a full-time real estate investigator position and a part-time clerical position.

**Committee/Commission Action:** None.

**Background Information:**

The City of Sacramento has experienced a boom in real estate activity, as has the entire region. An unfortunate side effect of that activity is an increase in the amount of real estate fraud and the sophistication of the criminal acts. Many of the victims of real estate fraud are elderly and are susceptible to predatory and deceptive tactics used by these criminals. In addition to theft, fraud and embezzlement scams, a growing problem of aggressive mortgage companies has developed. Many of the tactics used are legally questionable and require skilled investigators that are dedicated solely to real estate investigation.



Due to the technical nature of the specialized knowledge required, and the inordinate amount of time needed to adequately conduct an investigation, SPD has investigated only a fraction of the cases that are received, referring the majority to the DA. This situation has forced us to rely on an outside agency (DA) to be the primary investigative agency for crimes committed in the City of Sacramento.

The Real Estate Fraud Prosecution Trust Committee, chaired by the DA, invited the SPD to apply for funding to provide a full-time detective, with part-time clerical support, to investigate all crimes of real estate fraud occurring in the City. The SPD, Office of Investigations applied and was approved for funding.

The funding provided by the Trust would allow the SPD to hire and train a dedicated detective, enabling us to investigate, efficiently and professionally, crimes occurring in the City.

**Financial Considerations:**

Funding is provided by a collection and distribution of fees received by the County on all filed documents with the County Recorder. The Sacramento County DA's Office receives 60% of the fees for prosecution. Law enforcement receives the remaining 40% of the fees. The SPD will receive 34% of the monies allocated for law enforcement.

The dollar amount will vary from year to year, but it is relatively consistent and will cover the cost of the program. The SPD's share for the fiscal year 03/04 would have come to \$179,115. Our estimated cost, for a detective, part-time clerical, vehicle and all related equipment, is \$164,720. Any excess funds may be banked to defray the cost of any future budget shortfalls where funding does not support the operation in its entirety. The program is a year-to-year mutual agreement. The City is not obligated to continue in the program in the event the law (Government Code 27388) governing the collection and distribution of these fees is discontinued.

**Environmental Considerations:**

This proposal does not constitute a "project" and is therefore exempt from the California Environmental Quality Act (CEQA) according to CEQA guidelines Section 15061(b)(1) and 15378(b)(3).

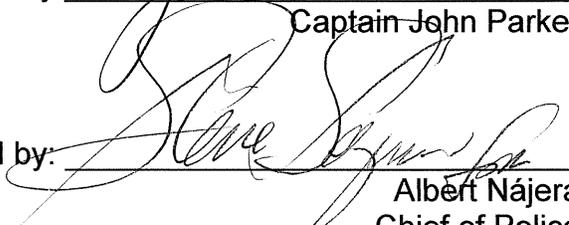
**Policy Considerations:**

This proposal is consistent with the City's mission to protect, preserve and enhance the quality of life for present and future generations.

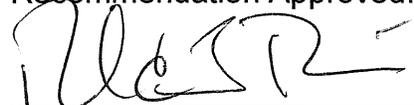
**Emerging Small Business Development (ESBD):**

Purchase of supplies and equipment for this funding will be made in accordance with the City's Emerging and Small Business Development program requirements.

Respectfully Submitted by:   
Captain John Parker

Approved by:   
Albert Najera  
Chief of Police

Recommendation Approved:

  
ROBERT P. THOMAS  
City Manager

Ref: COP 7-13

Table of Contents:

Pg 1-3 Report  
Pg 4 Resolution

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **AUTHORIZING ACCEPTANCE OF FUNDING FROM THE REAL ESTATE FRAUD PROSECUTION TRUST TO AUGMENT THE POLICE DEPARTMENT BY ONE FULL-TIME DETECTIVE AND ONE PART-TIME CLERICAL POSITION**

#### **BACKGROUND**

- A. The Sacramento Police Department does not normally investigate cases of real estate fraud. These cases require investigators skilled in the intricacies of real estate law, which is a complex and time-consuming investigation. Cases of real estate fraud are becoming more prevalent, and the elderly are being targeted as vulnerable victims. Currently, these cases are investigated by the District Attorney's Office.
- B. The Police Department has been invited to apply for funding from the Real Estate Fraud Prosecution Trust to provide for a full-time real estate fraud detective and a part-time clerical position. The funding source is a portion of the County Recorder fees (Government Code 27388). The funding is year to year and is mutually agreed upon. The Real Estate Fraud Prosecution Trust has accepted Sacramento Police Departments' application.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager, or designated representative, is hereby authorized to accept a funding award on behalf of the City of Sacramento, from the Real Estate Fraud Prosecution Trust, including any future extensions, agreements, modifications or attachments thereof.
- Section 2. Upon award of the funding, the Police Department staffing level will be increased by one (1.0 FTE) detective to fulfill the position and duties of a real estate fraud investigator and by a part-time (.5 FTE) clerical position to support the real estate fraud investigator for the one-year grant period. At the end of the funding period, if no funding sources are available, the program will be terminated, and the Police Department's staffing will be reduced by 1.5 FTE.
- Section 3. The City Manager, or designated representative, is hereby authorized to adjust the budget for the Police Department consistent with the quarterly allocations for the Real Estate Fraud Prosecution Trust.

Resolution No.2005- adopted on