

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



ITEM
3.6
(ID # 8726)

MEETING DATE:

Tuesday, January 29, 2019

FROM : DISTRICT ATTORNEY:

SUBJECT: DISTRICT ATTORNEY: Approve Acceptance of the California Department of Insurance High Impact Insurance Fraud Program Grant Award for Fiscal Year 2018-2019 with Adoption of Resolution No. 2019-026. All Districts [\$77,172; State of California 100%]; For 4/5th Vote.

RECOMMENDED MOTION: That the Board of Supervisors:


1. Approve acceptance of the California Department of Insurance High Impact Insurance Fraud Program Grant Award from the State of California Department of Insurance Commissioner in the amount of \$77,172 for a one-year period beginning July 1, 2018 through June 30, 2019.
2. Adopt Resolution No. 2019-026 authorizing the District Attorney or designee to sign 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.
3. Approve and direct the Auditor-Controller to make the budget adjustment on the attached Schedule A.

ACTION:

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 29, 2019
xc: DA, Auditor

Kecia Harper
Clerk of the Board
By 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 77,172	\$ 0	\$ 77,172	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% State Grant Revenue			Budget Adjustment:	Yes
			For Fiscal Year:	18/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Under the California Insurance Code, the California Insurance Commissioner is authorized to distribute funds resulting from settlement payments in successfully litigated anti-fraud cases. The statute indicates upon appropriation, the funds shall be used by the California Department of Insurance (CDI) for enhanced investigation and prevention efforts. CDI has received an appropriation of \$1,500,000 for each of the Fiscal Years 2018-2019, 2019-2020, and 2020-2021 for the High Impact Insurance Fraud Program.

Under the direction of the Insurance Commissioner, CDI administers the High Impact Insurance Fraud Program and the distribution of funds to the district attorneys for the enhanced investigation and prosecution of insurance fraud.

To be awarded High Impact Insurance Fraud Program funds, the insurance fraud case must have a suspected loss of over \$1,000,000 and the case must meet the qualifying case requirements of the Workers' Compensation (CIC Section 1872.83), Disability and Healthcare (CIC Section 1872.85), Automobile (CIC Section 1872.8), and/or Organized Automobile Insurance Fraud Programs (CIC Section 1874.8).

The California Department of Insurance (CDI) has awarded the Riverside County District Attorney's Office \$77,172 for a one-year funding cycle starting July 1, 2018 and ending June 30, 2019.

Schedule A detail budget adjustment for the District Attorney's Office in the amount of \$77,172. The allocation for the Department will be used to partially fund three Deputy District Attorney positions within the Specialized Prosecutions Unit.

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


Impact on Residents and Businesses

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

ATTACHMENTS:

- ATTACHMENT A. GRANT AWARD LETTER
- ATTACHMENT B. RESOLUTION No. 2019-026
- ATTACHMENT C. SCHEDULE A - BUDGET ADJUSTMENT



Ryan Carter, Principal Management Analyst 1/22/2019

Schedule "A"

Increase Appropriations:

10000-2200100000-510040	Regular Salaries	\$ 48,672
10000-2200100000-518100	Budgeted Benefits	<u>28,500</u>
		\$ 77,172

Increase Estimated Revenue:

10000-2200100000-755430 (new)	High Impact Insurance Fraud	\$ 77,172
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3 RESOLUTION NO. 2019-026

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
5 COUNTY OF RIVERSIDE, AUTHORIZING THE DISTRICT ATTORNEY TO ACCEPT
6 THE HIGH IMPACT INSURANCE FRAUD PROGRAM GRANT AWARD FROM THE CALIFORNIA
7 DEPARTMENT OF INSURANCE

8
9 WHEREAS, the County of Riverside desires to undertake a certain program designated the High
10 Impact Insurance Fraud Program to be funded by revenues made available through and administered by
11 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 anti-fraud cases, and accepts liability for the High Impact Insurance Fraud Program; and

14 WHEREAS, the DOI has awarded the DOI High Impact Insurance Fraud Program grant funds for
15 fiscal year 2018-2019 to the Office of the District Attorney.

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 January 29,
18 2019, 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 a designee to accept the DOI High Impact Insurance Fraud Program grant
21 award for fiscal year 2018-2019, and to submit and to sign the related agreements, amendments, or
22 extensions with DOI on behalf of the County, as approved to form by County Counsel and provided that
23 the County's contribution share has been budgeted for and approved 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, 2019.

26 ROLL CALL:

27 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
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.

KECIA R. GARDNER - Clerk of said Board
By: *[Signature]* Deputy

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* SUSANNA N. OH
DATE: 1/15/19



DAVE JONES
Insurance Commissioner

December 21, 2018

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

RE: Grant Award for High Impact Insurance Fraud Program for Fiscal Year 2018-19

Dear District Attorney Hestrin:

I am pleased to report that for Fiscal Year 2018-19, \$1,500,000 is available to distribute to District Attorney Offices in California from the High Impact Insurance Fraud Program. Riverside County is awarded the following grant funds to be used for the investigation and prosecution of the specific insurance fraud case for which it is awarded:

Case # 1	\$77,172
Case # 2	\$0

The California Department of Insurance (CDI) has successfully litigated civil anti-fraud cases resulting in settlement payments which statute indicates, upon appropriation, shall be used by CDI for enhanced fraud investigation and prevention efforts. CDI proposed and has received an appropriation of \$1,500,000 from the settlement payments for each of the Fiscal Years 2018-2019, 2019-2020, and 2020-2021. These funds are to be used for insurance fraud cases that have a suspected loss of over \$1,000,000.

The decision to grant these funds was made by my Department after thoroughly reviewing all applications with consideration given to focusing resources on cases with the potential to have the greatest impact on workers' compensation, disability and healthcare, automobile, and/or organized automobile insurance fraud activity.

Thank you for your efforts in submitting your application. Please feel free to contact Assistant Chief Eric Charlick at (559) 440-5922 if you would like to discuss your application and award. Together we can make a significant impact in the fight against insurance fraud in California.

Sincerely,


DAVE JONES
Insurance Commissioner

cc: Michael Silverman, Chief Deputy District Attorney

Insurance Protection for All Californians

300 CAPITOL MALL, 17th FLOOR
SACRAMENTO, CALIFORNIA 95814
PHONE (916) 492-3500 • FACSIMILE (916) 445-5280
CommissionerJones@insurance.ca.gov