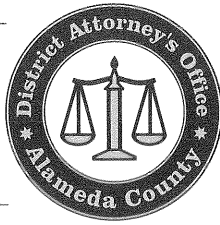


Office of the District Attorney  
Alameda County  
Nancy E. O'Malley, District Attorney



Rene C. Davidson Courthouse  
1225 Fallon Street, Suite 900  
Oakland, CA 94612

AGENDA \_\_\_\_\_ September 9, 2014

August 29, 2014

Honorable Board of Supervisors  
County of Alameda  
1221 Oak Street, Suite 536  
Oakland, CA 94612

**SUBJECT: REQUEST TO RECEIVE DISTRICT ATTORNEY'S ANNUAL REPORT ON  
REAL ESTATE FRAUD PROSECUTIONS**

Dear Board Members:

RECOMMENDATION:

Receive and review the District Attorney's annual report on Real Estate Fraud prosecutions pursuant to California Government Code Section 27388.

DISCUSSION/SUMMARY

Recent amendments to California Government Code Section 27388 now require the District Attorney to submit an annual report to the County Board of Supervisors regarding the prosecution of real estate fraud crimes. Specifically, sections 27388(d) now provides:

(d) The county board of supervisors shall annually review the effectiveness of the district attorney in deterring, investigating, and prosecuting real estate fraud crimes based upon information provided by the district attorney in an annual report. The district attorney shall submit the report to the board on or before September 1 of each year.

FINANCING

This request will not impact net County cost in FY 2014-2015 or in subsequent years.

Sincerely,

NANCY E. O'MALLEY  
District Attorney

Report by the Alameda County District Attorney on  
Real Estate Fraud Prosecution Trust Fund  
July 1, 2013 – June 30, 2014

**Introduction**

This report is made pursuant to Government Code § 27388(d), and is provided to the Alameda County Board of Supervisors to highlight the work of the District Attorney's Real Estate Fraud Unit for FY 2013-14. This report also serves as a reapplication for funds from the Real Estate Fraud Prosecution Trust Fund for FY 2014-15 pursuant to Government Code §27388(c)(4).

**Narrative Summary**

The Alameda County District Attorney's Office maintains a robust Real Estate Fraud Unit (hereinafter "The Unit") devoted to the investigation and prosecution of real estate fraud. The Unit has been in continual operation for more than 10 years. The Unit currently includes six employees as follows: two full-time Deputy District Attorneys; two D.A. Inspectors whose sole duty is to actively investigate cases involving real estate fraud; one forensic accountant and one victim advocate.

In FY 2013-14, the District Attorney claimed \$953,482 against the Real Estate Fraud Prosecution Trust to cover the operating expenses of the Unit as outlined on the attached worksheet. During that same period, the Unit reviewed 134 new referrals, 88 of which resulted in active criminal investigations. Combined with the carryover investigations already underway at the beginning of the fiscal year, the Unit actively investigated 141 real estate fraud complaints in FY 2013-14 involving 252 victims with losses totaling \$4,930,133. The Unit prosecuted 35 charged criminal cases and obtained 13 criminal convictions in FY 2013-14. Many of those ongoing criminal investigations and active prosecutions have now carried over to FY 2014-15.

***Innovative Initiatives***

The Great Recession of 2008 and the burst of the housing bubble created numerous opportunities for individuals engaged real estate fraud. The Unit has seen several schemes involving false promises to obtain mortgage loan modifications, refinance and/or avoid foreclosure. Unfortunately, many of these schemes have been targeted against communities where English is not the first language spoken in the home. The Unit has fought back against these predatory practices through a series of unique initiatives designed to educate our communities and help prevent real estate fraud before it occurs.

In FY 2013-14, the Unit adopted a new initiative which included mailing a "fraud alert" letter to all Alameda County homeowners who have a "Notice of Default" filed on their property. The "Notice of Default" is the first step in the foreclosure process for homeowners, and is a crucial point where a large amount of fraud occurs. The Unit is proactively reaching out to homeowners at this critical time to: 1) Let them know that a "Notice of Default" has been filed against their property; 2) Warn them about common fraud schemes connected to promises to refinance or avoid foreclosure; and 3) Deter them from succumbing to these same practices.

