

DESERT CITIES HOA COUNCIL

Recap of Meeting June 19, 2014

HOA Members Represented

Cathedral Canyon #1	Mira Vista
Cathedral Canyon #17	Montage at Mission Hills
Cathedral Canyon #18	Rio del Sol – Las Casitas
Cathedral Springs	Sun City Palm Desert

Legal Counsel: Jennifer James, Attorney at Law – Affordable HOA Legal Services

Speaker Present – Sean Lafferty, Supervisor Eastern and Southwestern Divisions – Office of the District Attorney, Riverside County
David Williamson, Analyst - Office of the District Attorney, Riverside County

Welcome: Al Hallinan, Chair

Treasurer's Report – To be distributed

Guest Speaker – Sean Lafferty, Supervisor – Office of the District Attorney, Riverside County

- “Criminal Justice Realignment – AB109 and its impact on the criminal justice system in Riverside County”
- “Crime Rate in Riverside County”
- “Gangs, injunctions, intervention and prevention”
- “Real estate fraud”
- “New and improved Juvenile Justice Programs in the Coachella Valley”

Al Hallinan introduced Sean & David to the group. Sean began by indicating the District Attorney's office is very happy at the present. Legislation they had initiated has cleared the major hurdles in the legislature. The bill will allow crimes of human trafficking that occur in multiple Counties to be tried as one case, one trial; witnesses only have to testify once. This will result in a significant cost reduction to the legal system. Next they will be supporting SB855 that extends wiretap authority to allow listening to discussions on human trafficking.

Crime statistics are down so far this year continuing a downward trend. In Riverside County crime is down 7.6% overall. The Sheriff reports:

- Violent crime down 5.6%
- Property crime down 8%
- Robbery down 8%
- Burglary down 13%
- Grand Thief Auto down 21%
- Homicide unchanged

He attributes these changes to several factors including:

- Improving economy – more people have jobs
- More officers on patrol – budgets are improving

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- Police becoming more specialized and getting smarter

District Attorney Paul Zellerback was called on today to participate in a panel discussion in Los Angeles to develop a new definition of recidivism. In California the recidivism rate for prisoners released from State Prisons is 70%. This in large part is due to overcrowding and the failure of present rehabilitation programs.

Criminal Justice Realignment – AB 109. Signed into law in October 2011 to relieve prison overcrowding. It resulted in a certain degree of felon being sent to local jails. Those are the non-violent, non-serious, non-sex registration felons. Also, felons guilty of parole violations.

Sean distributed a memo from Stanley Sniff, Sheriff/Coroner from June 3, 2014 regarding AB 109 Impact Update:

“Since State Prison Realignment under AB 109 went into effect, the jails in Riverside County have experienced a substantial increase in inmate population. As of this morning, our jail population stood at 3,793 inmates, or 97% of our maximum capacity (3,914 beds). In the first week of January 2012, our facilities hit maximum capacity, requiring us to initiate releases pursuant to federal court order to relieve overcrowding. These types of releases have continued since that time. In 2013, 9,296 inmates were released per the court order, or 33% over the 6,990 released in 2012. Year-to-date for 2014, 5,329 have been released per the court order. In addition, we are utilizing alternative sentencing programs such as fire camp and SECP (electronic monitoring).

“Summary: The total number of inmates to date booked directly or sentenced to jail due to realignment is 16,655. The number of those currently in custody is 836, or approximately 22% of the total jail population.”

Sean said that when the State implemented realignment they told the Counties that since they were going to be so much more efficient at managing their jail populations that the State would only provide 60% of the funding previously paid to manage the realigned prisoner population.

Realignment has resulted in 38 of the 58 Counties in the State being subject to their own individual jail caps on inmate population.

In Riverside County since October 2011- 21,868 inmates have been released to comply with the court order.

95% of people plead guilty to the crimes that they are charged with. Typically these convicts are given breaks in charges and or sentencing by the Courts. Only 5% go to trial – they are not given any breaks.

The Sheriff has complete discretion on determining which inmates get released as the jails approach capacity. Those prisoners that have not presented problems to the

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Courts or the Sheriff are the first to be released. So, criminals have learned that if they plead guilty, do not resist sentencing and cooperate while in jail, they get released first.

Sean provided a handout “Programs Created and Run by Youth Accountability Teams.”

