



POLICE DEPARTMENT  
**CITY AND COUNTY OF SAN FRANCISCO**  
THOMAS J. CAHILL HALL OF JUSTICE  
850 BRYANT STREET  
SAN FRANCISCO, CALIFORNIA 94103

**Heather J. Fong**  
CHIEF OF POLICE

**June 30, 2007**

**San Francisco Police Department  
Real Estate Fraud Prosecution Trust Fund**

**Report to the Real Estate Prosecution Trust Fund Committee  
Edwin M. Lee City Administrator  
Molly Stump, for the City Attorney  
Michael A. Troncoso, for the District Attorney**

**This report covers the use of the Real Estate Prosecution Trust Fund monies for the time period 04/30/2006 to 06/30/2007, by the San Francisco Police Department Fraud Detail. This report presents an accounting of funds received and expended during the period and also provides a brief synopsis of each real estate case assigned for investigation.**

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The Real Estate Fraud Prosecution Fund was established by California Government Code Section 27388. This code gives the respective counties of California the option of placing a fee upon the recording of certain Real Estate transactions. These fees, after the deduction of administrative costs incurred by the county, are to be used solely for the deterrence, investigation and prosecution of real estate fraud crimes. In the City and County of San Francisco, 10% percent of all fees collected go to the Assessor's Office for the costs of administering this fund, 54% to the District Attorney's Office and 36% to the San Francisco Police Department.

The following list gives a brief description of the various real estate fraud cases assigned to the Fraud Detail. These cases were assigned during the reporting period May 2006 – June 2007 for investigation. For this period we have received forty-one (41) cases with a combined reported loss of approximately \$27,802,616.50. Due to the complexity of these cases and the fact that investigations from other agencies are often necessary (Adult Protective Services and outside jurisdiction referrals) many of these cases are still being actively investigated with a final determination on each case to be made by the District Attorney's Office.

A recent arrest concerning a real estate investigation involves a suspect who coerced an elder victim in San Francisco to place him onto the title of his (the victim's) property. Suspect was warned numerous times by the Public Guardian Office (victim had been conserved years ago) that victim did not have the mental capacity to give the suspect title to the property. The suspect nonetheless took partial control of the victim's property. Suspect was arrested and this case is currently being pursued by the District Attorney's Office. This same suspect is currently being investigated on another case in which he has a different elder victim sell her home in San Francisco and purchase several properties in the East Bay that are now in the name of both the victim and suspect.

Another case reported in November 2006 and recently assigned involves the purchase by N.R.L.L. East, LLC, a Florida Corporation, of a block of twenty (20) lots in San Francisco, California. This block of lots are listed as "Salt March and Tide Lands" and must be sold together (as a block). N.R.L.L East LLC purchased this block of lots and then resold these lots together as a block to a subject at a Land Auction in San Mateo, California.

The subject who purchased this block of lots then resold the block of lots to herself via a Corporate Entity she controls and then filed a Deed of Trust with Assignment of Rents at the San Francisco Recorder's Office. The filed Deed of Trust had no notice that this block of twenty lots MUST BE SOLD TOGETHER AS A BLOCK. This suspect then started selling each of the twenty lots to buyers as individual lots for a price of \$75,000.00 to \$100,000.00. Purchasers of lots were unaware that they cannot build on them.

While the main use of the Real Estate Trust Funds continues to be for the investigation of criminal complaints, the Fraud detail has also used the monies to send its members to real estate training and to purchase equipment related to the investigation of real estate cases. A complete accounting of all real estate monies from inception of fund is maintained in the Fraud Detail and is available for review at any time to the members of the Committee.

In addition to the criminal investigations, personnel from the Fraud Detail have attended many community meetings and numerous undue influence workshops where the topic of real estate fraud was discussed. A detailed brochure on real estate fraud has been produced and has been given to patrol personnel.

The following pages will detail the budget for fiscal year 2007–2008 and will show actual revenue and expenses for the complete fiscal year 2006–2007. Also shown are the relevant governmental codes authorizing the use of this fund.