In FY 2013-14, the Unit mailed out 1,147 "fraud alert" letters to Alameda County homeowners. Those letters produced 28 responses, each of which was handled by the Unit.

The Unit also prepared for implementation of a second letter initiative whereby all Alameda County homeowners who have a "Grant Deed" filed on their property are mailed a "Grant Deed Alert" letter. Grant Deeds are the primary vehicle for transferring title to real property. False grant deeds are often a vehicle for identity theft, and theft of home equity. A homeowner who receives a "Grant Deed Alert" letter who has not recently signed a grant deed conveying an interest in their property is instructed to immediately contact the Unit. Through this early warning system, the Unit hopes to catch identity thieves early in the fraud scheme before the homeowner incurs any loss of equity in their home.

This "grant deed alert" initiative was implemented on July 10, 2014. In just the last two months, the Unit has mailed 785 "grant deed alert" letters to Alameda County homeowners.

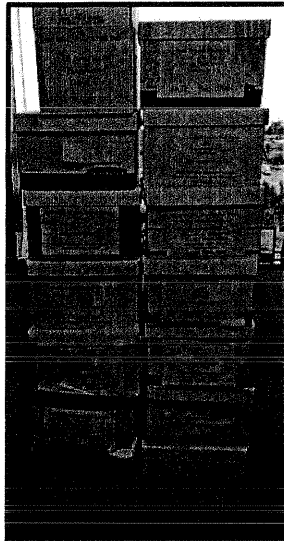
The Unit continues to be a state leader in this area and serves as a clearing house for information on the most recent fraud schemes. The Unit maintains the only state-wide electronic bulletin board designed to allow law enforcement agencies to share resources and intelligence crucial to the investigation and prosecution of real estate fraud. The Unit also maintains a toll-free "800" number for people to report suspected fraud. Members of the Unit regularly serve as instructors at seminars and conferences state-wide on the topic of real estate fraud.

### ***Referral, Investigation & Prosecution of Real Estate Fraud***

The Unit aggressively manages its resources to deter, investigate, and prosecute real estate fraud crimes.

The Unit is a "vertical" prosecution unit, meaning it handles all cases from initial referral, through investigation, to charging and ultimately prosecution of a criminal case. This structure allows the Unit to best serve victims of real estate fraud in these highly complex cases. Each case involves a team including a prosecutor, a sworn investigator, a victim advocate and, where appropriate, a forensic accountant/examiner.

A typical real estate fraud case can involve hundreds of hours to investigate, research and prosecute, and involve thousands of pages of discovery per case.



***How big do our cases get?***

*The case of People v. Hogarty, Rivera, Lomba & Torpey (Alameda County Superior Court case # 448919ABCD) involved four co-defendants, 12 victims, and 14 bankers boxes of evidence comprising over 100,000 pages. The Real Estate Fraud Unit employed two inspectors and hundreds of investigation hours to charge and successfully prosecute this case.*

The cycle of a real estate fraud investigation takes the followings steps:

- 1) ***Referral:*** This is the initial complaint made by a homeowner, company, or other law enforcement agency asking the Unit to investigate a case of suspected real estate fraud. These referrals are reviewed by either a Deputy District Attorney or by a D.A. Inspector to determine whether a full investigation is warranted. All D.A. Inspectors are sworn California peace officers with years of investigations experience.

In FY 2013-14, the Unit actively reviewed 134 case referrals involving 159 suspects.

- 2) ***Investigation:*** Cases which are determined to contain possible real estate fraud are assigned to one of the Unit's D.A. Inspectors for further investigation. Often, Deputy District Attorneys, forensic auditors, and support staff will work with the Inspector to bring all resources to bear on the investigation.

In FY 2013-14, the Unit performed 141 investigations involving 169 suspects. Carryover investigations from the previous fiscal year included 53 active investigations involving 70

suspects. During FY 2013-14, the Unit initiated 83 new investigations involving 99 suspects.

- 3) **Charging:** Following a full investigation, a case is submitted to a Deputy District Attorney to review for the filing of a criminal complaint. The Deputy District Attorney determines what charges, if any, to bring against a suspect, and files the appropriate charges.

In FY 2013-14, the Unit prosecuted 35 charged criminal cases involving 56 suspects. At the beginning of FY 2013-14, the Unit had 22 actively charged cases involving 32 suspects. During FY 2013-14, the Unit charged an additional 13 cases, involving 24 defendants.