Summer Break Strength Academies (offered Countywide) – Over summer breaks, YAT teams in western and eastern areas of the County organize Youth Strength Academies for YAT minors. The goal of the Youth Strength Academy is to foster personal growth through daily discipline and routine, as well as exposure to new ideas and challenges for the at-risk middle school and high school youth YAT serves. Each Academy is run in a day camp setting; minors are provided breakfast and lunch, physical fitness, interactive educational classes and lectures, team building and reflection.

Real Men Read (offered in Corona/Norco and Riverside) – In 2012, YAT Prosecutor Hunter Taylor created “Real Men Read,” an after school reading program for YAT boys. The mission of the Real Men Read program is to teach male students the importance of reading. The goal is to emphasize how good reading skills and practices will benefit them throughout their lives. The group regularly meets and YAT staffers facilitate discussions about books students are reading. During these meetings, adult male role models attend and speak about their lives, their careers, and what type of reading they do for work and pleasure. The speakers range from investment bankers to judges, athletes to military war veterans. In the first 6 months of the program, 11 boys participated. They read a total of 12 books, 5,343 pages (an average of 485.72 pages per student!)

Side Note: In October 2013, Hunter was approached by Probation Juvenile Hall Staff. They heard about the Real Men Read Program and want to incorporate it as one of the programs offered to minors. Hunter met with Hall Staff throughout October 2013 and presented program details to them. In November and December, Hunter trained Probation Officers to become Real Men Read facilitators in Juvenile Halls. From small beginnings, this little program promises to make a positive impact on the lives of young men for years to come.

Ray Lozano Marijuana and Drug Intervention Program (offered countywide) – Marijuana is by far the most-used drug among both children, according to SAMHSA, a Division of the US Department of Health and Human Services. There is no question that marijuana is harmful to the developing brains of adolescents. YAT staff members routinely express grave concern and frustration regarding the high incidence of YAT participants that are struggling with marijuana use. Sadly, we have few if any, programs or resources having significant success in reducing marijuana use by youth participating in our Riverside County juvenile justice system.

YAT member are seeking to address this growing problem with the help of Ray Lozano. Mr. Lozano founded and runs a non-profit dedicated to curbing juvenile drug use and is a nationally recognized expert in the field. The Probation Department (through YAT) agreed to set up and fund a MJ & Alcohol Intervention

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Program for YAT minors countywide. We approached Mr. Lozano and asked him to craft a MJ intervention program for Riverside County youth. He created a three week MJ and alcohol program for YAT students countywide. It includes presentations, visits to hospital emergency rooms, and meetings with drug recovered addicts. This promises to be one of the best youth drug intervention programs in the region.

Side Note: Our long term plan is to expand this program and offer it to 602 WIC minors in court. In the years to come, we hope to secure grant funding so that Juvenile Judges may order minors to complete the program as part of their wardship or probation.

Sean also described another program where YAT staff have weekly meetings with the child and the parents to discuss problems, the child goes through alcohol/drug testing, school attendance is monitored and the child is required to participate in pro-social activities. This program has had a success rate indicated by the fact that 85% of participants do not come back within 3 years.

Real Estate Fraud Unit

Sean provided a handout from the Office of the District Attorney County of Riverside describing their Real Estate Fraud Unit:

The dream of home ownership remains one of the most important goals for many citizens in Riverside. Owning one's home or business is a source of pride and security, and provides an opportunity for financial growth. Unfortunately, real estate scams can steal these dreams with a single forged signature or get-rich-quick scheme. This type of crime can have serious a serious impact on its victims. As a result the District Attorney's Real Estate Fraud Unit is dedicated to processing fraudulent real estate transactions.

If you suspect you are a victim of real estate fraud, or have knowledge of such activity, please report this information to the District Attorney's Office by accessing this link: [Real Estate Complaint Form](#) or call the Real Estate Fraud hotline toll-free at (877) 723-7779.

Real Property Crimes

Real property crime can take many forms, but most often involves grand theft, forgery, and a relatively recent scheme, identity theft. Below are samples of the types of cases we investigate and prosecute:

- Fraudulent real estate investment schemes, typically involving the sale of trust deeds
- Use of forged escrow instructions to steal escrow deposits
- Purchasing homes with straw buyers
- Forgery of grant deeds or other recorded documents
- Real Estate Identity Theft. By assuming the identity of the true owner, or claiming to represent the true owner, the thief fraudulently obtains title to a property, then borrows against the property, or sells the property, stealing the equity. The typical target of such a scheme is a property with a large amount of equity, most likely an elderly owner.

