File No. 120932

Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** 10/17/2012

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	Motion
☒	☐	Resolution
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☐	☐	Legislative Digest
☐	☐	Budget and Legislative Analyst Report
☐	☐	Legislative Analyst Report
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OTHER **(Use back side if additional space is needed)**

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Completed by: Victor Young **Date** October 12, 2012
Completed by: Victor Young **Date** _____

[Accept and Expend Grant - Foreclosure Crisis Relief Fund - $399,442]

Resolution authorizing the Office of the District Attorney to retroactively accept and expend a grant in the amount of $399,442 through the California Department of Justice for a program entitled "Foreclosure Crisis Recovery Program," for the period of July 1, 2012, through June 30, 2013.

WHEREAS, The City and County of San Francisco desires to enter into an agreement with the California Department of Justice to bring justice to victims of crime through investigation and prosecution, and by preventing fraud, empowering homeowners and improving neighborhood conditions; and

WHEREAS, All positions supported by these funds shall be coded "G" in the District Attorney's budget; and,

WHEREAS, The grant does not include any provision for indirect costs and the District Attorney proposes to maximize use of available grant funds on program expenditures by not including indirect costs in the grant budget; and,

WHEREAS, The grant does not require an amendment to the Annual Salary Ordinance (ASO); now, therefore, be it

RESOLVED, That the District Attorney of the City and County of San Francisco is authorized on behalf of the City and County of San Francisco to contract for, accept, and expend funds from the Department of Justice to implement the Foreclosure Crisis Recovery Program; including any extensions, augmentations or amendments thereof; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget.

RECOMMENDED:

Office of the District Attorney

George Gascón
Cristine DeBerry for George Gascón

APPROVED:

Office of the Controller

By: For

Ben Rosenfield

APPROVED:

Office of the Mayor

By:

Edwin M. Lee

TO: **Angela Calvillo, Clerk of the Board of Supervisors**

FROM: **Tara Anderson, Office of the District Attorney**

DATE: **July 17, 2012**

SUBJECT: **Accept and Expend Resolution for Subject Grant**

GRANT TITLE: Foreclosure Crisis Relief Fund (DAFORE_13 041309) - $399,442

Attached please find the original and 4 copies of each of the following:

_X_ Proposed grant resolution; original signed by Department, Mayor, Controller

_X_ Grant information form, including disability checklist

_X_ Grant budget

_X_ Grant application

_X_ Grant award letter from funding agency

___Ethics Form 126 (if applicable)

___ Contracts, Leases/Agreements (if applicable)

___ Other (Explain):

Special Timeline Requirements:

Please schedule at the earliest available date.

Departmental representative to receive a copy of the adopted resolution:

Name: Tara Anderson Phone: 415 553 1203

Interoffice Mail Address: DAT, 850 Bryant Street, Room 322

Certified copy required Yes ☐ No ☒

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

File Number: 120932
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: Foreclosure Crisis Relief Fund (DAFORE_13 041309)

2. Department: District Attorney

3. Contact Person: Tara Anderson Telephone: 415-553-1203

4. Grant Approval Status (check one):

[X] Approved by funding agency [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $399,442

6a. Matching Funds Required: $0
b. Source(s) of matching funds (if applicable): N/A

7a. Grant Source Agency: California Department of Justice
b. Grant Pass-Through Agency (if applicable): N/A

8. Proposed Grant Project Summary: The San Francisco District Attorney's Office (SFDA) existing Mortgage and Investment Fraud team works to benefit the public in two ways: by bringing justice to victims of crime through investigation and prosecution, and by preventing fraud through a public education campaign to empower homeowners and improve neighborhood conditions. The requested staff positions will enable the SFDA to expand our investigation and prosecution of crimes that affect a large number of victims and have been repeated multiple times. These perpetrators will be brought to justice for their crimes and prevented from victimizing more individuals.

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date: July 1, 2012 End-Date: June 30, 2013

10a. Amount budgeted for contractual services: $10,000

b. Will contractual services be put out to bid? No, because the work requires highly specialized experts. There is a very limited amount of experts qualified to provide case specific consultation and training for mortgage fraud.

c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? No

d. Is this likely to be a one-time or ongoing request for contracting out? One-time

11a. Does the budget include indirect costs? [ ] Yes [X] No

b1. If yes, how much? $0

b2. How was the amount calculated? N/A

c1. If no, why are indirect costs not included?
[ ] Not allowed by granting agency [X] To maximize use of grant funds on direct services
[ ] Other (please explain):

c2. If no indirect costs are included, what would have been the indirect costs? 10% indirect costs would have been $39,944.20.

12. Any other significant grant requirements or comments:

****Disability Access Checklist***(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

[X] Existing Site(s) [ ] Existing Structure(s) [ ] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s) [ ] Rehabilitated Structure(s) [ ] New Program(s) or Service(s)
[ ] New Site(s) [ ] New Structure(s)

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Martha Knutzen
(Name)

Manager of Legal Operations
(Title)

Date Reviewed: 7/30/2012

Martha Knutzen
(Signature Required)

Department Head or Designee Approval of Grant Information Form:

Sheila Arcelona
(Name)

Finance Division Manager
(Title)

Date Reviewed: 7-27-12

(Signature Required)

Amended Item G.

G. Itemization of expected costs and expenses – TOTAL REQUEST $399,442

1. Personnel Salaries $301,063

Position	*Computation*	*Cost*
Attorney	$5,202 x 26.1 pay periods/yr	$135,772
Investigator	$3,679 x 26.1 pay periods/yr	$96,022
Paralegal	$2,654 x 26.1 pay periods/yr	$69,269
The proposed positions are the core of the proposed project.		