## TRUST FUND MONEY USES:

1. INVESTIGATIONS
  - Real Estate Fraud*
  - Mortgage Fraud*
  - Truth-In-Lending Fraud*
  - Notary Fraud*
  - Bankruptcy/Title Fraud*
  - High-Tech Real Estate Related Fraud*
2. PROSECUTIONS
3. SEARCH WARRANTS
4. TRAINING COURSES AND SCHOOLS
  - Includes: Travel, Lodging, and Meals*
5. SEMINARS AND SYMPOSIUMS
  - Includes: Travel, Lodging, and Meals*
6. EQUIPMENT
  - Office Equipment, Hardware, Software*
7. FORENSIC PSYCHOLOGICAL or PSYCHIATRIC EVALUATIONS
8. FORENSIC SKETCH ARTIST
9. FORENSIC DOCUMENT EXAMINER
10. PUBLIC SERVICE PUBLICATIONS
11. TRANSLATION SERVICES
12. DOCUMENTATION FEES
13. COMMUNITY MEETINGS
14. REFERENCE MATERIALS
15. REAL ESTATE FUND ADMINISTRATION
  - Reports, statistics*

060340846 - Victim did not receive check awarded to him by a Judge in probate court hearing from the sale of deceased's residence in amount of \$201,022. Victim claims the executor of deceased estate stole these funds.  
Loss \$201,022

060363674 - Suspect, a hotel employee, allegedly embezzled over \$15,000 cash from the accounts of Phillips Hotel. Also, suspect attempts to divert funds (a couple hundred thousand dollars) from obtained bridge Real Estate Loan for \$1.3 million to hotel's owner during Bankruptcy proceedings in Federal Court to his own personal account.  
Loss \$15,000

060387735 - Victim, and elderly gentleman, inherited \$300,000 from estate of grandparents in Dec 1999. Victim had serious drinking problem. Nephew complainant advises that after his uncle (victim) died in February 2005 that he learned that victim had given away over \$100,000 to various persons, usually by check, and were allegedly loans - between 1999- 2005. Complainant advises he suspects that these alleged loans were actually thefts by persons taking advantage of his uncle and uncle's drinking problems.  
Loss \$100,000

060395697 - Allegation of theft by a San Mateo County APS worker complaint to Daly City Police Department on 02/08/2006. APS worker advises that proceeds from sale of victims San Francisco home in May 2005 for \$700,000 cannot be located. Suspect is listed as victims Caregiver who resides in Daly City, CA (San Mateo Co.). The San Francisco residence of victim held in a trust apparently sold by a power-of-attorney in the name of the elder. Suspect caregiver and alleged victim reside together at caregiver residence in Daly City, CA.  
Loss \$700,000

060399144 - Suspect brother of victim forged brother's name on a power-of-attorney. Suspect then used power of attorney to obtain line of credit loan on property for \$150,000.00. Suspect then used forged power-of-attorney document to transfer victim's 1/2 of jointly owned property to suspect and suspect wife as joint tenants in common.  
Loss \$900,000 (\$150,000 credit line and \$750,000 flats)

060425937 - Victim loans suspect \$140,500 for business propositions regarding real estate foreclosures.  
(Related to 060177075 where same suspect involved in selling that victims residence without authorization and/or permission for \$750,000 in July 2003).  
Loss \$140,500

060451277 - Victim and elderly 80 year old female advises that the suspect, her pastor at True Hope Church of God & Christ", allegedly sold the victims home valued at \$460,041 without her authorization or permission. Victim claims to never have signed a power-of-attorney for suspect and doesn't know where her money from the proceeds of sale of her residence are located.  
Loss \$460,041

060455069 - Suspect used victim's name and other personal identifying information to obtain two different loans on apparently two different properties. One property in Daly City another in San Francisco, CA. The loans are \$460,000 on a San Francisco, CA property location and \$115,000 loan on a Daly City, CA location. Both loans were obtained through Greenpoint Mortgage Company, Inc. located in Santa Rosa, CA.  
Loss \$555,000

060476140 - Victim agreed to go into a business investment with suspect with \$20,000 with large interest return in six months. Suspect allegedly was investing in 2<sup>nd</sup> deeds of trust and other real estate ventures. Suspect had many other loans from investors from various Bay Area locations; these investors gave various amounts as loans to suspect. Total listed loans to suspect listed on Federal Bankruptcy Listing are in excess of \$948,000 for a total of approximately 45 named persons. Victim listed on Bankruptcy listing twice for amounts of \$20,000 and \$10,000. Various persons sued suspect in civil court actions in San Mateo County Superior Court and suspect then files for Bankruptcy protection in Federal Court and supplies a listing persons who loaned her money including the victim and other investors as creditors with personal loans.  
Loss \$20,000 to Victim complainant(Potential loss \$948,000 all victims)

060479962 - Suspect son of victim sells victims Oakland, CA home without victim's authorization and/or permission prior to June 2005 for \$475,000. Victim complainant is a resident of a health care location in San Francisco, CA. Suspect son of victim via a power-of-attorney sold the residence in Oakland, CA against the express wishes of victim. Victim had previously advised son "Do not sell my property", Once I get well, I'm coming home".  
Loss \$475,000

