



COUNTY OF LOS ANGELES

**REGISTRAR-RECORDER/COUNTY CLERK**

12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

**CONNOR B. McCORMACK**  
Registrar-Recorder/County Clerk

August 30, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE AMENDMENT TO INCREASE THE MAXIMUM CONTRACT SUM TO  
AGREEMENT NUMBER 73662 WITH DATA TRACE INFORMATION SERVICES, LLC  
FOR REAL ESTATE FRAUD NOTIFICATION SERVICES  
(All Supervisorial Districts) (3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign the attached Amendment Number Three (Amendment) to Agreement Number 73662 (Agreement), with Data Trace Information Services, LLC (DTIS) for Real Estate Fraud Notification Services to increase the Contract Sum of the Agreement from \$18,750,000 to Maximum Contract Sum not to exceed \$30,750,000. The \$12,000,000 increase is needed at this time to continue Fraud Notification Services Program as required by law. Due to the sharp increase in volume of Real Property recordings, the spending authority approved by the Board on October 2, 2001 will be expended by September 30, 2005. Board approval of the recommended action will provide for continued services through the current Agreement period ending October 24, 2005 and two remaining renewal option years through October 24, 2007, if exercised. The Agreement services are fully financed through the statutory surcharge. There is no impact to the County General Fund.
2. Authorize the Registrar-Recorder/County Clerk (RR/CC) or her designee to exercise the renewal options under the terms of the Agreement if needed.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

Board approval of the recommended action is needed to meet increased service levels caused by a sharp rise in Real Property recordings in Los Angeles County. Board approval will enable RR/CC to continue Fraud Notification Service through the current contract period and the two remaining one-year renewal options ending October 24, 2007, if exercised.

**Implementation of Strategic Plan Goals:**

This request supports the County strategic Plan as follows:

**Goal No. 1: Service Excellence:** Provide the public with easy access to quality information and services that are both beneficial and responsive. The Amendment will provide uninterrupted Real Estate Fraud Notification Services to Los Angeles County Real Property owners.

**Goal No. 3: Organizational Effectiveness:** Ensure that service delivery systems are efficient, effective, and goal-oriented. The Amendment will provide Real Property owners with an early notice of attempted transfers of their Real Property.

**FISCAL IMPACT/FINANCING:**

Pursuant to legislation enacted in 1996, which became effective January 1, 1997, the RR/CC is authorized to charge up to seven dollars (\$7.00) for each deed, quitclaim deed, or deed of trust recorded. The Agreement, including this Amendment, is fully financed through the statutory surcharge. There is no impact on County General Fund. The RR/CC will continue to charge \$4.00 for each deed, quitclaim deed or deed of trust recorded. All costs for Fraud Notification Services, including DTIS unit price of \$3.94 per deed and the Department of Consumer Affairs monitoring costs of \$0.06 per deed, are recaptured through self-generated revenue.

Due to the sharp increase in Real Property recordings, RR/CC estimates an additional \$12,000,000 will be needed to provide Fraud Notification services through the contract expiration date, October 24, 2007 (including renewal option years if exercised).

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The RR/CC is required by law to notify by mail each principal party signing a deed, trust deed, or quitclaim deed within 30 days of recording. The Amendment will allow RR/CC to continue these services.

On December 10, 1991 on Motion by Supervisor Antonovich, your Board instructed the RR/CC to develop legislation to provide owners of real estate, with early notices of attempted transfers. Subsequently, in 1992 Senate Bill 1842 (Watson) was enacted to allow the RR/CC to charge an additional fee on certain documents to fund the notification to parties who have purportedly signed loans and/or transfers affecting their property. The law became effective January 1, 1993 with a sunset clause of 1995. In 1996 Senate Bill 1631 (Watson) to re-implement the Fraud Notification Program was introduced to the legislature and passed with an indefinite term. The Fraud Notification Program was reinstated and has continued since November 1997.