2. Fringe Benefits $88,379

Position	*Computation (Rate)*	*Cost*
Attorney	$135,772 x 25%	$33,943
Investigator	$96,022 x 30%	$28,807
Paralegal	$69,269 x 37%	$25,629
Social Security, Medicare, Flex Benefits, Health Insurance, Dependent Coverage, Long Term Disability, Retirement, Unemployment Insurance, and Dental Insurance.		

3. Travel $0

Purpose	*Item*	*Computation*	*Cost*
Funds were not approved			

4. Equipment $0

Funds were not approved

5. Consultants/Contracts $10,000

Name	*Service*	*Computation*	*Cost*
TBD	Forensic Accounting Expert	$50/hr x 200 hours	$10,000
The SFDA will contract with a forensic accounting expert for two purposes: (1) to assist in investigation and prosecution of cases, including providing expert testimony; (2) to provide training and technical assistance to grant-funded staff. The evidence in these cases can be voluminous and require additional expert assistance to decode and compile.			

6. Other $0

Funds were not approved

7. Indirect Costs $0

Funds were not approved

APPLICATION FOR GRANT FROM FORECLOSURE CRISIS RECOVERY FUND ADMINISTERED BY THE CALIFORNIA ATTORNEY GENERAL'S OFFICE

2011 CYCLE

I. NAME OF APPLICANT/LEAD AGENCY: San Francisco District Attorney's Office

Address: Office of the District Attorney
City and County of San Francisco
732 Brannan St.
San Francisco, CA 94103

Phone Number: (415) 551-9571

Fax Number: (415) 551-5403

E-mail (if available): Conrad.delrosario@sfgov.org

Contact Person(s): Conrad del Rosario, ADA
Eugene Clendinen, CFO

II. STATUS OF APPLICANT (check and provide information as appropriate)

A. Is the Applicant an "Authorized Agency" as described in paragraph 5(b) of the Stipulated Judgment between Plaintiff the People of the State of California and Defendants David Sambol and Angelo Mozilo ("Judgment"), Case No. LC081846

☒ Yes ☐ No

If no, the Applicant is not eligible to receive grants from the Foreclosure Crisis Recovery Fund. If yes, describe the agency's function and responsibilities in a separate document. **Please see separate document entitled "Status of Applicant."**

III. APPLICANT'S PROPOSAL: Please see separate 5-page document entitled "SFDA Proposal"

IV. REPRESENTATIONS BY APPLICANT REGARDING ACCEPTANCE OF CONDITIONS FOR DISBURSEMENT

A. The undersigned is the responsible person for this application, has been duly authorized by the Applicant to act as its agent in connection with this application, and hereby certifies that the information in this application, including attached documents, is true. The undersigned has read the Judgment governing the Foreclosure Crisis Recovery Fund and understands its terms. The undersigned further represents that the funding requested will not be used to pay for current staff of the Applicant applying for this project (unless the Committee expressly approves otherwise). If a project is accepted, the undersigned further represents that he/she will sign a form(s) that acknowledges that the Applicant's project has been selected for receipt of a grant from the Fund, and that the Applicant will comply with the terms and conditions of the grant.

B. The Applicant will comply with any order of the Court in connection with the Foreclosure Crisis Recovery Fund and the grant received.

C. The Applicant will safeguard any grant funds, maintain financial controls sufficient to protect such monies and ensure that the use of grant money is consistent with the recipient's grant application, and provide a detailed written description of those financial controls if requested by the Committee.

D. The undersigned represents that his/her office is authorized to accept grant funds under applicable state and local laws and that the budget of the office will not be reduced by the receipt of any grant. Any grant shall be used to augment but not supplant the budget of the grant recipient's office or unit.

E. The Applicant understands that grant funds will only be used for the purposes described in this application, as approved or modified by the Committee.

F. If the project is for the purpose of investigation or litigation, any costs or attorneys fees the applicant obtains in a civil settlement will be used to reimburse the Foreclosure Crisis Recovery Fund the full amount of the grant awarded, unless the Committee expressly agrees otherwise.

G. In the event the Applicant is the prevailing party after trial, the Applicant will use its best efforts to reimburse the Foreclosure Crisis Recovery Fund

in full from any monetary recovery ordered by trial and appellate courts and paid by the defendant(s).

H. The Applicant will notify the Committee in writing of litigation results, including any settlement, judgment or other resolution, within 30 days of any settlement, judgment or other resolution.

I. The Applicant will submit a self-evaluation report within six months after receipt of grant funds, and a final report to the Committee within 60 days of completing the project for which the grant was awarded. These reports shall specify how grant funds were used, as well as a description of the progress and/or outcome of the project for which the grant was awarded. All reports submitted to the Committee pursuant to these reporting requirements shall be treated by the Attorney General's Office as confidential law enforcement communications.

J. The Applicant will notify the Committee in writing of the status of all outstanding litigation or investigations related to this project six months after grant funds are disbursed to the recipient and provide notice annually on the anniversary date of the disbursement.

K. All correspondence with the Committee shall be directed to Deputy Attorney General Benjamin G. Diehl, Office of the California Attorney General, 300 S. Spring St., Ste. 1702, Los Angeles, CA 90013, phone: (213) 897-5548, fax: (213) 897-4951, e-mail: Benjamin.Diehl@doj.ca.gov.

L. The Applicant will cooperate with the Committee and its agents in providing all information concerning the use of grant funds as the Committee may reasonably requests and will maintain sufficient records for auditing purposes to substantiate any expenditure. In the event of a multi-agency project, the lead Applicant shall be solely responsible for complying with this paragraph, except as otherwise expressly agreed by the Committee in writing.

M. The Applicant will comply with all additional requirements the Committee imposes, including but not limited to completing and promptly returning any required form to acknowledge selection as a grant recipient.

