

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



**ITEM
3.3
(ID # 8001)**

MEETING DATE:

Tuesday, October 30, 2018

FROM : DISTRICT ATTORNEY:

SUBJECT: DISTRICT ATTORNEY: Approve Acceptance of the Department of Insurance Organized Automobile Fraud Activity Interdiction Program Grant Award for Fiscal Years 2018 - 2021 with Adoption of Resolution No. 2018-184. All Districts [\$1,328,526; State of California 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve acceptance of the Department of Insurance Organized Automobile Fraud Activity Interdiction Program Grant Award from the State of California Department of Insurance Commissioner in the amount of \$1,328,526 for a three-year period beginning July 1, 2018 through June 30, 2021.
2. Adopt Resolution No. 2018-184 authorizing the District Attorney or designee to sign the Grant Award Letter, and related agreements, amendments and/or extensions with the California Department of Insurance on behalf of the County, as approved to form by County Counsel and provided that the County's contribution share has been budgeted for and approved by the Board.

ACTION:

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: October 30, 2018
xc: DA

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$442,842	\$442,842	\$1,328,526	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: State of California 100%			Budget Adjustment: No	
			For Fiscal Year: 19, 20 and 21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

California Insurance Code Section 1874.8 directs the California Insurance Commissioner to award three (3) to ten (10) grants for a coordinated program targeted at the successful prosecution and elimination of organized automobile fraud activity. In determining whether to award a district attorney a grant, the Commissioner must consider factors including, but not limited to, the county's level of general criminal activity, population density, automobile insurance claims frequency, number of suspected fraudulent claims, and prior and current evidence of organized automobile fraud activity.

To this end, 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 a three-year funding cycles starting July 1, 2018 and ending June 30, 2021.

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.

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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.

A budget adjustment is not necessary due to the fact that the DA's Office budgeted based on an estimated award in this revenue category.

The attached grant award letter and resolution have been reviewed and approved as to form by County Counsel.

Impact on Residents and Businesses

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

ATTACHMENT A. GRANT AWARD LETTER
ATTACHMENT B. RESOLUTION No. 2018-184



Ryan Carter, Principal Management Analyst 10/23/2018

2
3 RESOLUTION NO. 2018-184

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
5 COUNTY OF RIVERSIDE, AUTHORIZING THE DISTRICT ATTORNEY TO EXECUTE AN
6 AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF INSURANCE TO ACCEPT
7 THE ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION PROGRAM GRANT AWARD
8

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

12 WHEREAS, the Office of the District Attorney works on behalf of the County to investigate and
13 prosecute economic car theft and automobile insurance fraud cases; and

14 WHEREAS, the Office of the District Attorney working on behalf of the County accepts liability for
15 the local Organized Automobile Fraud Activity Interdiction Program.

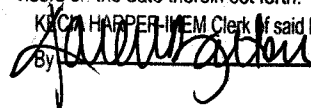
16 NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of
17 Supervisors of the County of Riverside, State of California, in regular session assembled on October 30,
18 2018, that the Board of Supervisors of the County of Riverside, located on the first floor of the County
19 Administrative Center, 4080 Lemon Street, Riverside, California, hereby authorizes the District Attorney
20 of the County of Riverside or his designee to submit and to sign the Grant Award Letter on behalf of the
21 County, as well as related agreements, amendments, or extensions with DOI, as approved to form by
22 County Counsel and provided that the County's contribution share has been budgeted for and approved
23 by the Board of Supervisors.


24 BE IT FURTHER RESOLVED that the resolution shall be in effect for the duration of the grant
25 period, beginning July 1, 2018 and ending June 30, 2021.

26 ROLL CALL:

27 Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
28 Absent: None

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

KRISTEN HARPER-JEM Clerk of said Board
By:  Deputy

FORM APPROVED COUNTY COUNSEL
BY:  SUSANNA N. OH
DATE 10/18/18



DAVE JONES
Insurance Commissioner

August 30, 2018

The Honorable Michael A. Hestrin, District Attorney
Riverside County District Attorney's Office
3960 Orange Street
Riverside, CA 92501

Re: Grant Award for Organized Automobile Fraud Activity Interdiction Program, Fiscal Years 2018-2019, 2019-2020, and 2020-2021

Dear District Attorney Hestrin:

I am pleased to report that for Fiscal Years 2018-2019, 2019-2020, and 2020-2021 the Organized Automobile Fraud Activity Interdiction Program has \$6,692,000 available to distribute each Fiscal Year between three and ten District Attorney Offices. Riverside County has been awarded \$442,842 for each of the Fiscal Years 2018-2019, 2019-2020, and 2020-2021. This grant award is to be used for the investigation and prosecution of organized automobile insurance fraud and economic car theft.

The appropriation is based on projected revenues, including the amount of restitution collected. Grant disbursements are contingent on actual revenues; therefore, if the amount of revenue collected is less than the projected amount, grant disbursements to counties will be adjusted accordingly.

The decision to grant these funds was made by my Department in consultation with the California Highway Patrol and a consumer crime investigation and prosecution specialist. Each application for grant funding was thoroughly reviewed with consideration given to the goals and objectives that I set as Insurance Commissioner.

As a result of increased revenue, additional funding is projected to be available in each year of the 3-year grant cycle. We are currently seeking permission from the Department of Finance to proceed with a disbursement of an additional \$500,000 during each year of the 3-year grant cycle. If we receive the authority to spend the full amount, your county will receive the following additional awards: **Fiscal Year 2018-19 \$111,441; Fiscal Year 2019-20 \$111,441; Fiscal Year 2020-21 \$111,441.**

Thank you for submitting your application and undertaking this effort. Please feel free to contact Assistant Chief Kathleen Rooney at (916) 854-5728 if you want to discuss your application and award. Together we can make a significant impact in the fight against automobile insurance fraud in California.

Sincerely,

DAVE JONES
Insurance Commissioner

cc: Michael Silverman, Chief Deputy District Attorney
August 30, 2018

Insurance Protection for All Californians

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SACRAMENTO, CALIFORNIA 95814
PHONE (916) 492-3500 • FACSIMILE (916) 445-5280
CommissionerJones@insurance.ca.gov

FORM APPROVED COUNTY COUNSEL
BY: 10/18/18 DATE
SUSANNA N. OH