As part of the Fraud Notification Program, the RR/CC has partnered with the Department of Consumer Affairs to investigate any complaints received by property owners. The Department of Consumer Affairs has reported that 98 percent of the property owners who responded to the survey cards included in the notices expressed support of the program. In addition, the Department of Consumer Affairs forwards complaints received to the District Attorney and other law enforcement agencies for follow up investigations.

On October 2, 2001, your Board approved an agreement with DTIS to provide Real Estate Fraud Notification Services. The Agreement term is for three (3) years, effective October 25, 2001 through October 24, 2004 with three one-year renewal options. The Agreement is currently in the first renewal option year which will end October 24, 2005. The Contract sum was \$15,000,000 with RR/CC delegated authority to increase up to 25% if needed. RR/CC exercised its delegated authority on December 29, 2004 and increased the contract sum to \$18,750,000.

Due to continued Real Estate market trends and the high volume of Real Property recordings, RR/CC released a Request for Information (RFI) to ascertain if the Fraud Notification Services could be obtained at a lower price. RR/CC received several calls of interest from vendors but ultimately received only three (3) responses to the RFI. The informational quotes ranged from \$0.75 to \$25.00 per deed. Based on the information provided, it was determined that DTIS costs are fair, reasonable, and cost effective.

This Amendment Number Three also includes a revised Statement of Work which has been modified to reflect changes in technology. RR/CC will now provide DTIS with a copy of recorded deeds, quitclaim deeds and/or deeds of trust on DVD instead of microfilm.

DTIS is in compliance with all Board, Chief Administrative Officer, and County Counsel requirements.

The Honorable Board of Supervisors  
August 30, 2005  
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The Chief Administrative Office has reviewed and approved this Board letter. County Counsel has reviewed this Board letter and approved as to form the attached Amendment.

**IMPACT ON CURRENT SERVICES:**

Approval of the recommended action will allow the RR/CC to provide uninterrupted Real Estate Fraud Notification Services to Real Property owners throughout the County of Los Angeles.

**CONCLUSION**

Upon approval and execution of this request, it is requested that the Executive Officer/Clerk of the Board, return one adopted stamped copy of the approved Board letter and two originally signed copies of the Amendment to:

County of Los Angeles  
Registrar-Recorder/County Clerk  
12400 Imperial Highway, Room 7201  
Norwalk, CA 90650  
Attention: Ngozi Ume  
Head, Management Services

Respectfully submitted,

CONNOR B. McCORMACK  
Registrar-Recorder/County Clerk

CBM:NU:rl

Attachment (1)

c: Chief Administrative Officer  
County Counsel  
Consumer Affairs

**AMENDMENT NUMBER THREE  
TO AGREEMENT NUMBER 73662  
WITH DATA TRACE INFORMATION SERVICES, LLC  
FOR REAL ESTATE FRAUD NOTIFICATION SERVICES**

**AMENDMENT NUMBER THREE  
TO AGREEMENT NUMBER 73662  
WITH DATA TRACE INFORMATION SERVICES, LLC  
FOR REAL ESTATE FRAUD NOTIFICATION SERVICES**

This Amendment Number Three (Amendment) to Agreement Number 73662 (Agreement) by and between the County of Los Angeles (COUNTY), and Data Trace Information Services, LLC (CONTRACTOR), for Real Estate Fraud Notification Services, entered into on October 25, 2001 and amended this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

WHEREAS, the purpose of this Amendment is to increase the Maximum Contract Sum, pursuant to Subparagraph 7.1.1, **Contract Sum**, of the Agreement; and

WHEREAS, the following changes are made in accordance with Paragraph 4.0, **CHANGE NOTICES AND AMENDMENTS**, of the Agreement.

NOW THEREFORE, in consideration of the foregoing and mutual consent herein contained, said Agreement is amended as follows:

1. Paragraph 2.0, **PRIORITY OF INTERPRETATION**, is deleted in its entirety and replaced with a new Paragraph 2.0, **APPLICABLE DOCUMENTS**, which shall read as follows,

**2.0 APPLICABLE DOCUMENTS**

Exhibits A, A1, B, C, D, E, F, and G, including Attachments I and II, are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits according to the following priority.