N. Approval of this application does not constitute the Committee's or the California Attorney General's endorsement of this project.

O. Except as otherwise expressly agreed by the Committee in writing, within 60 days after the conclusion of the investigation, litigation, or training for which the Applicant requested a grant, the Applicant will return any unused or excess funds to the Committee by check made payable to the California

Attorney General's Office, with the notation "Foreclosure Crisis Recovery Fund Reimbursement."

P. If the project is for the purchase of non-case specific goods or services, the Applicant will return any excess or unused funds to the Committee within 60 days after purchase of those goods or services by check made payable to the California Attorney General's Office, with the notation "Foreclosure Crisis Recovery Fund Reimbursement."

Q. If an application is for the production of any materials, the Applicant agrees to permit the California Attorney General's Office and other authorized agencies to use those materials, without restriction, for their intended purposes, if the Committee so requests.

Signed: _____

Title: Managing Attorney, Economic Crimes Unit

Return four copies of the application and attachments to:
Foreclosure Crisis Recovery Fund Committee
Attention: Deputy Attorney General Benjamin Diehl
Office of the California Attorney General
300 S. Spring St., Ste. 1702
Los Angeles, CA 90013

For additional information, please contact:

Deputy Attorney General Benjamin Diehl
Office of the California Attorney General
phone: (213) 897-5548
fax:(213)897-4951
e-mail: Benjamin.Diehl@doj .ca.gov

A. Perceived need for the program

Foreclosures rose in San Francisco in 2010, while they declined in most other Bay Area counties.[1] Banks repossessed 709 San Francisco houses and condos as foreclosures in 2010, a 20 percent increase from 2009, according to DataQuick. Meanwhile, foreclosures declined on an annual basis in most other Bay Area counties, falling by about 9 percent in Alameda and Contra Costa counties.[2] Some 1,885 San Francisco households received notices of default, the first step in the foreclosure process, in 2010 – more than double the historic average.[3] The vast majority of the homes lost to foreclosure are in San Francisco's southern zip codes, with the highest concentration in the Southeast Sector, the region comprised of low to moderate income families, communities of color and seniors. Most at-risk homeowners are Latino, Asian or African American and received riskier and more expensive loans than most white homebuyers. However, while the first wave of San Francisco foreclosures were primarily focused on adjustable rate mortgages, foreclosures increasingly affect homeowners from all neighborhoods and income levels who have struggled economically during the recession.

In this climate, mortgage and foreclosure fraud targeting at-risk homeowners has taken on a number of forms, including loan modification scams, forensic loan audit scams, fractionalized deed scans and reverse mortgage scams. "Loss mitigation" companies, "foreclosure rescuers" and "mortgage consultants" do nothing to help and mortgages fall further behind until banks foreclose on the homes. Countless homeowners have been defrauded by similar schemes. Elderly homeowners are being targeted for "reverse mortgages" – one in every four of which is sold in California – and distressed homeowners are being targeted for scams such as tax reassessment solicitations and investment fraud by professionals who start with legitimate mortgage activities and then engage in subsequent fraud.

The San Francisco District Attorney's Office (SFDA) has built significant expertise and success in prosecuting mortgage and investment fraud. In 2009, the SFDA received a grant from the U.S. Department of Justice grant to create a new Mortgage and Investment Fraud Team – comprised of one attorney and two investigators – to handle the investigation and prosecutions of mortgage fraud and investment fraud. This unit targets the "middle men" who play a central role in the fraud industry – the local lenders, real estate brokers, loan consultants and investment advisors who facilitate fraud against hundreds of people. Middle men are sophisticated and their companies disappear quickly.

The unit is currently managing several large-scale investigations and prosecutions under the grant program. We have completed a preliminary hearing in a case where five defendants were charged with a highly sophisticated, multi-million dollar conspiracy, mortgage fraud, and money laundering scheme. We are also using a forensic accountant to track money in another mortgage fraud scam in which the defendant scammed 26 Spanish-speaking victims out of their homes. We will use his analysis to "seize and

[1] http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/29/MNC81HF7UP.DTL#ixzz1O5peapJO
[2] http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/29/MNC81HF7UP.DTL#ixzz1O5qLKR8q
[3] http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/29/MNC81HF7UP.DTL#ixzz1O5r6wYi4

freeze" his assets in order to obtain some restitution for the victims. These cases have generated local media attention and buzz throughout San Francisco. Prosecuting these cases has sent an important signal that the SFDA is fighting mortgage fraud and working with our community.

Pursuing cases against these criminals requires extremely intensive and detailed investigations, taking many months to investigate and, often, twice as long to prosecute to completion. Our current team is already stretched to the limit handling its current cases, with a backlog of pending investigations and possible prosecutions. In order to address the current backlog and take on more cases as they are brought to our office, we must expand our Mortgage & Investment Fraud Team by adding a full-time attorney, investigator and paralegal to the Team. The attorney will be experienced in complex prosecutions and the investigator will have experience and training in forensic accounting. The paralegal will help the attorney and investigator to manage the extensive documents required for these cases. The Team will contract with a forensic accounting expert to advise on specific cases and develop team capacity. The Team will also participate in ongoing training provided by the U.S. Attorney's Mortgage Fraud Task Force, California District Attorneys' Association, and the Commission on Peace Officers Standards & Training. These staff members also will build on the relationships that our Mortgage & Investment Fraud Team has established with the U.S. Attorney's Mortgage Fraud Task Force, California Department of Real Estate's Investigations Division, and with the newly formed California Mortgage Fraud Strike Force to leverage resources, refer and receive cases and minimize redundant efforts. Moreover, these positions will leverage the extensive expertise already developed by the unit to investigate and prosecute these complex fraud schemes.

