



ANNUAL BOARD REPORT FISCAL YEAR 2023-2024

REAL ESTATE FRAUD PROGRAM

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District Attorney**

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Pursuant to California Government Code § 27388(d), the District Attorney's Office would like to report the progress our office made in deterring, investigating, and prosecuting real estate fraud crimes in our County during the 2023-2024 Fiscal Year.

Preliminarily, we wish to extend our sincere thanks to the Board of Supervisors for continuing to approve the \$3 recording fee that funds the important work of our Real Estate Fraud Unit (hereinafter "REF Unit"). We would also like to thank the Recorder's Office for their diligence in implementing the collection of the recording fees, as well as the Controller's Office for their hard work in maintaining the Real Estate Fraud Prosecution Trust Fund.

Update on the Real Estate Fraud Unit

The 2023-2024 Fiscal Year marks the seventh full year that our REF Unit has operated with funding from the \$3 recording fee. The Board of Supervisors authorized us to use those funds to cover the salary and benefits of a 100% full time Inspector dedicated to the investigation of real estate fraud cases, as well as 30% of an experienced Deputy District Attorney's salary and benefits.

Since its inception, our REF Unit's expenses have far exceeded the funds disbursed to us through the recording fee, with our Office's general budget paying the difference between the funds received and our program expenditures. Typically, this difference amounts to between \$130,000 and \$140,000. During the 2022-2023 Fiscal Year, our Office's general budget paid a difference of around \$148,600 between our actual expenses and funds received through the recording fee.

For the 2023-2024 Fiscal Year, the personnel expenses of our REF Unit totaled \$299,418.61. Funds collected during the 2023-2024 Fiscal Year will not be disbursed to our Office until after the approval of this Annual Board Report. However, we expect that our expenses will, once again, exceed the funds received through the recording fee.

In August 2022, our REF Unit welcomed a new REF Inspector, Jonathan Collum. Inspector Collum has been a law enforcement officer for over nine years. He came to us with an extensive background in fraud investigations with the City and County of San Francisco at both the Controller's Office and District Attorney's Office. Inspector Collum jumped right into the work of the REF Unit, taking complaints from our community members, opening several new investigations, and authoring search warrants. Two new cases filed this Fiscal Year are the result of Inspector Collum's hard work and collaboration with partner law enforcement agencies.

The formation of our REF Unit has enabled us to focus more fully on these important cases. Over the course of our Unit's first seven fiscal years, we believe we have proven our dedication to fighting real estate fraud, protecting our community, homeowners, ethical and hardworking realtors, as well as banks and lenders. We take great pride in our achievements

so far and look forward to continuing our ongoing cases and investigations. Our REF Unit always looks for ways to improve our processes and always welcomes suggestions.

Open Court Cases

During the 2023-2024 Fiscal Year, our REF Unit handled numerous open court cases. Going into the fiscal year, our Office already had four real estate fraud cases in court. In addition, our REF Unit filed two new cases, bringing the total number of court cases to six. One of our REF Unit's cases went to Jury Trial during the 2023-2024 Fiscal Year, with our REF Prosecutor spending 23 days in trial. She also attended over 35 additional court hearings in our REF Unit's cases.

We would like to provide an update on on-going cases we discussed in last year's Annual Board Report.

Defendant J. H. and Defendant T. M. [docket # 18-SF-014403-A&B]