060542133 Suspect acquaintance of victim steals and forges one of victim's personal checks to pay various fees to Alliance Title Company at a Daly City, CA location. These fees were for a Real Estate Property transaction concerning property located in Daly City, CA in amount of \$5,000. (Complainant-victim makes report #06-05322 Daly City Police Department concerning the \$5,000 check negotiated their jurisdiction and additional theft/loss of \$19,635 by other suspects involved in Daly City Real Estate purchase; a copy forwarded and given SFPD records and given Case. #060642040)  
Loss \$5,000

060557740 - Allegation from San Francisco Adult Protective Services that suspect exerting undue influence over victim and has taken over or stolen victims financial assets. Two properties transferred by changing title to deeds of trust on rental properties. Properties were valued at \$2.1 million.  
Loss \$2.1 Million

060558895 - Alleged abandonment and financial abuse of a 94-year-old victim by his 80-year-old spouse. San Francisco residence involved valued at \$1.2 million. Various monies from bank accounts stolen and many different stocks and bonds allegedly stolen from the safe deposit box of victim.  
Loss: \$10,000 Cash(Value of stocks & bonds unknown)

060573069 - Victim relates that suspect helped him purchase rental properties. Victim trusts suspect to collect rental money for property in San Francisco between November 2004 and till April 2006. No money was credited to victims account. Monthly rent for property was \$2,700 so total loss \$45,900.  
Loss \$45,900

060587195 - Victim, an elder being thrown out of residence by his son. Victim alleges that son tricked him into signing documents and then sold victims residence for \$545,000. Victim being forced to move to other residence from his home (flat) of twenty-five years.  
Loss \$545,000

060641989 - Referral sent to San Francisco from the Los Angeles Police Department Report #06-10-13557. Suspect used victims identifying and personal information to purchase a house in San Francisco, CA, for \$800,000 on 09/05/2005 through New Century Mortgage Company. Loan documents provided and identity theft occurred at Irvine, CA location of New Century Mortgage Co. That company then forwarded all documents they handled to Commonwealth Land Title Company, Daly City, CA where signatures and purchase transactions were finalized occurred.  
Loss \$800,000

060676453 - Business partners purchase for \$550,000 jointly real estate property in San Francisco, CA in 2004. Later one partner (suspect) along with second suspect forge signature of victim to grant deed and transfer property to themselves.  
Loss \$550,000

060704656 - Victim advises that unknown person falsified his name on a mortgage file at Lending Team Mortgage in 2004 for sale/purchase. Unknown suspect forged victims name on file from California Properties and Loan at San Francisco, CA office location for sale/purchase of a piece of real estate property' – location unknown.  
Loss – Unknown

060758023 - Elder victim is tricked into selling her residence in Daly City to suspect nephew and nephews wife for \$125,000.00. Victim thought that documents she was signing was to sell house for sale at price of \$600,000. Victim tricked out of \$475,000 by fraudulent actions of nephew.  
Loss \$475,000



060758158 - Elder Victim advises she was tricked into signing documents by her nephew (the suspect) and nephew's wife to prepare to sell a pair of flats victim owned in San Francisco, CA. Valued at \$1.4 million. Instead victim learns that documents were for transfer of a deed of trust and that flats involved has been transferred fraudulently from her to nephew and his wife. A Civil suit filed by victim in San Francisco Superior Court (Lis Pendance Motion) to transfer property back to victim.  
Loss Property value \$ 1.4 million

060760012 - Victim learns that her son has fraudulently obtained a loan of \$500,000 on one of two pieces of property held in a Trust for victim that she owns in San Francisco, CA. That suspect her son is in process of attempting to obtain another fraudulent loan on her other property she owns in San Francisco, CA. Again in the same amount of \$500,000.  
Loss \$500,000

060779546 - Suspect victims ex-husband obtained the victims property valued at \$650,000 in 2005 via trickery and having her sign an undated Deed of Trust transferring property to him. Suspect after transfer of property notified her mortgage company he (suspect) was now assuming the loan balance on property and would be responsible for mortgage loan payments and taxes.  
Loss \$650,000

060813279 - Property of deceased elder sold per her wishes and probate proceeding and the proceeds divided per deceased will between family members and victims caretaker. Family members are claiming undue influence and fraud by caretaker who received \$200,000 in case per will --- will of deceased gave caretaker 30% of proceeds sale of San Francisco, CA residence.  
Loss \$200,000

060816427 - Victim and elder tricked into signing a deed of trust given residence valued at \$595,000 in San Francisco, CA to suspect her son. Victim though she was adding her son to deed in place of late husband and not removing herself from property and giving it to suspect as his sole property.  
Loss \$595,000