- 2.1 EXHIBIT A1 - Statement of Work– Amended September 1, 2005  
Attachment I – Performance Requirement Summary  
Attachment II – Contract Discrepancy Report
- 2.2 EXHIBIT A - Statement of Work
- 2.3 EXHIBIT B - County's Invitation for Bid (IFB)
- 2.4 EXHIBIT C - Contractor's Bid
- 2.5 EXHIBIT D - Contractor Employee Acknowledgement and Confidentiality Agreement
- 2.6 EXHIBIT E - Safely Surrendered Baby Law
- 2.7 EXHIBIT F - Internal Revenue Notice 1015 – Earned Income Credit
- 2.8 EXHIBIT G - Jury Service Ordinance

This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 4.0, **CHANGE NOTICES AND AMENDMENTS** and signed by both parties.

2. Paragraph 7.0, **CONTRACT PAYMENT**, Sub-paragraph 7.1.1.1 is deleted in its entirety and replaced with a new Sub-paragraph 7.1.1.1 which shall read as follows:  
  
7.1.1.1 The estimated annual cost of the Contract is approximately \$6,000,000. The Contract sum for this Agreement, including all renewal option years if exercised, shall not exceed \$30,750,000.
3. Paragraph 7.0, **CONTRACT PAYMENT**, Sub-paragraph 7.1.1.1.1 is deleted in its entirety.
4. Exhibit A, **STATEMENT OF WORK**, in its entirety, is superseded with a new Statement of Work which is attached hereto as Exhibit A1, **STATEMENT OF WORK – Amended September 1, 2005**.
5. Attachment I, **PERFORMANCE REQUIREMENT SUMMARY**, which is attached hereto, shall be added to the Agreement.
6. Attachment II, **CONTRACT DISCREPANCY REPORT**, which is attached hereto, shall be added to the Agreement.

**EXCEPT AS PROVIDED IN THIS AMENDMENT NUMBER THREE, ALL OTHER TERMS AND CONDITIONS OF AGREEMENT NUMBER 73662, INCLUDING AMENDMENT NUMBER ONE, AMENDMENT NUMBER TWO, CHANGE NOTICE ONE AND CHANGE NOTICE TWO, SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. SIGNATURES BELOW INDICATE ACCEPTANCE AND AGREEMENT TO THIS AMENDMENT**

**COUNTY OF LOS ANGELES  
REGISTRAR-RECORDER/COUNTY CLERK  
AMENDMENT NUMBER THREE  
TO AGREEMENT NUMBER 73662  
WITH DATA TRACE INFORMATION SERVICES, LLC**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Office thereof, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer as of the day, month and year first above written. The persons signing on behalf of Contractor warrant under penalty of perjury that he or she is authorized to bind Contractor.

**COUNTY OF LOS ANGELES**

ATTEST:

By \_\_\_\_\_  
Chairman, Board of Supervisors

VIOLET VARONA-LUKENS  
Executive Officer-Clerk  
of the Board of Supervisors

By \_\_\_\_\_

**DATA TRACE INFORMATION  
SERVICES, LLC**

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Tax ID # \_\_\_\_\_

APPROVED AS TO FORM:  
BY THE OFFICE OF COUNTY COUNSEL  
RAY FORTNER, County Counsel

By \_\_\_\_\_  
Deputy County Counsel



**STATEMENT OF WORK**  
**FOR**  
**REGISTRAR-RECORDER/COUNTY CLERK**  
**REAL ESTATE FRAUD NOTIFICATION SERVICES**

Amended September 1, 2005

## SCOPE OF SERVICE

CONTRACTOR shall notify, by first class U.S. mail, each principal party that signs a recorded deed, quitclaim deed and/or deed of trust as soon as possible, but in no event more than ten (10) days after the date the DVD is made available to CONTRACTOR by COUNTY'S Registrar-Recorder/County Clerk (RR/CC).

CONTRACTOR shall obtain the mailing address used by each such principal party from the most recent tax assessment information available from the Los Angeles County Assessor.

