

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

420



**FROM:** District Attorney

**SUBMITTAL DATE:**

9/23/15

**SUBJECT:** Acceptance of the Organized Automobile Fraud Activity Interdiction (Urban Grant) Program and Adoption of Resolution 2015-231. All Districts [\$442,842; State of California 100%]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and approve acceptance of a grant award (Grant Agreement attached) from the State of California Department of Insurance in the amount of \$442,842 for the grant period July 1, 2015 through June 30, 2016
2. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A, attached
3. Adopt Resolution 2015-231 authorizing the District Attorney and/or his designee to sign the Grant Agreement on behalf of the Board

**BACKGROUND:**

**Summary**

(Background on page 2)

Elana Bentley, for  
 Michael A. Hestrin,  
 District Attorney

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 442,842	\$ 0	\$ 442,842	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** State of California

**Budget Adjustment:** Yes

**For Fiscal Year:** 15/16-17/18

**C.E.O. RECOMMENDATION:**

**APPROVE**

**County Executive Office Signature**

BY:   
 Elizabeth J. Olson

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Jeffries, Tavaglione, Washington and Benoit  
**Nays:** None  
**Absent:** Ashley  
**Date:** October 20, 2015  
**xc:** DA, Auditor

Kecia Harper-Ihem  
 Clerk of the Board

By:   
 Deputy

**Prev. Agn. Ref.:** 12/04/12 3-4

**District:** ALL

**Agenda Number:**

**3-8**

FORM APPROVED COUNTY COUNSEL  
 BY:   
 GREGORY P. PRIAMOS  
 DATE: 10/1/15

FISCAL PROCEDURES APPROVED  
 PAUL ANGLIO, CPA, AUDITOR-CONTROLLER  
 BY:   
 Susana Garcia-Bocanegra  
 Departmental Concurrence  
 10/17/15

- A-30
- Positions Added
- 4/5 Vote
- Change Order

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Acceptance of the Organized Automobile Fraud Activity Interdiction (Urban Grant) Program  
and Adoption of Resolution 2015-231. All Districts [\$442,842; State of California 100%]**

**DATE:** 9/23/15

**PAGE:** Page 2 of 3

**BACKGROUND:**

**Summary**

The combined Riverside-San Bernardino Organized Automobile Fraud Activity Interdiction Grant is an ongoing program designed to investigate and prosecute organized automobile insurance fraud activity. Pursuant to the provisions of California Insurance Code Section 1874.8, the California Department of Insurance (CDI) has awarded the Riverside County District Attorney's Office \$442,842 for the July 1, 2015 through June 30, 2016 grant period. The grant agreement is for three funding cycles starting July 1, 2015 and ending June 30, 2018.

For more than a decade, the District Attorneys of both San Bernardino and Riverside have recognized that many of the demographics, economics and criminality in both counties are so similar that they are not limited to each individual county, and are in fact Inland Empire Regional issues. Throughout this time frame the District Attorneys' Offices have enjoyed close working relationships, particularly in the area of insurance, consumer, and real estate fraud, as well as in the prosecution of environmental crimes. Similarly, the police agencies in the two counties have long term partnerships in regional narcotics, financial crime, gang, and auto theft task forces and investigations. The existing relationship between our counties, as well as the sharing of the URBAN grant, has permitted our offices, which are both served by the Inland Empire branch of the Fraud Division, to take a regional, multicounty view of cases and their impacts. In order to accomplish this both offices have worked together since the inception of the URBAN grant program, communicating frequently about cases, suspects and emerging issues.

By combining our efforts we have been able to provide service to the citizens of the largest area of Southern California, stretching from the Orange, San Diego, Imperial, Los Angeles, Kern county lines and to the Arizona and Nevada border.

The majority of the cases in the URBAN grant program, at both the investigation and prosecution stages, are generated from the two- county URBAN grant task force hosted at the inland regional fraud office of the department of insurance. This task force brings together the investigators from the Department of Insurance, the highway patrol, a Riverside County District Attorney investigator, members of the regional auto theft task forces (SANCATT and RAID) and prosecutors. The task force receives its direction from the California Department of Insurance regional Captain and Bureau Chief.

Based on an estimated award, the DA's Office budgeted \$336,247 for FY15/16 in this revenue category. A budget adjustment of \$106,595 is necessary to increase estimated revenues to match the award amount of \$442,842 (see attached Schedule A).

The grant documents have been approved as to form by County Counsel.

**Impact on Citizens and Businesses**

All costs under this program will be recovered through grant funding.

**Attachments:**

- Award Letter
- Grant Award Agreement
- Resolution #2015-231
- Schedule A Budget Adjustment

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Acceptance of the Organized Automobile Fraud Activity Interdiction (Urban Grant) Program**  
**and Adoption of Resolution 2015-231. All Districts [\$442,842; State of California 100%]**

**DATE:** 9/23/15

**PAGE:** Page 3 of 3

**Schedule "A"**  
**FY15/16**

**Increase Appropriations:**

10000-2200100000-510040	Regular Salaries	\$ 70,000
10000-2200100000-518100	Budgeted Benefits	30,000
10000-2200100000-528920	Car Pool Expense	<u>6,595</u>
		\$106,595

**Increase Estimated Revenue:**

10000-2200100000-755240	CA-Urban Auto Fraud Grant	\$106,595
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2  
3 RESOLUTION NO. 2015-231

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE

5 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, REGARDING

6 THE ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION ("URBAN GRANT") PROGRAM

7  
8 WHEREAS, the County of Riverside desires to undertake a certain program designated the  
9 Organized Automobile Fraud Activity Interdiction ("Urban Grant") Program to be funded by funds made  
10 available through and administered by the California Department of Insurance (hereinafter referred to as  
11 "DOI"); now therefore,

12 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State  
13 of California, in regular session assembled on October 20, 2015, that District Attorney of  
14 the County of Riverside, State of California and/or his designee is authorized, on its behalf, to submit and  
15 to sign the Grant Award Agreement as well as related contracts, amendments, or extensions with DOI  
16 that do not significantly change the grant or contract.