060817747 - Suspect victims nephew-in-law had victim sign documents (Grant Deed of Trust) transferring partial title of her residence to him. After transfer of property title suspect then obtained a \$218,000 loan on the residence without the victims knowledge and/or permission.  
Loss \$218,000

060834617 - Per reportee, victims son, he claims that victims caregiver (the suspect) allegedly has obtained loans on the victims home in amount of \$250,000 on September 2004. Another refinanced loan of \$649,999 on December 2005 and suspect steals these monies. Further, allegedly money missing from victims checking and savings accounts, again stolen by suspect, but amounts unknown.  
Loss \$700,000

060836378 - Suspect, a real estate sales agent, was able to trick victim into signing over ½ interest in property located in San Francisco, CA in May 2006. Victim also tricked by same suspect concerning property she had for sale in Antioch, CA. Agent (suspect) then obtains moneys via loans against victim properties.  
Loss \$500,000

061005172 - Suspect, son of elder victim, and others conspire to obtain two different real estate loans using victims identity and personal information in September 2005. One loan obtained to purchase home in San Rafael for \$904,000 and other to refinance victim's home in San Francisco, CA valued at \$770,000. Victim advises she was tricked into signing various loan documents by her son to make a San Rafael, CA purchase and a San Francisco, CA refinance loan.  
Loss \$1.674 million

061067605 - Suspect, son of victim, allegedly had victim sign a quit claim transfer document (Quit Claim Deed of Trust) to himself taking advantage of victim while telling her it was a medical document she had to sign. Value of residence \$850,000 and victim's intention was to leave equal shares to her four children.  
Loss \$850,000

061068374 - Suspect obtains three separate Real Estate loans in victim's name for \$540,500, \$544, 900 and \$136,000 to purchase two different property's located in Antioch, CA each for \$680,000. Suspect used victims, name, social security number, address, California drivers license number (CDL) and her other personal identifying information to obtain loans.  
Loss \$1,221,400

061173688 - Victim gave suspect, an acquaintance, in May 2005 money for two parcels of land he purchased listed as part of the tidelands in San Francisco, CA. The sale price for each parcel (lot) was \$75,000 - \$100,000. Victim paid to suspect a cash down payment of \$10,000 and sent check payments to suspects business APEX Properties of \$14,633.50.  
Loss \$24,633.50

061173729 - Victim pays suspect for parcel of land (Lot) that suspect does not own. Lot a part of tidelands section of San Francisco, CA. Victim paid suspects \$20,000 up front and owes \$80,000 on lot sold for \$100,000. Victim receives no documents on purchased lot as to ownership.  
Loss \$100,000

061188029 - Suspect sells victim a parcel of land (lot) in May 2005 located in area of San Francisco, CA tidelands section for \$100,000. Victim pays suspect \$10,000 down payment and makes check payments of \$780.00 each over four-(4) months. No documents are forth coming to victim concerning ownership of parcel land (lot) involved.  
Loss \$13,120.00

061277666 - Allegedly victim tricked by Attorney to signing over 1/3 interest of a triplex located in San Francisco, CA. Victim is an elder, 80 yrs old. Grant Deed changing property signed in 2002. Victim claims fraud by attorney involved granting 1/3 interest in triplex to another person. Matter in court as relatives of deceased person granted 1/3 interest. His heirs are attempting to gain control and force sale of property valued at 2.5 million.  
Loss \$850,000

061322120 - Suspect via impersonation (Identity Theft) opens accounts in victim's name in Yountville, CA, and transfers victim's own funds to same location. After establishing Identity as victim, suspect then proceeds to place Ads in various area newspapers (Press Democrat & Chronicle) and attempts to sell victims property valued at 2.5 million located in Yountville, CA. Property was listed as a distressed sale due to illness of the victim for a price of \$500,000.

Loss \$2.5 million

061354258 - Victim in process of attempting to get a home equity loan on his (Clayton, CA) residence having previously paid off his loan mortgage. Victim learns that unknown suspect obtained two loans in 1994 on victim's residence in Clayton, CA and still listed on title (County recorders office) as open loans. Victim claims loans fraudulently obtained via forgery and impersonation. A loan of \$59,000 from Borel Bank & Trust Company in San Mateo, CA on February 14, 1994. A second loan of \$40,000 obtained on 18 February 1994 from a Mr. Charness, San Rafael, CA.

Loss \$99,000

070054322 - Suspects via impersonation obtained four (4) different loans on four (4) different property's in victims name. Loan \$680,000 & \$170,000 in Westminster, CA. Loans \$780,000 & \$225,000 Tracy, CA. Loans of \$880,000 and \$220,00 in San Ramon, CA and loans of \$656,000 and \$164,000 in El Dorado, Hills, CA.