- Defendant T. M. was a real estate agent, while Defendant J. H. was a real estate investor. Defendant T. M. took the 66-year-old victim out to dinner and purchased several alcoholic beverages for her. Then, Defendant T. M. had the victim sign a Grant Deed giving her \$1.5 million home to Defendant J. H.'s company, by telling the victim it was a reverse mortgage and she would live in the home until she died. The Grant Deed said that Defendant J. H. gave the victim \$800,000. However, Defendant J. H. had only given the victim \$2,000 and a promise to give her an additional \$498,000 in the future.
- Defendant J. H. personally recorded this false deed at the Recorder's Office. One month later, he sold the property for \$997,000 to another person who then attempted to evict the victim from her home. Five years later, Defendant J. H. still has not paid the \$498,000. However, he paid Defendant T. M. over \$235,000 for her role in the scheme.
- Our REF Inspector worked this case jointly with the Redwood City Police Department. Defendant T. M. was convicted by plea and sentenced to State Prison in the 2019-2020 Fiscal Year.
- Defendant J. H.'s case proceeded to a 23-day Jury Trial between February and April 2024. The trial resulted in Guilty verdicts for all 15 felony charges, as well as multiple allegations being found True. He now faces up to 22 years in State Prison and is scheduled to be sentenced on July 12, 2024. These results will ensure that he is held accountable for his actions.
- Also, during this past Fiscal Year, our REF Prosecutor oversaw the disbursement to the victims of over \$515,000 in cash belonging to Defendant J.H. Our REF Prosecutor has also overseen the sale of over 12 pieces of real property belonging to Defendant J.H. with the proceeds from those sales being disbursed to the victims. Additionally, our REF Prosecutor continues to oversee the process of selling an additional 8 properties belonging to Defendant J.H.

Defendant N. T. [docket # 23-SF-005274-A]

- Defendant N. T. submitted false or forged documents to multiple real estate and financial brokers, lenders, and investors while attempting to obtain loans secured by real property that he owned in San Mateo County.
- He faces 36 felony offenses, and the matter is currently set for Preliminary Hearing in August 2024.

As mentioned above, our REF Unit filed two new cases this fiscal year.

Defendant R. C. and Defendant S. E. [docket # 23-SF-018123-A&B]

- The 86-year-old victim owns real property that was damaged in a fire several years ago, rendering the home uninhabitable. In the summer of 2022, both defendants went to the victim's care home and represented that Defendant S. E. was a contractor who would fix the victim's home so she could move back in. They brought a notary and presented her with paperwork that they claimed was a construction contract. The victim did not have her reading glasses and relied on both defendants' representations about the paperwork. Unbeknownst to the victim, she signed a Quitclaim Deed purporting to transfer ownership of her property to Defendant S. E. for one dollar. Since that time, Defendant S. E. has made attempts to sell the property.
- In November 2023, we filed nine felony offenses and one misdemeanor. We obtained arrest warrants for both defendants, who have both been brought before the court. In February 2024, we conducted a Preliminary Hearing and both defendants were held to answer for the charges. The matter is now set for a conditional examination of the victim in July 2024.
- In addition, our REF Unit filed a motion to have title of the victim's property returned to her. Through this motion, our REF Unit recorded a *lis pendens* against the victim's property which will prevent Defendant S. E. from selling the property to an unsuspecting buyer.

Defendant C. B. and Defendant J. B. [docket # 24-SF-008298-A&B]

- Defendant C. B. is the mother of Defendant J. B. and was assisting him while he applied for a mortgage loan. During this process, both defendants made misrepresentations and submitted false documentation related to Defendant J. B.'s employment status, claiming that he held employment that he never held.
- In May 2024, we filed 28 felony offenses and obtained arrest warrants for both defendants. Both defendants have been brought before the court and the case is now set for resolution conference in September 2024.

Investigations

In addition to our open court cases, our REF Unit has numerous active investigations. During our investigations, our REF Inspector remains in regular communication with our REF Prosecutor to ensure our investigations continue to head toward the courtroom. This regular communication enables our REF Unit to determine early on whether a case warrants the continued expenditure of time and resources, so we can have an impact on real estate fraud involving the largest number of victims.

Going into the Fiscal Year, our REF Unit already had six open real estate fraud investigations, in various stages and of varying complexity. Additionally, our REF Inspector opened 17 new cases during the 2023-2024 Fiscal Year, bringing the total number of open investigations handled this year to 23.

Additionally, our REF Prosecutor also provides outside assists to our anti-fraud partners, most-specifically the Contractors State License Board (hereinafter "CSLB"). In the past, several of our REF Unit's cases originated from civilian complaints to the CSLB regarding both licensed and unlicensed contractors. Our REF Prosecutor reviews all cases submitted to our Office by the CSLB to ensure all are screened for real estate fraud.

All of this has kept our REF Unit extremely busy. We consider our REF Unit's first seven years a great success. We take particular pride in our accomplishments from the past year and look forward to continuing our important work in the 2024-2025 Fiscal Year.