B. Anticipated public benefit

The SFDA's existing Mortgage and Investment Fraud team works to benefit the public in two ways: by bringing justice to victims of crime through investigation and prosecution, and by preventing fraud through a public education campaign to empower homeowners and improve neighborhood conditions. The requested staff positions will enable the SFDA to expand our investigation and prosecution of crimes that affect a large number of victims and have been repeated multiple times. These perpetrators will be brought to justice for their crimes and prevented from victimizing more individuals. Moreover, as these cases are covered by the media, we expect that more defrauded individuals will recognize their own victimization and come forward well after the funding period of the grant expires. Focusing on crimes involving elderly and minority victims – who are disproportionately victimized by mortgage and foreclosure fraud – also fortifies the criminal justice system's capacity to protect those least able to protect themselves. Finally, this is an issue of national significance, and the team, funded by this Mortgage Fraud Grant, is in a unique position to develop expert practices that it can then share with other prosecutors across the country. SFDA staff is involved in both the National District Attorneys Association and California District Attorneys Association and regularly attends conferences that help to further develop and share their expertise.

C. Potential investigation and/or litigation

The primary purpose of the grant is to expand the Mortgage and Investment Fraud Team's capacity to investigate and prosecute cases of misconduct relating to mortgage origination, mortgage servicing, and foreclosures. Grant-funded staff will begin by working on the current case backlog, but also will receive referrals through a number of channels, including the California Attorney General's Mortgage Fraud Strike Force, the SFDA duty phone line, consumer complaints, San Francisco Housing Development Corporation, the San Francisco Assessor and Recorder's Office, and some private corporations such as title companies. Cases that are fully investigated and that we believe can be proven at trial will be charged.

D. Participating non-profit organizations

While the proposed budget does not include funds for non-profit organizations, we expect the funded positions to participate actively in the Mortgage and Investment Fraud Unit's established partnerships with the nonprofit Lawyer's Committee for Civil Rights (LCCR) and Mission Economic Development Association. Through these partnerships, the Mortgage and Investment Fraud Team conducts workshops for NPO staff and San Francisco residents. The unit also has worked closely with LCCR to develop a "Mortgage Fraud Protection Network" of lawyers and law clerks trained in detecting and preventing fraud who then go out in the community and train residents on a regular basis.

E & F. Equipment & materials in connection with proposed project

The proposed budget includes one high capacity laptop computer to be used by the attorney in court and in briefings with state, regional and federal task force work. The value of such equipment can permit larger data storage capacity for cases whose digital files can be exceptionally large. Further, such data often requires current software and hardware to securely store, maintain and still provide immediate access even when away from the office. In addition, through our U.S. DOJ funding, we will be able to benefit from the materials already and created and purchased, including public education posters and brochures, that will become part of our comprehensive campaign.

G. Itemization of expected costs and expenses – TOTAL REQUEST $436,186

1. Personnel Salaries $301,063

Position	*Computation*	*Cost*
Attorney	$5,202 x 26.1 pay periods/yr	$135,772
Investigator	$3,679 x 26.1 pay periods/yr	$96,022
Paralegal	$2,654 x 26.1 pay periods/yr	$69,269
The proposed positions are the core of the proposed project.		

2. Fringe Benefits **$88,379**

Position	*Computation (Rate)*	*Cost*
Attorney	$135,772 x 25%	$33,943
Investigator	$96,022 x 30%	$28,807
Paralegal	$69,269 x 37%	$25,629
Social Security, Medicare, Flex Benefits, Health Insurance, Dependent Coverage, Long Term Disability, Retirement, Unemployment Insurance, and Dental Insurance.		

3. Travel **$1,288**

Purpose	*Item*	*Computation*	*Cost*
Field Expense for Task Force	Meetings	$.50 per mile	$200
Training for Attorney	Travel expense - mileage or airfare		$644
	Hotel	$158 gov't rate x 1 attendee x 2 nights	$316
	Per diem	$64 gov't rate x 1 attendee x 2 days	$128
Funds for two staff members to attend the U.S. Attorney's Mortgage Fraud Task Force meetings. Travel costs for the attorney to attend skill-building and networking trainings in the field of mortgage fraud.			

4. Equipment **$2,350**

Item	*Computation*	*Cost*
High capacity laptop and peripherals	$2,150 + 8.5% sales tax	$2.350
See Section E/F, above.		

5. Consultants/Contracts **$10,000**

Name	*Service*	*Computation*	*Cost*
TBD	Forensic Accounting Expert	$50/hr x 200 hours	$10,000
The SFDA will contract with a forensic accounting expert for two purposes: (1) to assist in investigation and prosecution of cases, including providing expert testimony; (2) to provide training and technical assistance to grant-funded staff. The evidence in these cases can be voluminous and require additional expert assistance to decode and compile.			

6. Other **$3,000**

Description	*Computation*	*Cost*
Litigation Expenses:		
Certified transcripts, copies of deeds, etc.	$20-$100 each	$3,000
Grant funds will be used for litigation expenses, such as certified property deeds, transcripts of court proceedings or witness testimony, bank records from other jurisdictions.		

7. Indirect Costs **$30,106**

Description	*Computation*	*Cost*
10% of direct salary costs	$301,106 x .10	$30,106
Grant funds will be calculated at 10% of direct salary costs to support indirect expenses such as accounting, reporting, maintenance, utilities. support staff, etc.		

H. Expenses to be paid from other sources

Other expenses related to the project will be paid from San Francisco's general fund. As part of this project's implementation, the grant funded positions will be supervised by a managing attorney not funded under the grant. Office space and equipment funded through the general fund budget will support grant-funded personnel and activities.