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- Fraudulent schemes involving trusts where owners are told to deed their property to a trust which will make the mortgage payments until the owner recovers financially. However, the reality is that the scammers steal the equity and get loans with even larger payments so the original homeowner never stands a chance to get his or her property
- Foreclosure Fraud – Discussed more fully below

Foreclosure Fraud

With foreclosures on the rise, criminals are taking advantage of struggling homeowners by committing fraud. Many appear to be legitimate consultants or brokers, but their schemes are aimed at stealing your money or property. If you believe that you've been a victim of a criminal foreclosure consultant or other real estate fraud, follow the direction at the end of this section to submit a complaint form.

Although this office cannot legally represent individuals in civil matters, help cancel any debt due on a signed contract, resolve or mediate individual contractual complaints, or obtain any personal relief, we will pursue these criminals and prosecute them as the law allows.

Foreclosure Rescue Scams

The predominant foreclosure “rescue” scams generally come in three varieties:

- **Title Transfer**

The most dangerous scheme is the “bailout” that never quit works. This scenario includes various schemes in which the homeowner surrenders title to the house in the belief that within the deal, they'll be able to remain in the house as a renter, and eventually buy it back. Homeowners are sometimes told that surrendering title is necessary so that someone with a better credit rating can secure new financing to prevent the loss of the home. But the terms of these deals are almost invariably so onerous that the buyback becomes impossible, the homeowner loses possession permanently, and the “rescuers” end up with all or most of the home's equity, often evicting the original homeowner. Another scam convinces the homeowner to transfer title to a “federal land grant” with the false promise that this prevents the lender from foreclosing.
- **Bait And Switch**

In the bait-and-switch scheme, the homeowner does not realize they are surrendering ownership of the house in exchange for a “rescue.” Many homeowners later insist that they believed they were only signing documents for a new loan to make the mortgage current. This also results in the homeowner losing their home.
- **Phantom Help**

The third scheme could be called “phantom help” since the “rescuer” charges outrageous fees, either for light-duty phone calls and paperwork the homeowner could have easily performed, or a promise of more robust representation that never materializes. In either event the homeowner is usually left without enough assistance to actually save the home but with little or no time left to prevent this grievous loss by the time it's realized. The “rescuer” essentially abandons the homeowner to a fate that might have been prevented with better intervention.

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Protect Yourself from Foreclosure Fraud

- DO NOT sign a quitclaim deed or any other document that transfers the property to another person or trust without first consulting an independent attorney.
- Never sign a contract or other documents under pressure. Seek help, from an attorney, social services agency, legal aid or someone you trust to review any foreclosure-related paperwork. Be especially wary of offers to take over ownership of your home as part of the deal that allows you to rent your home and then buy it back a few years later.
- Never make verbal agreements. Never sign blank pages where information can be added later. Never sign anything you do not understand.
- Avoid doing business with individuals or companies that call themselves mortgage consultants, foreclosure services or similar without thoroughly checking their credentials. Be sure to ask for references from licensing agencies, or check with the Better Business Bureau or trade groups.
- Recommendations from family, friends, coworkers and others you trust are also a good resource. A legitimate mortgage consultant can help find the best loan and help with an unfavorable loan.
- Be aware of promises like “We’ll save your credit,” “We’ll pay the closing costs,” “We’ll buy your house as-is,” or “If you sign the house over to us the foreclosure will be recorded against us,” among a host of come-ons.
- Be extremely cautious of those who contact or advertise to people whose homes are listed for foreclosure, including anyone who sends flyers or solicits door-to-door.

Loan Modification Fraud

Many offers to rescue a home from foreclosure, which often promise to also save the homeowner’s credit, are deceptive, fraudulent or illegal. Homeowners should be especially vigilant of people who seek money by cash, check or credit card in advance of performing services, such as loan modifications. Only the actual lender may agree to a loan modification after the homeowner directly applies to that lender for the modification. Promises or guarantees of loan modifications should be viewed as highly suspicious, as the decision of whether or not to modify a loan remains exclusively with the lender.

