

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: November 22, 2022

CAO File No. 0220-03529-0023

Council File No. --

Council District: All

To: The Mayor  
The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Transmittal from the Board of Police Commissioners dated August 22, 2022;  
referred for report by the Mayor on August 23, 2022

Subject: **2022-23 REAL ESTATE FRAUD PROSECUTION GRANT PROGRAM**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Approve and authorize the Chief of Police, or designee, to retroactively apply for and accept the Fiscal Year 2022-23 Real Estate Fraud Prosecution (REFP) Program grant, in the amount of \$873,000, from the County of Los Angeles, for a one-year term beginning on July 1, 2022 through June 30, 2023, and to negotiate and execute any documents or agreements necessary to accept the grant, subject to the approval by the City Attorney as to form;
2. Authorize the Controller to establish a grant receivable and appropriate up to \$873,000, to account to be determined, within Fund No. 339, Department 70, for the receipt and disbursement of the FY 2022-23 REFP grant funds;
3. Authorize the Los Angeles Police Department to deposit the FY 2022-23 REFP grant funds received under this agreement into Fund 339, Department 70, account to be determined;
4. Authorize the Controller to increase appropriations and transfer, as necessary, the FY 2022-23 REFP grant funds, Fund 339, Department 70, account to be determined, to Fund 100 Department 70, upon submission of proper documentation by the Department for sworn salary costs incurred during the grant performance period, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
001012	Sworn Salaries	\$574,404

5. Authorize the Controller to transfer funds, for salaries sworn reimbursement purposes, up to \$209,596 from the FY 2022-23 REFP grant funds, Fund 339, Department 70, account to be determined, and deposit into Fund 100, Department 70, Revenue Source Code 5346

Related Cost Reimbursements from Grants for fringe benefits, upon submission of proper documentation by the LAPD;

6. Authorize the continuation of four resolution authority positions through June 30, 2023:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
3	2223-2	Detective II
1	2223-3	Detective III

7. Instruct the Department to reprogram \$6,621.85 of the FY 2022-23 REFP grant funds to reflect eligible related cost reimbursements for the use of sworn overtime;
8. Instruct the Department in future REFP Grant Program applications, to prioritize and request sufficient funding for eligible related costs associated with sworn salaries, in order to fully support all sworn positions assigned to the Department's Real Estate Fraud Unit; and,
9. Authorize the LAPD to prepare Controller instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

## SUMMARY

At its meeting on Tuesday, July 26, 2022, the Board of Police Commissioners (Board) approved the Los Angeles Police Department's (Department) report for the grant application and award acceptance for the 2022-23 Real Estate Fraud Prosecution (REFP) Program. In accordance with Executive Directive No. 3, and through the Board, the Department transmits the proposed grant application and requests retroactive approval to apply for and accept the grant award in the amount of \$873,000 from the County of Los Angeles (County) for a one-year term beginning on July 1, 2022 through June 30, 2023.

Pursuant to Section 23788 of the California Government Code, the REFP Fund (Fund) was established in April 2009 for the deposit of fees from the recording of certain real estate transactions by the County. The Fund provides funding for use by local police, sheriffs, and district attorneys to deter, investigate, and prosecute real estate fraud crimes. The County evaluates applications for funds and provides grant awards to selected jurisdictions based on the number of document titles filed.

The Department has been a recipient of the REFP Program and recipient of grant funds for 22 years. The Department's Real Estate Fraud Unit is staffed with four resolution authority positions supported by this grant, consisting of one Detective III and three Detective IIs. The Department reports that 63 new cases were opened in the 2021 calendar year and 16 arrests were made. The Department requested the addition of one Detective II in the prior year 2021-22 REFP grant report based on the increased grant amount over the previous years. However, the FY 2022-23 grant amount of \$873,000 is less than the funding amount provided in the prior year of \$953,000.

The total cost for the four sworn positions (\$574,404) and fringe benefits (\$435,456) is \$1,009,860. This represents \$136,860 more than the proposed grant award of \$873,000. Therefore, it is recommended that the Department submit, in future REFP Grant Program applications, a budget modification plan to include sufficient grant funds to cover all sworn salaries and eligible related costs, in addition to other expense categories.

Subsequent to the transmittal of the grant report, the Department proposed a budget modification to reflect related cost reimbursements of \$6,621.85 associated with sworn overtime payroll deductions that include the Federal Insurance Contributions Act, Unemployment, and Workers' Compensation withholdings. This will reduce the Sworn Overtime allocation from \$80,000 to \$73,378. The following table reflects the Department's proposed budget for the use of the FY 2022-23 REFP grant funds:

<b>Expense Category</b>	<b>FY 2022-23 REFP Grant Award</b>
Sworn Salaries	\$574,000
Fringe Benefits	\$209,596
Sworn Overtime	\$73,378
Travel / Training	\$2,000
Equipment (Cell phones)	\$2,500
Office Supplies	\$4,000
Other costs	\$500
Related Costs	\$6,622
<b>Total</b>	<b>\$872,596</b>

In accordance with Los Angeles Administrative Code Section 14.6, Mayor and Council approval is required for acceptance of the grant award before the Department can receive any grant funds.

**FISCAL IMPACT STATEMENT**

Approval of the recommendations stated in this report will authorize the Los Angeles Police Department (Department) to accept a grant award in the amount of \$873,000 from the County of Los Angeles for participation in the Fiscal Year 2022-23 Real Estate Fraud Prosecution Grant Program. It is recommended that the Department, in future grant applications to the Real Estate Fraud Prosecution Grant Program, include sufficient grant funds to cover all sworn salaries and eligible related costs to reduce the impact to the General Fund. Given that the grant award is not sufficient to capture all related costs, the General Fund will absorb the \$136,860 in remaining Fringe Benefits, and additional costs associated with Central Services, Department Administration and Support, and CTO rates. There is no matching requirement associated with this grant award. The related costs for sworn overtime in the amount of \$6,621.85 will be deposited into Revenue Source Code 5346, Related Cost Reimbursements from Grants. There is no additional impact on the General Fund.

## **FINANCIAL POLICIES STATEMENT**

The recommendations stated in this report comply with the City's Financial Policies in that, to the extent possible, current operations will be funded by current revenues.

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