I. Relation to SFDA's other activities

As described above, the proposed positions will supplement our existing Mortgage and Investment Fraud Unit, leveraging the experience and resources of the current unit. Moreover, the work of the grant-funded positions will help our Policy Team to develop and advocate for legislative protection for potential mortgage fraud victims, our Communications Division to implement effective public education around these issues, and our Victim Services Division to develop services for victims of mortgage and foreclosure fraud.

J. Grant oversight (how will ensure grant used solely for proposed purposes)

Program oversight: The grant-funded positions will be part of the SFDA's Mortgage and Investment Fraud Team, which reports to the Managing Attorney of the Economic Crimes Unit, who reports to the Managing Attorney of the White Collar Division. The Managing Attorney of the Economic Crimes Unit will assign cases to these positions.

Fiscal oversight: Upon receiving funds, the SFDA Finance Division sets up grants in the accounting system with unique grant codes. Expenditures appropriate to the grant are directly charged to the grant. Expenditures are monitored monthly with cost reimbursement requests no less than once a quarter.

K. Measuring success of the project

The SFDA has a demonstrated history of collecting and analyzing outcome data to assess project effectiveness. Specifically, the SFDA's White Collar Division has a successful history of tracking data and providing reports to the City's Real Estate Fraud Prosecution Trust Fund Committee. Measurable outcomes will include the following: (1) Expand the current Mortgage and Investment Fraud Unit to include three new positions;
(2) Collaborate with the California Mortgage Fraud Strike Force, U.S. Attorney Mortgage Fraud Task Force, and California Department of Real Estate to leverage resources and reduce redundant activities; (3) Work with the City to identify sustainable funding. Investigation and prosecution effectiveness will be demonstrated through the successful prosecution of cases and positive collaborative relationships.

CONRAD B. DEL ROSARIO, Jr.

732 Brannan St
San Francisco, California 94103
(415) 551-9571

EXPERIENCE

ASSISTANT DISTRICT ATTORNEY - Managing Attorney Economic Crimes March 2011- Present
Office of the District Attorney, San Francisco, CA
Supervise and consult with nine attorneys assigned to the Economic Crimes Unit. Review and advise on cases involving high technology, welfare fraud, automobile insurance fraud, mortgage fraud, real estate fraud, identity theft crimes, financial elder abuse, life insurance and annuity fraud, and workers' compensation fraud. Communicate and liaison with various community groups, private industry, and investigative agencies related to the various crimes related to the Economic Crimes Unit.

ASSISTANT DISTRICT ATTORNEY October 1998- 2011
Office of the District Attorney, San Francisco, CA
Reviewed and filed felony and misdemeanor criminal complaints and informations. Assisted and advised law enforcement on investigations, warrants, and arrests relating to crimes involving high technology, identity theft, fraud, narcotics, sexual assault, domestic violence, elder and child abuse. Handled all stages of felony criminal prosecutions including grand jury proceedings, preliminary hearings, pretrial and post trial motions, jury trials, and sentencings. Contacted, interviewed, and prepared victims and witnesses of crimes for courtroom testimony.

DEPUTY DISTRICT ATTORNEY February 1994 – 1998
Office of the District Attorney, Solano, CA
Drafted felony and misdemeanor complaints. Tried felony and misdemeanor cases by jury and court, conducted preliminary hearings, and researched and argued felony and misdemeanor motions. Handled felony sentencings and probation revocation hearings. Prosecuted criminal cases arising from the California Department of Corrections Facilities. Filed petitions and conducted jury trials on mental health extensions pursuant to Penal Code §§2970 and 1026.5. Conducted juvenile arraignments, negotiations, contests, and dispositions. Appeared as a representative for the office at Board of Prison Term hearings.

MEMBERSHIPS

HIGH TECHNOLOGY CRIMES CONSORTIUM	2006 – present
HIGH TECHNOLOGY CRIMES INVESTIGATOR ASSOCIATION	2005 – present
RAPID ENFORCEMENT ALLIED COMPUTER TEAM TASK FORCE	2005 – present
PEACE OFFICER STANDARDS TRAINING	2010 – present

EDUCATION

CITY COLLEGE OF SAN FRANCISCO
Introduction to Networks, Network Security, Internet Safety, WiFi basics, Computer Hardware, Operating Systems, and Ethical Hacking and Network Security

UNIVERSITY OF SAN FRANCISCO SCHOOL OF LAW
Juris Doctor Degree, 1991
Honors: Saint Thomas Moore Scholarship

UNIVERSITY OF CALIFORNIA, DAVIS
Bachelor of Arts Degree, Rhetoric and Communications
Minor in Political Science, 1988.

San Francisco District Attorney's Office
Draft Nonconfidential Statement

The San Francisco District Attorney's Office (SFDA) submits this application to the Foreclosure Crisis Recovery Fund Committee for funds to expand the SFDA's Mortgage and Investment Fraud Team. Our current team – which includes one attorney and two investigators – has built significant expertise and success in prosecuting mortgage and investment fraud. However, the increasing numbers of mortgage and foreclosure fraud cases have overwhelmed our team and created of a backlog of pending investigations and possible prosecutions. In order to address the current backlog and take on more cases as they are brought to our office, we must expand our Mortgage & Investment Fraud Team by adding a full-time attorney, investigator and paralegal to the Team. These staff members also will build on the relationships that our Mortgage & Investment Fraud Team has established with the U.S. Attorney's Mortgage Fraud Task Force, California Department of Real Estate's Investigations Division, and with the newly formed California Mortgage Fraud Strike Force to leverage resources, refer and receive cases and minimize redundant efforts. Moreover, these positions will leverage the extensive expertise already developed by the Team to investigate and prosecute these complex fraud schemes. By expanding our Mortgage and Investment Fraud Team, the SFDA will be able to investigate and prosecute crimes that affect a large number of victims – and especially victims from our most vulnerable communities.