17 BE IT FURTHER RESOLVED that the resolution shall be in effect for a three-year period  
18 beginning July 1, 2015 and ending June 30, 2018.

19 ROLL CALL:

20 Ayes: Jeffries, Tavaglione, Washington and Benoit  
21 Nays: None  
22 Absent: Ashley

23 The foregoing is certified to be a true copy of a resolution duly  
24 adopted by said Board of Supervisors on the date therein set forth.

25 KECIA HARPER-IHEM, Clerk of said Board  
26 By [Signature]  
27 Deputy

FORM APPROVED COUNTY COUNSEL  
BY: [Signature]  
DATE: 10/20/15  
BY: NEAL R. KOPPEL

**DEPARTMENT OF INSURANCE**

ENFORCEMENT BRANCH HEADQUARTERS  
9342 TECH CENTER DRIVE, SUITE 100  
SACRAMENTO, CA 95826  
(916) 854-5760  
(916) 255-3202 (FAX)  
www.insurance.ca.gov



September 18, 2015

Rodney Tethal  
Supervising Deputy District Attorney  
Riverside County District Attorney's Office  
3960 Orange Street  
Riverside, CA 94612

RE: Organized Automobile Fraud Activity Interdiction Program--Fiscal Year 2015/16 Grant Award Agreement

Dear Mr. Tethal:

Riverside County was awarded \$442,842 for the Fiscal Year 2015/16 Organized Automobile Fraud Activity Interdiction Program. This grant is to be used for investigation and prosecution of organized automobile insurance fraud cases.

Pursuant to California Code of Regulations, Title 10, Section 2698.73(a), "Funding of a grant shall be in the form of a grant award agreement. Each applicant whose application has been approved for grant funding shall submit an enabling resolution by the county Board of Supervisors approving and authorizing execution of a grant award agreement." Accordingly, enclosed are two (2) original Grant Award Agreements for Fiscal Year 2015/16. Please ask the District Attorney to sign and date both Agreements and return them to me by Tuesday, October 13, 2015, at the address below. One (1) original will be returned to you after all signatures are obtained.

Lori Namba, Senior Manager  
California Department of Insurance  
Enforcement Branch Headquarters  
9342 Tech Center Drive, Suite 100  
Sacramento, CA 95826

If you have any questions, please contact Marita Kwiatkowski, Program Analyst, at (916) 854-5818 or [Marita.Kwiatkowski@insurance.ca.gov](mailto:Marita.Kwiatkowski@insurance.ca.gov).

Sincerely,

A handwritten signature in cursive script that reads "Lori Namba".

LORI NAMBA  
Senior Manager  
Enforcement Branch Headquarters

Enclosures

cc: Vicki Hightower, Chief Deputy District Attorney

**INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA**

**GRANT AWARD AGREEMENT**  
Fiscal Year 2015-16  
**Organized Automobile Fraud Activity Interdiction Program ("Urban Grant")**

The Insurance Commissioner of the State of California hereby makes an award of funds to **Riverside County**, Office of the District Attorney, in the amount and for the purpose and duration set forth in this grant award.

This grant award consists of this agreement and the application for the grant and made a part hereof. This also incorporates, by reference, the grantee's original application for funding as supplemented and/or modified by the conditions to this agreement. By acceptance of the grant award, the grant award recipient agrees to administer the grant program in accordance with all applicable statutes, regulations and the Request-for-Application (RFA).

**Duration of Grant:** The grant award is for the program period, **July 1, 2015 through June 30, 2016.**

**Purpose of Grant:** This grant award is made pursuant to the provisions of California Insurance Code Section 1874.8. The emergency regulations adopted pursuant to California Insurance Code Section 1874.81, and shall be used solely for the purposes of prosecuting and eliminating organized automobile insurance fraud activity.

**Amount of Grant:** The grant award agreed to herein is in the amount of **\$442,842**. This amount has been determined by the Insurance Commissioner. However, the actual total award amount for the county is contingent on the collection and the authorization for expenditure pursuant to Government Code Section 13000 et seq. The grant award shall be distributed pursuant to Section 1874.8 of the Insurance Code and by the California Code of Regulations Subchapter 9, Article 5, Section 2698.73.

FORM APPROVED COUNTY COUNSEL  
BY: NEAL R. KIPNIS  
DATE: 10/20/15

Official Authorized to Sign for Applicant/Grant Recipient  <hr/> Name: <b>Michael Hestrin</b> Title: District Attorney  Address: 3960 Orange Street Riverside, CA 92501  Date: _____	<b>DAVE JONES</b> Insurance Commissioner  <hr/> Name: <b>George Mueller</b> Title: Deputy Commissioner   Date: _____
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I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure.

\_\_\_\_\_  
Crista Hill, Budget Officer, CDI

\_\_\_\_\_  
Date

OCT 20 2015 3-0