



**TOM DALY**  
CLERK-RECORDER

ORANGE COUNTY  
HALL OF RECORDS AND FINANCE  
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Honorable Nancy Wieben Stock  
Presiding Judge of the Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

February 21, 2006

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

Dear Judge Stock:

Please find attached the Orange County Clerk-Recorder Department's response to the Grand Jury's December 22, 2005 report. Should you have any questions, please feel free to contact my office at (714) 834-2248.

Sincerely,

A handwritten signature in cursive script that reads "Tom Daly".

Tom Daly  
Orange County Clerk-Recorder

cc: Orange County Grand Jury  
Orange County Board of Supervisors  
Orange County CEO

Attachment

**2005-06 Orange County Grand Jury Report  
“Real Property: Is Your Home Safe From Property Fraud?”**

**Orange County Clerk-Recorder Department Responses  
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**6. Findings**

- 6.1 **Safeguard Procedures:** Beyond the requirements of State law, the Clerk-Recorder’s office does not take additional measures to ensure that property owners in Orange County are safeguarded from potential real property fraud.

**Clerk-Recorder Department response:** Partially disagree. The Clerk-Recorder Department has implemented several procedures beyond the requirements of State law to help safeguard the public from potential real property fraud. Consumer protection and awareness information is now included on the department’s webpage, as referenced in the Grand Jury Report. In addition, notices of property transfer recordings are sent on a random basis to our property owner customers.

- 6.3 **Notification:** Orange County property owners are not always notified by the Clerk-Recorder’s office when a deed is recorded on property.

**Clerk-Recorder Department response:** Agree. The Clerk-Recorder Department issues random notices to property owners as stated above. The Clerk-Recorder will be working in conjunction with the Assessor in order to secure notification for all property transfer recordings.

- 6.4 **Hotline:** Although Orange County has a Consumer Fraud Hotline available to the general public to be used to report suspected waste, fraud and misuse of county resources, it lacks a real estate fraud and information hotline that identifies types of real estate fraud, common warning signs of real property fraud and 800 numbers consumers can call to report possible fraud.

**Clerk-Recorder Department response:** Agree. While there is not now a dedicated hotline regarding real estate fraud, the Clerk-Recorder Department webpage contains referral consumer protection phone numbers (e.g., the Orange County District Attorney’s Economic Crimes Unit, the Orange County Sheriff’s Criminal Investigations Division and the California Department of Real Estate). The Clerk-Recorder Department plans to work with the County Executive Office, District Attorney’s office and Internal Audit Division to determine the best approach for the implementation of a Real Estate Fraud Hotline, either in conjunction with the county’s already-established Fraud Hotline, or as a separate operation.

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**7. Recommendations**

- 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)

**Clerk-Recorder Department response:** 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 data to convert lot and tract numbers to physical property addresses. The Clerk-Recorder and Assessor will coordinate an information-sharing system within the next three months to accomplish this goal.

- 7.4 **Homeowner Notification:** The Clerk-Recorder’s office should notify homeowners of all filings affecting title to or rights in their homes. See Exhibit B for an example of the recorded document notification letter the Los Angeles County Registrar’s office sends to homeowners when a deed or trust deed is recorded on their property. (FINDING 6.3)

**Clerk-Recorder Department response:** The Clerk-Recorder already has implemented a random notification system for property transfer recordings. After completion of the information-sharing system with the Assessor, the Clerk-Recorder Department intends to implement a comprehensive notification system similar to Los Angeles County’s.

- 7.5 **Fraud Hotline:** In addition to the Orange County Consumer Fraud Hotline that is in place, the Clerk-Recorder and Assessor’s offices should implement a Real Estate Fraud Hotline and Information Program like the ones the Los Angeles County Department of Consumer Affairs and the Los Angeles Police Department have in place. Both Hotlines identify several types of real property fraud and common warning signs of such fraud. See Exhibit C for an example of the web page the Los Angeles County Department of Consumer Affairs maintains identifying warning signs of real property fraud (FINDING 6.4)

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**Clerk-Recorder Department response:** The Clerk-Recorder Department plans to work with the County Executive Office, District Attorney’s office and Internal Audit Division to determine the best approach for the implementation of a Real Estate Fraud Hotline, either in conjunction with the county’s already-established Fraud Hotline, or as a separate operation.

- 7.6 **Public Notification:** Both the Clerk-Recorder and Assessor’s offices should work with the California Assessor’s Association and the California State Board of Equalization to produce and distribute posters and brochures to various senior centers and agencies that may aid in informing Orange County property owners of the warning signs of real estate fraud, including mailing brochures along with any other information sent real property owners, e.g., mailing a brochure along with a property tax bill. (FINDING 6.4)

**Clerk-Recorder Department response:** In addition to the entities listed above, the Clerk-Recorder Department will also work and partner with the County’s Community Services Office on Aging and other related organizations to increase education efforts aimed at informing Orange County property owners on the warning signs of real estate fraud.