A. Perceived need for the program

Foreclosures rose in San Francisco in 2010, while they declined in most other Bay Area counties.[1] Banks repossessed 709 San Francisco houses and condos as foreclosures in 2010, a 20 percent increase from 2009, according to DataQuick. Meanwhile, foreclosures declined on an annual basis in most other Bay Area counties, falling by about 9 percent in Alameda and Contra Costa counties.[2] Some 1,885 San Francisco households received notices of default, the first step in the foreclosure process, in 2010 – more than double the historic average.[3] The vast majority of the homes lost to foreclosure are in San Francisco's southern zip codes, with the highest concentration in the Southeast Sector, the region comprised of low to moderate income families, communities of color and seniors. Most at-risk homeowners are Latino, Asian or African American and received riskier and more expensive loans than most white homebuyers. However, while the first wave of San Francisco foreclosures were primarily focused on adjustable rate mortgages, foreclosures increasingly affect homeowners from all neighborhoods and income levels who have struggled economically during the recession.

In this climate, mortgage and foreclosure fraud targeting at-risk homeowners has taken on a number of forms, including loan modification scams, forensic loan audit scams, fractionalized deed scans and reverse mortgage scams. "Loss mitigation" companies, "foreclosure rescuers" and "mortgage consultants" do nothing to help and mortgages fall further behind until banks foreclose on the homes. Countless homeowners have been defrauded by similar schemes. Elderly homeowners are being targeted for "reverse mortgages" – one in every four of which is sold in California – and distressed homeowners are being targeted for scams such as tax reassessment solicitations and investment fraud by professionals who start with legitimate mortgage activities and then engage in subsequent fraud.

The San Francisco District Attorney's Office (SFDA) has built significant expertise and success in prosecuting mortgage and investment fraud. In 2009, the SFDA received a grant from the U.S. Department of Justice grant to create a new Mortgage and Investment Fraud Team – comprised of one attorney and two investigators – to handle the investigation and prosecutions of mortgage fraud and investment fraud. This unit targets the "middle men" who play a central role in the fraud industry – the local lenders, real estate brokers, loan consultants and investment advisors who facilitate fraud against hundreds of people. Middle men are sophisticated and their companies disappear quickly.

The unit is currently managing several large-scale investigations and prosecutions under the grant program. We have completed a preliminary hearing in a case where five defendants were charged with a highly sophisticated, multi-million dollar conspiracy, mortgage fraud, and money laundering scheme. We are also using a forensic accountant to track money in another mortgage fraud scam in which the defendant scammed 26 Spanish-speaking victims out of their homes. We will use his analysis to "seize and

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[1] http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/29/MNC81HF7UP.DTL#ixzz1O5peapJO
[2] http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/29/MNC81HF7UP.DTL#ixzz1O5qLKR8q
[3] http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/29/MNC81HF7UP.DTL#ixzz1O5r6wYi4

freeze" his assets in order to obtain some restitution for the victims. These cases have generated local media attention and buzz throughout San Francisco. Prosecuting these cases has sent an important signal that the SFDA is fighting mortgage fraud and working with our community.

Pursuing cases against these criminals requires extremely intensive and detailed investigations, taking many months to investigate and, often, twice as long to prosecute to completion. Our current team is already stretched to the limit handling its current cases, with a backlog of pending investigations and possible prosecutions. In order to address the current backlog and take on more cases as they are brought to our office, we must expand our Mortgage & Investment Fraud Team by adding a full-time attorney, investigator and paralegal to the Team. The attorney will be experienced in complex prosecutions and the investigator will have experience and training in forensic accounting. The paralegal will help the attorney and investigator to manage the extensive documents required for these cases. The Team will contract with a forensic accounting expert to advise on specific cases and develop team capacity. The Team will also participate in ongoing training provided by the U.S. Attorney's Mortgage Fraud Task Force, California District Attorneys' Association, and the Commission on Peace Officers Standards & Training. These staff members also will build on the relationships that our Mortgage & Investment Fraud Team has established with the U.S. Attorney's Mortgage Fraud Task Force, California Department of Real Estate's Investigations Division, and with the newly formed California Mortgage Fraud Strike Force to leverage resources, refer and receive cases and minimize redundant efforts. Moreover, these positions will leverage the extensive expertise already developed by the unit to investigate and prosecute these complex fraud schemes.

B. Anticipated public benefit

The SFDA's existing Mortgage and Investment Fraud team works to benefit the public in two ways: by bringing justice to victims of crime through investigation and prosecution, and by preventing fraud through a public education campaign to empower homeowners and improve neighborhood conditions. The requested staff positions will enable the SFDA to expand our investigation and prosecution of crimes that affect a large number of victims and have been repeated multiple times. These perpetrators will be brought to justice for their crimes and prevented from victimizing more individuals. Moreover, as these cases are covered by the media, we expect that more defrauded individuals will recognize their own victimization and come forward well after the funding period of the grant expires. Focusing on crimes involving elderly and minority victims – who are disproportionately victimized by mortgage and foreclosure fraud – also fortifies the criminal justice system's capacity to protect those least able to protect themselves. Finally, this is an issue of national significance, and the team, funded by this Mortgage Fraud Grant, is in a unique position to develop expert practices that it can then share with other prosecutors across the country. SFDA staff is involved in both the National District Attorneys Association and California District Attorneys Association and regularly attends conferences that help to further develop and share their expertise.

