



OFFICE OF THE DISTRICT ATTORNEY  
CONTRA COSTA COUNTY

DISTRICT ATTORNEY

August 30, 2017

Board of Supervisors  
Contra Costa County  
651 Pine Street  
Martinez, CA 94553

RE: Real Estate Fraud Prosecution Trust Fund  
District Attorney's Annual Report for 2016/2017

Dear Board Members:

Pursuant to California Government Code § 27388 (d), I would like to report to the Board the progress our office has made in deterring, investigating, and prosecuting real estate fraud crimes in our County this past year.

**History of the Real Estate Fraud Prosecution Team**

In July of 1996, the Board authorized one Deputy District Attorney and one District Attorney Senior Inspector to investigate and prosecute real estate fraud crimes. The cost of doing so was offset by revenue generated by recording fees on certain instruments. In 2011, the Board authorized the addition of one legal assistant position and in May of 2015 the addition of two District Attorney Senior Inspectors. Unfortunately, funding cutbacks effectuated in 2016/2017 severely reduced staffing levels in the Real Estate Fraud Unit. Current staffing levels for the Real Estate Fraud Prosecution Team consist of one Deputy District Attorney, one Senior Inspector, and one legal assistant.

**Activity**

The undersigned is the Deputy District Attorney assigned to the Real Estate Fraud Unit, starting in July of 2015. Since 2015, the Real Estate Unit has ethically and aggressively prosecuted cases. In addition, this Unit has introduced new outreach and training programs. This outreach has assisted in an increase of case referrals and in investigating, filing and prosecuting real estate fraud cases.

In 2016/2017, the Real Estate Fraud investigated cases involving over \$10 million dollars in fraud. These investigations involve suspected lease fraud/Craigslist scams, foreclosure fraud, recordation fraud, mortgage fraud, loan modification fraud, forgery, embezzlement, grand theft, securities fraud, elder abuse financial fraud and fraud cases involving sovereign citizens. In 2016/2017, our office expended \$875,645.83 from the Real Estate Fraud Prosecution Trust Fund. Initially those funds paid for the salaries of one Advanced Deputy District Attorney, three Senior Inspectors and one legal assistant. Partway through the 2016/2017 fiscal year, the Real Estate

Fraud Unit learned that there were insufficient funds in the Real Estate Fund Prosecution Trust to maintain those staffing levels. In response, the Real Estate Fraud Unit had to reduce staffing levels and scale back several large investigations.

### **Cases 2016/2017**

In 2016/2017, the Real Estate Fraud Unit reviewed 64 real estate fraud cases. The Unit is actively investigating 48 of those cases. Upon initial review, the Real Estate Fraud Unit closed 16 cases due to insufficient evidence of real estate criminal activity. However, the Real Estate Fraud Unit referred these cases to other Units in the Special Operations Divisions for further investigation in other areas of fraud.

The cases investigated range in subject matter from recordation fraud to sophisticated mortgage fraud schemes involving elder abuse. In 2016/2017, the Real Estate Fraud Unit filed 14 cases, and secured over \$500,000 in restitution for victims with eight felony resolutions and three misdemeanor resolutions.

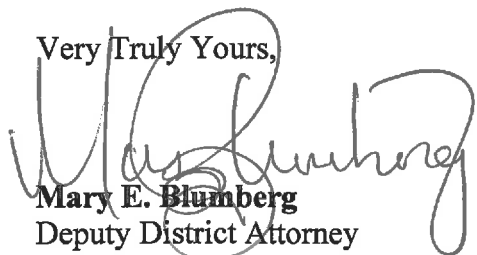
The Real Estate Fraud Unit began hosting Real Estate Fraud Police Agency Trainings as well as Real Estate Fraud Professionals Outreach in 2015. The Real Estate Fraud Police Agency Training is an ongoing project created to develop relationships between the Real Estate Fraud Unit and local law enforcement agencies within Contra Costa County. The overall goal is to educate patrol officers about real estate fraud. These training have led to a 90% increase in case referrals from law enforcement agencies.

The Real Estate Professionals Outreach is an ongoing training for local real estate professionals to raise awareness about potential real estate fraud and current fraud trends. This platform also allows the Unit to educate real estate professionals about the Real Estate Fraud Notification Program and the Mortgage and Foreclosure Advisory Program. Additionally, this past year, the Real Estate Fraud Unit and the Elder Unit held outreach at various Rotary Clubs across the County and Rossmore to educate elders on how to protect themselves from potential real estate and mortgage fraud.

The Real Estate Fraud Unit collaborates with the Contra Costa County Recorder's Office, the Contra Costa County Assessor's Office, and the Contra Costa News Register to effectuate the Fraud Notification and the Mortgage and Foreclosure Advisory Programs. Moreover, the Unit has put out Public Service Announcements (PSA's), in both Spanish and English, to educate county residents about rental scams. The Unit continues to reach out to the Contra Costa Association of Realtors, local title insurance companies, the elderly and the public to educate our citizens and business people about the signs of real estate fraud. This Unit works closely with the California District Attorneys Association's Real Estate Fraud Committee; the undersigned does statewide trainings in the area of real estate fraud, in addition to addressing needed legislation relating to real estate fraud.

Despite significant cuts in personnel, the Real Estate Fraud Unit continues to ethically and aggressively investigate and prosecute allegations of real estate fraud occurring in Contra Costa County. A future return to past funding, and therefore past staffing levels, will ensure that county residents will continue to be protected from sophisticated and unscrupulous offenders.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read "Mary E. Blumberg", written over the typed name.

**Mary E. Blumberg**  
Deputy District Attorney  
Special Operations - Real Estate Fraud  
Contra Costa County Office of the District Attorney