



County of Orange
California

Thomas G. Mauk
County Executive Officer

March 6, 2006

Bette Flick, Foreperson
FY 05/06 Grand Jury
Superior Court of California
700 Civic Center Drive West
Santa Ana, CA 92702

Subject: Response to Orange County Grand Jury Report, "Real Property
– Is Your Home Safe From Property Fraud?"

Dear Ms. Flick:

Per your request, and in accordance with Penal Code 993, enclosed please find the County of Orange response to the subject report as approved by the Board of Supervisors. If you have any questions, please contact Brian Wayt at (714) 834-4104 in the County Executive Office who will either assist you or direct you to the appropriate individual.

Very truly yours,

Thomas G. Mauk
County Executive Officer

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2005-2006 Grand Jury Report
“Real Property: Is Your Home Safe from Property Fraud?”
Response to Findings and Recommendations

Response to Finding 6.2:

- 6.2 **Fee Hike:** The Orange County Board of Supervisors has not adopted a resolution to impose a fee hike of up to \$2 to be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded within the county which would be placed in a Real Estate Fraud Prosecution Trust Fund.

Response: Agree with the finding.

Response to Recommendations 7.1, 7.2 and 7.3:

- 7.1 **Strengthen Property Recording Requirements:** The Clerk-Recorder should work with the Orange County Board of Supervisors to require that the property address be included on all property transfer documents as part of the information submitted to the Clerk-Recorder’s office for recording (FINDING 6.1)

Response: The recommendation has not been implemented but will be implemented in the future.

State law provides that under the “legal description” section of property transfer documents, a lot and tract number OR a physical address of the property is required.

The Assessor’s office possesses the ability to convert lot and tract numbers to physical property addresses in most circumstances. The Board has encouraged the Clerk-Recorder and Assessor to coordinate an information-sharing system within the next three months to accomplish this goal.

- 7.2 **Strengthen Laws:** The Orange County Board of Supervisors should encourage legislators and lending industry agencies to strengthen existing laws and regulations to ensure that PCORs are completed correctly and are filed with deeds. (FINDING 6.1)

Response: The recommendation will not be implemented because it is not warranted.

The laws that are currently in place require PCOR’s to be signed under penalty of perjury and carry strict penalties for completing false documents. In addition, the Board of Supervisors and the District Attorney have established a new White Collar

Crime Prosecution Team that works closely with both the Clerk-Recorder and the Assessor to prosecute persons committing Real Estate fraud.

- 7.3 **Impose Fee Hike:** The Orange County Board of Supervisors should adopt a resolution to impose a fee hike of up to \$2 to be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded within the county which should be placed in a Real Estate Fraud Prosecution Trust Fund. (FINDING 6.2)

Response: The recommendation will not be implemented because it is not warranted.

The Board has not implemented the \$2 fee hike because it has been determined to be unnecessary and a redundant effort. In December 13, 2005, the Orange County Board of Supervisors approved the establishment of the District Attorney's White Collar Crime Prosecution Team (WCCPT). The establishment of this unit bolstered the work of the Economic Crimes Unit, which handles prosecution of fraud cases involving a large variety of financial crimes and schemes, including embezzlement, identity theft, investment, elder and real estate fraud.

In addition, both the Assessor and the Clerk-Recorder work closely with the District Attorney regarding real estate fraud prosecution.