C. Potential investigation and/or litigation

The primary purpose of the grant is to expand the Mortgage and Investment Fraud Team's capacity to investigate and prosecute cases of misconduct relating to mortgage origination, mortgage servicing, and foreclosures. Grant-funded staff will begin by working on the current case backlog, but also will receive referrals through a number of channels, including the California Attorney General's Mortgage Fraud Strike Force, the SFDA duty phone line, consumer complaints, San Francisco Housing Development Corporation, the San Francisco Assessor and Recorder's Office, and some private corporations such as title companies. Cases that are fully investigated and that we believe can be proven at trial will be charged.

D. Participating non-profit organizations

While the proposed budget does not include funds for non-profit organizations, we expect the funded positions to participate actively in the Mortgage and Investment Fraud Unit's established partnerships with the nonprofit Lawyer's Committee for Civil Rights (LCCR) and Mission Economic Development Association. Through these partnerships, the Mortgage and Investment Fraud Team conducts workshops for NPO staff and San Francisco residents. The unit also has worked closely with LCCR to develop a "Mortgage Fraud Protection Network" of lawyers and law clerks trained in detecting and preventing fraud who then go out in the community and train residents on a regular basis.

E & F. Equipment & materials in connection with proposed project

The proposed budget includes one high capacity laptop computer to be used by the attorney in court and in briefings with state, regional and federal task force work. The value of such equipment can permit larger data storage capacity for cases whose digital files can be exceptionally large. Further, such data often requires current software and hardware to securely store, maintain and still provide immediate access even when away from the office. In addition, through our U.S. DOJ funding, we will be able to benefit from the materials already and created and purchased, including public education posters and brochures, that will become part of our comprehensive campaign.

G. Itemization of expected costs and expenses – TOTAL REQUEST $436,186

1. Personnel Salaries $301,063

Position	*Computation*	*Cost*
Attorney	$5,202 x 26.1 pay periods/yr	$135,772
Investigator	$3,679 x 26.1 pay periods/yr	$96,022
Paralegal	$2,654 x 26.1 pay periods/yr	$69,269
The proposed positions are the core of the proposed project.		

2. Fringe Benefits **$88,379**

Position	*Computation (Rate)*	*Cost*
Attorney	$135,772 x 25%	$33,943
Investigator	$96,022 x 30%	$28,807
Paralegal	$69,269 x 37%	$25,629
Social Security, Medicare, Flex Benefits, Health Insurance, Dependent Coverage, Long Term Disability, Retirement, Unemployment Insurance, and Dental Insurance.		

3. Travel **$1,288**

Purpose	*Item*	*Computation*	*Cost*
Field Expense for Task Force Meetings		$.50 per mile	$200
Training for Attorney	Travel expense - mileage or airfare		$644
	Hotel	$158 gov't rate x 1 attendee x 2 nights	$316
	Per diem	$64 gov't rate x 1 attendee x 2 days	$128
Funds for two staff members to attend the U.S. Attorney's Mortgage Fraud Task Force meetings. Travel costs for the attorney to attend skill-building and networking trainings in the field of mortgage fraud.			

4. Equipment **$2,350**

Item	*Computation*	*Cost*
High capacity laptop and peripherals	$2,150 + 8.5% sales tax	$2.350
See Section E/F, above.		

5. Consultants/Contracts **$10,000**

Name	*Service*	*Computation*	*Cost*
TBD	Forensic Accounting Expert	$50/hr x 200 hours	$10,000
The SFDA will contract with a forensic accounting expert for two purposes: (1) to assist in investigation and prosecution of cases, including providing expert testimony; (2) to provide training and technical assistance to grant-funded staff. The evidence in these cases can be voluminous and require additional expert assistance to decode and compile.			

6. Other **$3,000**

Description	*Computation*	*Cost*
Litigation Expenses:		
Certified transcripts, copies of deeds, etc.	$20-$100 each	$3,000
Grant funds will be used for litigation expenses, such as certified property deeds, transcripts of court proceedings or witness testimony, bank records from other jurisdictions.		

7. Indirect Costs **$30,106**

Description	*Computation*	*Cost*
10% of direct salary costs	$301,106 x .10	$30,106
Grant funds will be calculated at 10% of direct salary costs to support indirect expenses such as accounting, reporting, maintenance, utilities. support staff, etc.		

H. Expenses to be paid from other sources

Other expenses related to the project will be paid from San Francisco's general fund. As part of this project's implementation, the grant funded positions will be supervised by a managing attorney not funded under the grant. Office space and equipment funded through the general fund budget will support grant-funded personnel and activities.

I. Relation to SFDA's other activities

As described above, the proposed positions will supplement our existing Mortgage and Investment Fraud Unit, leveraging the experience and resources of the current unit. Moreover, the work of the grant-funded positions will help our Policy Team to develop and advocate for legislative protection for potential mortgage fraud victims, our Communications Division to implement effective public education around these issues, and our Victim Services Division to develop services for victims of mortgage and foreclosure fraud.

J. Grant oversight (how will ensure grant used solely for proposed purposes)

Program oversight: The grant-funded positions will be part of the SFDA's Mortgage and Investment Fraud Team, which reports to the Managing Attorney of the Economic Crimes Unit, who reports to the Managing Attorney of the White Collar Division. The Managing Attorney of the Economic Crimes Unit will assign cases to these positions.

Fiscal oversight: Upon receiving funds, the SFDA Finance Division sets up grants in the accounting system with unique grant codes. Expenditures appropriate to the grant are directly charged to the grant. Expenditures are monitored monthly with cost reimbursement requests no less than once a quarter.