Loss \$4.62 Million

070064008 – Victim's (members of church) claim that the suspect (Pastor of Church) has embezzled funds from the church. Victims claim that suspect (pastor) obtained five (5) equity loans without the church board voting to obtain funds and signing documents for these loans. That two different church owned properties had five (5) different loans obtained fraudulently in various amounts between 12/23/2002 and 06/21/2006. Total of all loans obtained fraudulently total over \$1.5 million.

Loss may exceed \$1.5 million

070239029 - Suspect loan broker misrepresented facts of loan. Victims refinanced their home in San Francisco, CA in September 2006. Victims are elders on fixed retirement income. Victims obtained a \$363,000 loan via Barkley Funding through Alliance Title Company, loan funded by Home Savings of America. Victims thought they were getting a set interest rate of 1.75% for 5 years with a fixed payment of \$1,296.00 per month for this five-year term. Victims learn in March of 2007 that payments are not fixed for five years on their loan but increase every 12 months. By the fifth year monthly payments would be \$3,180.76. Victim learn that if they refinance now, prior to five year loan agreement that a pre-payment penalty of over \$15,000 will have to be paid to Home Savings of America.  
Loss \$ to be determined.

070148884 – Victim, a 90 year old elder, was tricked into signing grant deed granting suspect a joint tenant on a piece of property with victim. Suspect then listed as joint tenant with victim concerning a four (4) unit rental flat building in San Francisco, CA valued at least \$990,000. Suspect also stealing money from victims various bank accounts, per victim's grandson, usually by on-line withdrawals. Suspect attempts to poison the victim thereby causing her death, to inherit property-- four unit flat property of victim & suspect as joint tenants in common.  
Loss \$990,000

070342569 - Suspect originally arrested on charges of embezzlement from her company via misuse of checks. Later victim company learns suspect is using company funds where she worked to make payments on large mortgages (\$695,000 & \$795,000) taken out on her own San Francisco, CA residence. Numerous monthly payments made from victim companies account totaling over \$500,000 during a period of years for these spurious residence mortgage loans payments.  
Loss \$500,000

**Summary of Real Estate Fund since inception 9/2001**

Initial Deposit		\$0.00
Total Inflows 2001-02	70,836.00	
Total Expenses 2001-02	(18,345.62)	
Net operating excess		52,490.38
Beg Balance 7/1/02		52,490.38
Total Inflows 2002-03	119,377.72	
Total Expenses 2002-03	(41,863.48)	
Net operating excess		77,514.24
Beg Balance 7/1/03		130,004.62
Total Inflows 2003-04	118,703.08	
Total Expenses 2003-04	(43,517.38)	
Net operating excess		75,185.70
Balance as of 7/1/04		205,190.32
Inflows 2004-05	87,254.64	
Expenses 2004-05	(81,966.43)	
Operating excess		5,288.21
Balance as of 7/1/05		210,478.53
Inflows	84,481.00	
Expenses	(123,626.58)	
Operating excess		(39,145.58)
Balance as of 7/01/06		171,332.95
Inflows 2006-07	73,442.16	
Expenses 2006-07	(108,547.22)	
		(35,105.06)
<b>Balance as of 6/30/07</b>		<b>\$136,227.89</b>

**Summary of Real Estate Fund for Fiscal year 2006-2007**

Beg balance as of 7/1/2006		\$171,332.95
Revenues	73,442.16	
Expenses		
Overtime	(108,547.22)	
Training		
Equipment		
Total Expenses	(108,547.22)	
Net operating excess (deficit)		(35,105.06)
Carried forward balance (as of 6/30/07)		\$136,227.89

Note that all information from Fraud Real Estate binder under FY 2006-2007 section

**Revenue for Fiscal Year 2006-2007**

July	\$5,158.08
August	7,109.28
September	6,354.00
October	5,451.84
November	5,502.24
December	5,897.52
January	6,595.92
February	5,894.64
March	6,791.76
April	5,772.24
May	7,076.16
June	5,838.48
Total	\$73,442.16

Note that amounts supplied by Fred De-Guzman of the Assessor's Office



**Real Estate Fund Expenses for Fiscal Year 2006-2007**

Overtime

Based on 875.5 hrs OT (as of 6/30/07)

(@\$77.00 per hour)

\$67,413.50

Bronson (948 hrs @\$43.39 per hour)

41,133.72

Training

0.00

Equipment

0.00

Total Expenditures for FY 2006-2007

\$108,547.22