

ATTACHMENT A

**MEMORANDUM SUPPORTING REQUEST TO
COLLECT INCREASED FEES FOR REAL ESTATE INSTRUMENTS
FILED WITH COUNTY RECORDER'S OFFICE**

LEGAL BASIS

Effective January 1, 2013, Senate Bill 1342 amended Government Code section 27388 to authorize county board of supervisors to impose an increased fee of up to \$10.00 for the recording of certain real estate instruments. The purpose of this fee is to fund the Real Estate Fraud Prosecution Trust Fund (the “Trust”). The Trust may be used by law enforcement agencies and the District Attorney’s Office to fund programs to deter, investigate, and prosecute real estate fraud. That bill was enacted because the previous \$3.00 recording fee was insufficient to meet the funding needs of real estate fraud enforcement. (*Legislative Findings, SB 13./2, Section 1.*)

Following the passage of SB 1342, several counties, such as Alameda, San Diego, San Francisco, Santa Clara, Ventura, and Yolo, increased their fees to \$10.00.

In 2013, Monterey County increased its fee to \$9.00. That fee has remained unchanged for more than a decade. Given the rising costs associated with enforcement, a \$1.00 increase is now warranted to ensure adequate funding for the investigation and prosecution of real estate fraud cases.

REAL ESTATE FRAUD CASE STATISTICS

Real estate fraud remains a persistent and serious crime, particularly in a county such as Monterey, where housing is limited. Common forms of real estate fraud include the recording of forged deeds that cloud title and effectively deprive lawful owners of their property, as well as foreclosure rescue scams, mortgage fraud, rental cons, and other predatory practices. These offenses disproportionately impact vulnerable populations, including elderly individuals, persons with limited English proficiency, and those unfamiliar with complex real estate transactions.

The investigation of real estate fraud is done exclusively by the District Attorney’s Office in Monterey County. From the beginning of 2014 through the third quarter of 2025, the Monterey County District Attorney's Office (the “District Attorney’s Office”) investigated, and collaborated with state and federal law enforcement partners in the investigation of 312 real estate fraud cases. These cases have resulted in the aggregate loss of millions of dollars to victims. These investigations are complex and time-intensive, requiring a detailed analysis of documentary evidence including recorded real estate documents, mortgage files, and financial records. They also require in depth interviews of victims and witnesses, as well as the execution of multiple search warrants to obtain the evidence necessary to support criminal charges. Upon completion of an investigation, prosecutors evaluate whether the evidence establishes proof beyond a reasonable doubt to support a criminal prosecution, or whether civil remedies may be pursued.

Over the last five years, the District Attorney’s office filed criminal charges in 20 real estate fraud cases, providing an avenue for justice for numerous victims who might not otherwise have recovered their homes or money. However, given limited resources, the District Attorney’s Office must necessarily prioritize certain cases over others to ensure the most effective use of available funding and personnel.

FRAUD IMPACTS REAL ESTATE MARKET

The District Attorney’s Office has successfully prosecuted multiple defendants for the filing of false or forged deeds. These false deeds depress the real estate market by clouding title on marketable properties, and increase transaction costs as buyers and sellers must undertake additional measures to

verify the identities of parties to a transaction. The cost to title insurers of fraud and forgery is significant, and those costs are passed to the consumer. According to the American Land Title Association, the average claim cost for fraud and forgery is over 5 times that of other types of claims (See “Analysis of Claims and Claims-Related Losses in the Land Title Insurance Industry” available at <https://www.alta.org/media/pdf/240517-analysis-of-claims-and-claims-related-losses-in-the-land-title-insurance-industry.pdf> [last visited on Oct. 28, 2025]). Prosecutions by the District Attorney’s Office, made possible by the Trust, deter bad actors from conducting such fraud in Monterey County.

BLIGHT RESULTING FROM REAL ESTATE FRAUD

Real property involved in real estate fraud are often ill-maintained and blight the community. For example, in the case of the *People v. Paul Aquino* (Case no. 23CR010161), the Defendant Aquino squatted in various properties and fouled them with waste. Other properties involved in real estate fraud cases have been found to be in violation of building codes and have been red-tagged. The District Attorney’s prosecution of these defendants enables these properties to be properly maintained and cleaned by the appropriate owners.

SCAMS AGAINST MILITARY SERVICE MEMBERS AND RENTAL SCAMS GENERALLY

Per statistics provided by the State of California, there are 1,331,106 military veterans in the State of California, 13,589 whom reside in Monterey County. Our military population is being subjected to an increasing number of fraudulent schemes, including identity theft, deceptive mortgage lending and servicing, and pension and annuity fraud. Additionally, active-duty service members are acutely vulnerable to rental scams as they are often in a position to find housing on short notice in an area with which they are not familiar.

Rental scams similarly affect the large population of agricultural employees. These rental scams involve criminals who duplicate listings for legitimate rental properties but with their own contact information. Victims consequently pay a security deposit and first month’s rent to a bad actor who vanishes with their money, leaving the victim with no money and no housing. The District Attorney has investigated and prosecuted a series of these cases, such as *People v. Undiano Quiroz* (Case No. 21CR007280) and *People v. Acostadiosdado* (Case No. 25CR004433), which have provided an avenue for relief to victims that had little other recourse.

COLLABORATION

In addition to collaborating with our law enforcement partners at the municipal, county, state and federal levels, the District Attorney’s Office collaborates with its own internal specialty units to tackle real estate fraud schemes both civilly and criminally. Using a cross-referral approach and with the benefit of cross-training, the real estate fraud unit has received and successfully prosecuted cases that originated as cases involving elder abuse or contractor fraud. Additionally, the Deputy District Attorney and District Attorney Investigator that are, in whole or part, funded by the Trust assist local law enforcement who are often a victim’s first point of contact but lack the resources to investigate complex or unusual crimes. The Trust has historically funded these two positions which enables partnerships between the District Attorney and other law enforcement to ensure cases receive the appropriate attention.

FUNDING

In accordance with Government Code 27388, 90% of the funds in the Real Estate Fraud Prosecution Trust Fund are distributed to the Monterey County District Attorney's Office, after the deduction of 10% administrative fees by the County Recorder as provided for in subdivision (a) of Government Code section 27388.

Historically, the revenue from the real estate fees imposed have varied. Over the last five years, the following amounts were provided to the District Attorney's Office from the Trust, compared to the District Attorney's expenditures:

Year	Revenue	Rollover from Prior Year	D.A. Expenditures
2020-21	\$709,745	\$484,318	\$531,955
2021-22	\$488,422	\$662,117	\$582,210
2022-23	\$246,062	\$582,329	\$534,368
2023-24	\$228,290	\$294,023	\$354,476
2024-25	\$252,939	\$167,837	\$561,782
2025-26	TBD	\$0	TBD

As shown above, in fiscal year 2024-25, real estate fees of \$252,939.00 were collected and \$167,837 remained in the Trust from the prior year, while the District Attorney's Office incurred expenditures (salaries, benefits, services, and supplies) in the amount of \$561,782.00. Thus, the County and District Attorney's Office incurred a deficit of \$141,006 in prosecuting these cases. The estimated revenue this will generate amounts to \$30,000 per fiscal year that will be appropriated between the Office of the District Attorney (\$27,000) and the County Recorder's Office (\$3,000.)

We anticipate similar expenditures in the 2025-26 fiscal year as were incurred in 2024-25, and therefore anticipate that our expenditures may far exceed the money available in the Trust.