K. Measuring success of the project

The SFDA has a demonstrated history of collecting and analyzing outcome data to assess project effectiveness. Specifically, the SFDA's White Collar Division has a successful history of tracking data and providing reports to the City's Real Estate Fraud Prosecution Trust Fund Committee. Measurable outcomes will include the following: (1) Expand the current Mortgage and Investment Fraud Unit to include three new positions; (2) Collaborate with the California Mortgage Fraud Strike Force, U.S. Attorney Mortgage Fraud Task Force, and California Department of Real Estate to leverage resources and reduce redundant activities; (3) Work with the City to identify sustainable funding. Investigation and prosecution effectiveness will be demonstrated through the successful prosecution of cases and positive collaborative relationships.

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE

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March 16, 2012

Conrad Del Rosario
Eugene Clendinen
Office of the District Attorney
City and County of San Francisco
732 Brannan St.
San Francisco, CA 94103

RE: Grant From Foreclosure Crisis Relief Fund

Dear Mr. Del Rosario and Mr. Clendinen:

I am writing to notify you that the Office of the District Attorney for the City and County of Due Process will be receiving a grant of $399,442 from the Foreclosure Crisis Recovery Fund, as administered by the Office of the Attorney General. This represents a partial funding of your office's application. Specifically, we are funding your requests for salaries and benefits for an attorney, an investigator, and a paralegal. We are also funding your request for $10,000 toward the cost of a forensic accounting expert. We are not able to fund the rest of your request.

We will contact you shortly to arrange for delivery of the grant funds to your office. Please also re-familiarize yourself with the Conditions for Disbursement of Grant Funds, as detailed in Section IV of the grant application. In particular, please remember that the self-evaluation of funds is due within six months of receipt of grant funds, and the obligation to report litigation or investigations regarding your grant project.

We ask that you coordinate any announcement of the grant with our press office, by contacting Nick Pacilio at (415) 703-5837. Congratulations on your office's grant. Please contact me if you have any questions about this letter.

Sincerely,

BENJAMIN DIEHL
Supervising Deputy Attorney General

For KAMALA D. HARRIS
Attorney General

Re: File 120932 Grant - Ethics Form 126
Tara Anderson to: Alisa Miller 10/04/2012 04:51 PM
Cc: Sheila Arcelona, Maria McKee

History: This message has been replied to.

Hello Alisa,

No contractors have been assigned for the Forensic Accounting Expert line in the grant budget. Mortgage fraud cases are very complex and require expertise in a wide range of financial practices including but not limited to real estate, financial institution policy, and conservatorship. As a result our office must evaluate the facts of the case and then identify the best experts to assist in the investigation and prosecution of cases. Once the appropriate contractor has been identified the San Francisco District Attorney's Office will complete and submit Form SFEC-126:NOTIFICATION OF CONTRACT APPROVAL.

Please let me know if you require additional information.

Tara Regan Anderson, MPP
Grants & Policy Manager
The Office of District Attorney George Gascón
City and County of San Francisco
850 Bryant Street, Room 322
San Francisco, CA 94103
Phone: (415) 553-1203
tara.anderson@sfgov.org

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Alisa Miller | Tara, I've processed File No. 120932 (Grant, For... | 10/04/2012 02:07:04 PM

From: Alisa Miller/BOS/SFGOV
To: Tara Anderson/DA/SFGOV@SFGOV
Date: 10/04/2012 02:07 PM
Subject: File 120932 Grant - Ethics Form 126

Tara,

I've processed File No. 120932 (Grant, Foreclosure Crisis - $399,442) and it appears that $10,000 of this grant is designated for contractual services. Has a contractor been identified? If so, we will need a Form 126 (Board and Mayor templates attached - one needs to be submitted for each) for the contractor before this matter is agendized in committee.

Please give me a call if you have any questions. Thank you.

[attachment "Ethics Form Form SFEC-126_Board of Supervisors.doc" deleted by Tara Anderson/DA/SFGOV] [attachment "Ethics Form Form SFEC-126_Mayor_Lee.doc" deleted by Tara Anderson/DA/SFGOV]

Alisa Miller
Assistant Clerk

Re: Transfer resolutions from Public Safety to Budget and Finance

Judson True to: Jeremy Pollock, Victor Young 10/10/2012 06:17 PM
Cc: Amy Chan, Catherine Rauschuber

From: Judson True/BOS/SFGOV
To: Jeremy Pollock/BOS/SFGOV@SFGOV, Victor Young/BOS/SFGOV@SFGOV,
Cc: Amy Chan/BOS/SFGOV@SFGOV, Catherine Rauschuber/BOS/SFGOV@SFGOV

Victor -

Please transfer the items below as requested.

Thank you.

Judson True
Office of Supervisor David Chiu
City Hall, Room 264
San Francisco, CA 94102
415.554.7451 desk
415.554.7454 fax

Jeremy Pollock	Hi Cat, Here are the three items John would like...	10/10/2012 04:52:02 PM

From: Jeremy Pollock/BOS/SFGOV
To: Catherine Rauschuber/BOS/SFGOV@SFGOV
Cc: Judson True/BOS/SFGOV@SFGOV, Amy Chan/BOS/SFGOV@SFGOV
Date: 10/10/2012 04:52 PM
Subject: Transfer resolutions from Public Safety to Budget and Finance

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Hi Cat,

Here are the three items John would like to transfer from Public Safety to Budget and Finance:

120932 [Accept and Expend Grant - Foreclosure Crisis Relief Fund - $399,442]
120933 [Accept and Expend Grant - Compensation for Crime Victims - Up to $714,138]
120944 [Accept and Expend Grant - Criminal Restitution Compact - Up to $85,658]

Let me know if you need any more information.

Thanks,
Jeremy

Jeremy Pollock
Legislative Aide
Supervisor John Avalos
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-6975 telephone
(415) 554-7910 direct
(415) 554-6979 fax
jeremy.pollock@sfgov.org