- 4) **Prosecution & Conviction:** Once criminal charges are filed, the Deputy District Attorney works closely with the other members of the Unit to aggressively prosecute the case in Court. Once cases enter the prosecution phase, it can often take months or even years to resolve, due to the complex nature of these cases.

During FY 2013-14, the Unit obtained 13 criminal convictions.

- 5) **Victim Support:** Keeping victims apprised of the status of their case, and helping them to obtain relief in the form of restitution, protective orders, and other remedies is an integral part of the Unit's duties.

In FY 2013-14, the Unit provided direct assistance to 252 victims of real estate fraud. At the beginning of FY 2013-14, the Unit was actively assisting 188 victims on our charged cases. An additional 64 victims were associated with cases charged during FY 2013-14.

- 6) **Restitution:** Making victims whole through restitution is a priority for the District Attorney's office. After conviction, the Unit continues to be involved in the case, obtaining restitution orders on behalf of victims and monitoring repayment by the defendants through regular progress reports.

In FY 2013-14, the cases handled by the Unit had an aggregate monetary loss of \$4,930,133. At the commencement of FY 2013-14, the active cases assigned to the real estate fraud unit (investigation/pre-filing, pending/post-filing, or recently convicted) had monetary losses to victims totaling \$4,716,133.56. During FY 2013-14, the Unit initiated 13 new prosecutions where an additional \$214,000 in monetary losses was identified.

A summary of the numbers stated above are displayed in the following chart, in accordance with Government Code § 27388(c)(3):

	Entering FY 2013-14	Added FY 2013-14	<b><i>Total FY 2013-14</i></b>
Number of Real Estate Fraud Cases Filed	22	13	<b>35</b>
Number of Active Real Estate Fraud Investigations	53	83	<b>141</b>
Number of Victims Involved in the Cases Filed	188	64	<b>252</b>
Total Aggregate Monetary Loss Suffered By Victims	\$4,716,133	\$214,000	<b>\$4,930,133</b>

### ***Illustrative Cases***

As noted above, much of the Unit's recent activity has been targeted at the prevention of real estate fraud before the victim incurs a loss. Because Government Code section 27388(h) specifically targets fraud involving *recorded* documents, we are providing below a sample of recent cases referred, investigated, charged, and prosecuted by the Unit involving the fraudulent *recording* of real estate documents.

#### **People v. Damon Williams, Alameda County Docket # 448689B**

This case was referred to the Unit by staff at the Alameda County Recorder's Office, after they noticed suspicious property recordings for property located at 1311 Glendale Avenue in Berkeley, CA.

Working with the County Recorder's Office, the Unit performed the original investigation, culminating in the filing of criminal charges against defendant Damon Williams on two felony counts of filing false documents - a violation of Penal Code § 115. Seeking to frustrate a pending foreclosure, Mr. Williams conspired with the homeowner to file false "Notice of Rescission" deeds with the Recorder's Office in an attempt to delay a lawful foreclosure by the bank. The loss to the victim in this matter is the value of the home, approximately \$679,000, plus the blight created in the community by having a vacant, unattended home in the neighborhood.

Mr. Williams was arrested on May 5, 2014, and is currently out on bail. His case is currently pending in the criminal courts.

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
TRANSO SERVICE CORPORATION  
PO BOX 22221  
OAKLAND, CALIFORNIA 94609

2012050905 02/14/2012 02:48 PM  
OFFICIAL RECORDS OF ALAMEDA COUNTY  
PATRICK O'CONNELL  
RECORDING FEE: 18.00

TITLE NO. 114 TRUSTEE SALE NO. 114-EWA-106834  
ASSESSORS PARCEL NO. 50-3479-001

**NOTICE OF RESCISSION**  
of Declaration of Default and Demand for Sale and of  
Notice of Default and Election to Sell under Deed of Trust

NOTICE IS HEREBY GIVEN THAT ARIES HOLDING CORPORATION, paramount interest holder in due course of the following described Deed of Trust:

TRUSTOR: JOHN PROZOS, AN UNMARRIED MAN  
BENEFICIARY: ARIES HOLDING CORPORATION

Recorded on 02/03/2012, as Document No. 2012042052, of Official Records in the office of the Recorder of ALAMEDA County, California, describing the land therein:

ASSESSORS PARCEL NO. 85-3479-001  
1311 GLENDALE AVENUE BERKELEY  
CALIFORNIA 94708

That the written Notice of Default and Election to Sell under Deed of Trust, Recorded on 10/21/2011, as Document No. 2011296817, Book 114, Page 114, of Official Records in the office of the Recorder of ALAMEDA County, California, together with the Declaration of Default and Demand for Sale hereunder delivered to TRANSO TRUSTEE SERVICE CORPORATION, as Trustee under the terms of the Deed of Trust, Recorded on 11/03/2009, as Document No. 2009474750, Book 114, Page 114, of Official Records in the office of the Recorder of ALAMEDA County, California, is hereby rescinded, it being understood, however, that this rescission shall not in any manner be construed as waiving or affecting any breach or default, or the power of sale, in future, under current Deed of Trust, Recorded on 02/03/2012, as Document No. 2012042052, of Official Records in the office of the Recorder of ALAMEDA County, California, or as impairing any right or remedy thereunder, it is, and shall be deemed to be, only an election-without prejudice, not to cause a sale to be made pursuant to said Declaration and Notice, and that in no way jeopardize or impair any right or remedy or privilege secured to the Beneficiary, under said current Deed of Trust, nor modify nor alter in any respect any of the terms, covenants, conditions or obligations thereof, and said current Deed of Trust and all obligations secured thereby shall be and remain in force and effect as if said Declaration and Notice had not been made and given.

The beneficial interest under Deed of Trust Document No. 2012042052, is owned by the undersigned.

The foregoing rescission was delivered to ARIES HOLDING CORPORATION, as paramount interest holder under said Deed of Trust on:

Dated 02/13/2012

STATE OF CALIFORNIA  
COUNTY OF San Francisco

On 2/13/12 before me,  
(here insert name and title of the officer)  
Deborah Gibson, Notary Public, personally appeared

Damon Charles Williams, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) appears subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that he/she/their signature(s) on the instrument is/are true and correct.

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature: *Damon Charles Williams*

(THIS AREA FOR OFFICIAL NOTARIAL SEAL)

Copy of the false "Notice of Rescission" deed filed by defendant Damon Williams with the Alameda County Recorder's Office. Mr. Williams faces two felony counts of filing false documents.

### People v. Johnson Su, Alameda County Docket # 457161

This case was referred to the Unit by the victim Cindy Chen.

Defendant Johnson Su filed three false foreclosure documents with the Alameda County Recorder's Office in an attempt to take possession of property owned by Cindy Chen and her family. The property, located at 1650 Hartman Road in Livermore, California, was part of an ongoing dispute, and Mr. Su sought to file false documents to bolster his claim in front of the civil court as the rightful owner of the property. The victim suffered direct loss of \$27,000, plus the additional loss of not being able to use her property for over three years.

The case was charged by the Unit on June 6, 2014 after a thorough investigation. Mr. Su pled to a violation of Penal Code § 166(a)(4), contempt of court, for his role in trying to trick the civil court through his false filings.

**RECORDING REQUESTED BY**  
Giant Sun Group Corporation

**WHEN RECORDED MAIL TO**  
Name: Giant Sun Group Corporation  
Street: 1357 Greenbrier Road  
Address:  
City & San Carlos, CA. 94070-4229  
State:

2013371129 11/26/2013 11:36 AM  
OFFICIAL RECORDS OF ALAMEDA COUNTY  
PATRICIA O'CONNELL  
RECORDING FEE: 34.00

4 PGS

TITLE ORDER NO. T.S. NO. SPACE ABOVE THIS LINE FOR RECORDER'S USE  
LOAN NO. OTHER REF. COMPUTER NO. T.S. NO.

**NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST**  
**IMPORTANT NOTICE**  
**IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND**  
**IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION,**

and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is U. S. \$6,000,000.00 as of 2/21/1995 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor.

Copy of one of three false documents filed with the Alameda County Recorder's Office by defendant Johnson Su in an attempt to claim owner of property that did not belong to him. Mr. Su was convicted of contempt of court for trying to deceive the civil court with these documents.