Notices must be mailed to each principal party at the property address and at the annual tax statement mailing address if it differs from the property address.

All notices sent to all signing parties for a specific recorded deed, quitclaim deed or deed of trust shall, taken together, be one (1) fraud notification unit for which CONTRACTOR shall be paid one (1) unit rate. One (1) unit shall include the mailing to multiple addresses if the property address differs from the annual tax statement mailing address. It shall include situations where CONTRACTOR does not locate any address after a search of the available sources.

RR/CC will make available for pick up by CONTRACTOR at the office of the RR/CC the official records DVD. Such official records shall be used by CONTRACTOR as the basis for notifying the affected principal parties. COUNTY may use alternate pick up and delivery sites from time to time.

CONTRACTOR shall return all DVD's to RR/CC no later than the next pick up date of the official records DVD at RR/CC headquarters.

CONTRACTOR shall notify each principal party, furnishing such party with the following:

1. A copy of the recorded document they signed. \*\*\*
2. A single page (8-1/2"X11") notice informing the party of the purpose of the notification. The page shall be two sided and yellow in color. (1 side English, 1 side Spanish) \*\*
3. A survey postcard to be completed by principal party (the postcard shall be pre-addressed to the Registrar-Recorder/County Clerk). \*\*\*
4. A single sheet (3-1/2"X8") describing "How the Property Tax System works." \*\*\*
5. A single two sided sheet (8-1/2"X11") titled "Where to Call for Help." \*\*\*

\*\* Furnished By CONTRACTOR

\*\*\* Only master furnished by COUNTY. CONTRACTOR shall reproduce all required copies.

Additionally, CONTRACTOR shall supply, at no additional cost to COUNTY, all postage, envelopes and any other supplies required to complete the work.

CONTRACTOR shall obtain and pay for a Post Office Box for notifications returned by mail. COUNTY shall have access to the box for monitoring purpose at all times. CONTRACTOR shall also pay, at no additional cost to COUNTY, for the mail permit required from the U.S. Postal Service for the box.

Each envelope shall contain a notification for one party that purportedly signed a recorded document. CONTRACTOR shall send each party the five documents listed above. If there is more than one party signing the recorded document, up to four parties may be notified at a single address in one envelope. The name of each party shall be listed on the mailing address of the envelope. If there are more than four individuals to notify at a single address, multiple mailings shall be necessary.

CONTRACTOR shall determine the affected property being transferred or loaned by the legal description listed on the recorded document. CONTRACTOR shall then determine the property address and annual tax statement mailing address from the records of the Los Angeles County Assessor.

CONTRACTOR shall employ the number of personnel required to perform and complete all work described herein, specifically with the expertise and skill required to understand and interpret the information from the Assessor and other information relating to descriptions in deeds so that the correct name and address can be derived from such information.

CONTRACTOR shall not invoice COUNTY for any notifications that are:

- (1) Not placed in first class U.S. Mail
- (2) Mailed with less than all of the five items specified above included
- (3) Mailed to incorrect addresses.

CONTRACTOR shall not be responsible for any errors or inaccuracies caused by COUNTY, including the parcels where COUNTY has indicated an address for the party to be notified but no such address can be derived from the Assessor's records.

CONTRACTOR shall, within ten (10) days after the end of each calendar month, provide COUNTY, on electronic media in a format acceptable to County, monthly status reports indicating the following:

1. The total number of fraud notifications mailed during the preceding month. This shall consist of a daily subtotal of all recorded documents received, target units for each day's mailing. The daily subtotal shall include only the entire day's

recorded documents as opposed to mailings for only part of a day's recorded documents.

2. The document number of the recorded document to which each fraud notification applies.
3. The date of receipt from COUNTY of the recorded document to which each fraud notification applies.
4. The date of mailing for each fraud notification.
5. The document number and date of the recorded document for which no mailing address can be located.
6. The address to which each fraud notification was mailed.
7. A list of targeted documents (deeds, deeds of trust and quitclaim deeds) for which fraud notifications have been completed.