Once a Notice of Default has been recorded, it is illegal for anyone who meets the definition of a “foreclosure consultant” (which includes licensed agents and brokers) to collect fees in advance of performing these services for people who live in their own homes. (Civil Code Section 2945.1).

Distressed homeowners should talk to their lender directly about alternatives to foreclosure, including loan modification and new government sponsored refinancing programs. Free resources are available to help avoid foreclosure, including the following:

- Department of Housing and Urban Development (HUD) Guide to Avoid Foreclosure www.hud.gov/foreclosute/index.cfm or <http://espanol.hud/foreclosure/index.cfm?&lang=es>
- Information about the federal Government’s programs to prevent foreclosure www.makinghomeaffordable.gov/

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- Homeowner's HOPE Hotline 888-995-HOPE (4673) 24 hour/day; multiple languages or www.995hope.org
- State of California Consumer Home Mortgage Information www.yourhome.ca.gov/ or www.sucasa.ca.gov/ (Spanish language version)
- Surepath Financial Solutions (formerly Consumer Credit Counseling Service; non-profit) 800-540-2227 or www.surepath.org

How to Report Suspected Real Estate Fraud

The Riverside County District Attorney's Real Estate Fraud Unit will review for investigation real estate fraud related cases occurring in our County. The types of cases which will be considered for investigation by the Real Estate Fraud Unit are frauds that result from various fraudulent real estate transactions and/or schemes such as: submission of forged loan applications; fraudulent transfers of title of real property; recordation of fraudulent real estate documents; home equity sale contract fraud; and mortgage foreclosure consultant fraud.

When we receive a consumer complaint, we review all the information and the supporting documentation that is included. Note that we are ethically able to file charges only where we can prove all elements of a criminal offense, usually including specific intent to commit theft, beyond a reasonable doubt to twelve unanimous jurors in a court of law. This is appropriately an incredibly high burden for the prosecution and many cases do not meet this burden, which prevents us from proceeding.

If the complaint does not meet our criteria to open a case, we will do our best to refer you to an agency that will appropriately handle the type of matter involved. Many real estate consumer disputes are not appropriate for government action, but are altogether proper for private legal action. It is generally a good idea to consult with private counsel to explore private legal remedies that might be available.

This office is not legally permitted to represent individuals in civil matters, help cancel any debt due on a contract that was signed, resolve or mediate individual contractual complaints, or obtain any other personal relief.

How You Can Help Us Help You:

- A. Write or type a summary of your complaint and attach the summary to the complaint form. We cannot review your complaint without a **complete concise statement** of the facts. At a minimum, please include the following information in your statement:
 - Tell us **what** happened in chronological detail and be specific. You should tag as exhibits any supporting documents and refer to those exhibits in your narrative (i.e., "We found a deed that I did not sign at the County Recorder. See Exhibit A.")
 - Tell us **who** you think the person(s) or company that is responsible for the loss, conversion(s) or fraudulent act – and why you conclude that.
 - Tell us **where** (address, city and state) the incident, conversions or act(s) took place. Please include property address(es) involved in the transaction(s).
 - Tell us **when** and **how** you first became aware that you may have been defrauded. If individual(s) or a company is named in your complaint, please

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list exact dates of contact. If someone made you aware of the potential crime, please include the person's name(s), address(es) and phone number (s).

- Tell **how** you know the representations were false or how you know money was misused.
- Tell us what your actual financial loss is, if known, and how you arrived at that figure. Do not include lost interest, unrealized profits or missed opportunities.

B. Documentary evidence is especially important; therefore, please include **photocopies** of all documents and materials (*contracts, agreements, certificates, notes, deeds, correspondences, legible copies of checks, front and back, escrow and/or loan documents, etc.*) you wish us to review. **Please retain the originals for your records.**

Other helpful links:

Federal Trade Commission (The section for real estate specifically is located under the "consumer protection">"consumer information" tabs and found in the credit and loans category) www.ftc.gov/index.shtml

California Department of Real Estate www.dre.ca.gov

Financial Fraud Enforcement Task Force www.stopfraud.gov

Open Forum – Al Hallinan announced that he is stepping down as Chair of the group. Mike Traidman has volunteered to take over as Chair effective at the August meeting.

Handouts (Other than mentioned above) – None

Next Meeting – Thursday, July 17, 2014 at the Cathedral City – City Hall

Tom Tousignant, Recorder