**People v. Jamall Robinson, Cordell Hayes, Jhamel Robinson, and Marvin Woods**  
**Alameda County Docket # 590587A-D**

This case was discovered by the Unit following an investigation into allegations of a real estate fraud scheme being perpetrated by members of "Your Black Muslim Bakery" – located in Oakland, California.

Defendants Jamall Robinson, Cordell Hayes, Jhamel Robinson and Marvin Woods were members of Your Black Muslim Bakery. In early 2011, with most of the Bakery's activities broken up by law enforcement, the co-defendants filed six false "Grant Deeds" and "Quitclaim Deeds" on five vacant homes in the cities of Emeryville and Oakland to give themselves the appearance of being the legitimate owners.

The co-defendants then sold the properties online to unwitting victims who were looking to invest in real estate. Two victims paid the co-defendants approximately \$75,000 on the belief they were buying these properties from the legitimate owners.



The case was charged by the Unit on September 26, 2013 after a thorough investigation that began in 2011. Defendants Hayes and Woods pled to misdemeanor violations of forgery for their role in this scheme. Defendant Jhamel Robinson had his case dismissed after his brother, defendant Jamall Robinson accepted responsibility for being the mastermind of the scheme. Defendant Jamall Robinson pled to a felony violation of forgery for his role in forging and filing the false document. As part of his sentence, Robinson was ordered to pay \$76,649 in restitution to the defrauded victims. The Unit has already collected \$10,000 of that restitution and returned it to the victims.

Recording Requested By:  
Cordell Hayes

When Recorded Mail Document  
and Tax Statements to:  
ABM Enterprise LLC  
107 Wilshire Blvd Ste 450  
Beverly Hills, CA 90210-5535

2011076268 83/08/2011 04:18 PM  
OFFICIAL RECORDS OF ALAMEDA COUNTY  
PATRICK O'CONNELL  
RECORDING FEE: 18.00  
COUNTY TAX: 24.28

2 PGS

### GRANT DEED

Address: Parcel Number: 065-1809-006

The undersigned grantor(s) declare(s) the documentary transfer tax is: County \$24.20 City \$0.00

☐ Computed on the full value of the property conveyed; OR IS  
☐ Computed on the full value less value of liens or encumbrances remaining at the time of sale  
☐ Unincorporated Area City of Emeryville

FOR VALUABLE CONSIDERATION receipt of which is hereby acknowledged,  
A. Ali Eslami, an unmarried man

HEREBY GRANT(S) TO:  
Cordell Hayes, a single man

the following property located in the City of Emeryville, County of Alameda, State of California, and more particularly described as follows:  
Lot 3, Block 15, "The Landregan Tract", filed July 27, 1892, Map Book 17, Page 80, Alameda County Records.  
Property Commonly Known As: 1258 Ocean Ave, Emeryville, CA 94608-1148

Subject to restrictions, conditions, covenants, rights, rights of way, easements, leases, and other encumbrances that are now of record, if any.

Dated: 3-8-11

State of California  
County of Alameda

On 3-8-11 Before me, VINELA GREENE,  
a Notary Public, personally appeared "A. Ali Eslami" who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that he/she/they executed the same on the date(s) and at the location(s) stated on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California, that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

VINELA GREENE  
Commission # 1472064  
Notary Public - Statewide  
Alameda County  
My Comm. Expires May 21, 2015

Copy of one of six false "Grant Deeds" file by co-defendants to trick internet investors into purchasing properties not legally owned by the co-defendants.

### Accounting of Funds

As required under Government Code § 27388(c)(4), the following accounting of funds is provided in this report:

#### Fiscal Year 2013-14

Amount of Funds Received and Expended

Beginning Trust Fund Balance: \$2,668,294.50

Real Estate Document Fees Collected: \$2,475,751.30

**Total Program Revenue: \$5,144,045.80**

FY 2013-14 Salaries & Benefits: \$953,482

**Total Program Expenses: \$953,482**

**Ending Balance: \$4,190,563.80**

Attached hereto is a copy of the Budget Worksheet showing how the \$953,482 was calculated in FY 2013-14.

July 1, 2013 through June 30, 2014  
2013-14 FY BUDGET WORKSHEET

TOTAL ALL EXPENSES