The services required under this SOW will be monitored by County to ensure Contract requirements are being met. County Contract Project Monitor will oversee the day-to-day administration of the Contract. County Contract Project Administrator will use Attachment I, *PERFORMANCE REQUIREMENT SUMMARY* (PRS) chart and Attachment II, *CONTRACT DISCREPANCY REPORT* to monitor contract requirements and remedy unsatisfactory performance. County Contract Project Monitor will work with Contractor Project Manager to coordinate requirements and correct any problems that could threaten the timely completion of the Project. Serious or repeated problems will be referred to County Project Manager. The decision to impose any penalty listed on the PRS shall rest solely on County Project Manager and his/her decision shall be final. Contractor's failure to correct and sustain acceptable work performance shall be referred to County Project Director for review and possible termination of the Contract.

## PERFORMANCE REQUIREMENT SUMMARY

Real Estate Fraud Notification Services

REQUIRED SERVICES	PERFORMANCE INDICATOR AND COMPLIANCE MONITORING METHOD	PENALTIES FOR UNSATISFACTORY PERFORMANCE
1. Contractor shall notify, by first class U.S. Mail, each principal party that signs a recorded deed, quitclaim deed and/or deed of trust as soon as possible, but in no event more than ten (10) days after the date the DVD is made available to Contractor.	Contractor's report of completed units and dates of mailing.	\$1000 per day.
2. Contractor shall obtain the mailing address used by each such principal party from the most recent tax assessment information available from the Los Angeles County Assessor.	County Quality Control follow up of unmarked, undeliverable, or returned mailings.	\$50 each occurrence where Contractor failed to identify proper address.
3. CONTRACTOR shall return all DVD's to RR/CC no later than the next pick up date of the official records DVD at RR/CC headquarters.	RR/CC receiving records.	\$1000 each occurrence.
4. Contractor shall include all required materials in mailings.	Periodic site visit and test case results.	\$50 each occurrence.
5. Contractor shall obtain and pay for a Post Office Box for notifications returned by mail. County shall have access to the box for monitoring purpose at all times.	Copy of United States Postal Service receipt for PO box and extra set of key for RR/CC access.	\$100 per day.

	<b>REQUIRED SERVICES</b>	<b>PERFORMANCE INDICATOR AND COMPLIANCE MONITORING METHOD</b>	<b>PENALTIES FOR UNSATISFACTORY PERFORMANCE</b>
6.	Contractor shall also pay, at no additional cost to County, for the mail permit required from the U.S. Postal Service for the box.	Copy of USPS receipt for mail permit.	\$100 per day.
7.	Contractor shall determine the affected property being transferred or loaned by the legal description listed on the recorded document. Contractor shall then determine the property address and annual tax statement mailing address from the records of the Los Angeles County Assessor.		\$50 per occurrence.
8.	Contractor shall employ the number of personnel required to perform and complete all work described herein, specifically with the expertise and skill required to understand and interpret the information from the Assessor and other information relating to descriptions in deeds so that the correct name and address can be derived from such information.	Site visit work completed within the required 10 days.	\$100 per employee, per day.
9.	Contractor shall, within ten (10) days after the end of each calendar month, provide County, on electronic media in a format acceptable to County, monthly status reports as detailed in SOW.	Contractor's monthly status report.	\$1000 per occurrence.

# CONTRACT DISCREPANCY REPORT

Number \_\_\_\_\_

TO:

FROM:

DISCREPANCY/PROBLEMS: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of County Contract Monitor

\_\_\_\_\_  
Date

CONTRACTOR RESPONSE (Cause and Corrective Action): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Contractor Contract Manager

\_\_\_\_\_  
Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of County Contract Monitor

\_\_\_\_\_  
Date

COUNTY ACTIONS: \_\_\_\_\_  
\_\_\_\_\_

CONTRACTOR NOTIFIED OF ACTION:

\_\_\_\_\_  
County Contract Administrator's Signature and Date

\_\_\_\_\_  
Contractor Representative's Signature and Date

Date Prepared:	
Date Returned by Contractor:	
Date Action Completed:	