

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



**ITEM: 3.12  
(ID # 11579)**

**MEETING DATE:**  
Tuesday, January 28, 2020

**FROM :** DISTRICT ATTORNEY:

**SUBJECT:** DISTRICT ATTORNEY: Approve Acceptance of the California Department of Insurance High Impact Insurance Fraud Program Grant Award for Fiscal Year 2019-2020 with Adoption of Resolution No. 2020-011; All Districts [\$190,068; 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 for fiscal year 2019-2020 in the amount of \$190,068 for a one-year period beginning July 1, 2019 through June 30, 2020.
2. Adopt Resolution No. 2020-011 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.
3. Approve and direct the Auditor-Controller to make the budget adjustment on the attached Schedule A.


**ACTION:**

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Spiegel 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 28, 2020  
xc: DA, Auditor

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

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STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 190,068	\$ 0	\$ 190,068	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: 100% State Grant Revenue</b>			<b>Budget Adjustment:</b>	<b>Yes</b>
			<b>For Fiscal Year:</b>	<b>19/20</b>

**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 \$190,068 for a one-year funding cycle starting July 1, 2019 and ending June 30, 2020.

Schedule A details a budget adjustment for the District Attorney's Office in the amount of \$190,068. The allocation for the Department will be used to partially fund two Deputy District Attorney positions and one DA Investigator position within the Specialized Prosecutions Division.

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

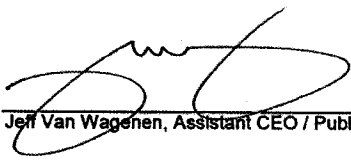
**Impact on Residents and Businesses**

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

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

**ATTACHMENTS:**

- ATTACHMENT A. GRANT AWARD LETTER
- ATTACHMENT B. RESOLUTION No. 2020-011
- ATTACHMENT C. SCHEDULE A - BUDGET ADJUSTMENT



Jeff Van Wageningen, Assistant CEO / Public Safety 1/15/2020

Schedule "A"

Increase Appropriations:

10000-2200100000-510040  
10000-2200100000-518100

Regular Salaries  
Budgeted Benefits

\$104,568  
85,500  
\$190,068

Increase Estimated Revenue:

10000-2200100000-755430

High Impact Insurance Fraud

\$190,068

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3 RESOLUTION NO. 2020-011

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
5 COUNTY OF RIVERSIDE, AUTHORIZING THE DISTRICT ATTORNEY TO ACCEPT THE HIGH  
6 IMPACT INSURANCE FRAUD PROGRAM GRANT AWARD FOR FISCAL YEAR 2019-2020  
7 FROM THE CALIFORNIA 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 2019-2020 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 February 4,  
18 2020, 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 2019-2020, and to sign and submit the Grant Award Letter on behalf of the County,  
22 as well as related agreements, amendments, or extensions with DOI, as approved to form by County  
23 Counsel and provided that the County's contribution share has been budgeted for and approved by the  
24 Board of Supervisors.

25 BE IT FURTHER RESOLVED that the resolution shall be in effect for the duration of the grant  
26 period, beginning July 1, 2019 and ending June 30, 2021.

FORM APPROVED COUNTY COUNSEL  
BY:  1/14/2020  
DATE  
BY: SUSANNA N. OH

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JAN 28 2020 3.12

2 **RESOLUTION 2020-011**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE**  
4 **COUNTY OF RIVERSIDE, AUTHORIZING THE DISTRICT ATTORNEY TO ACCEPT**  
5 **THE HIGH IMPACT INSURANCE FRAUD PROGRAM GRANT AWARD FOR FISCAL**  
6 **YEAR 2019-2020 FROM THE CALIFORNIA DEPARTMENT OF INSURANCE**

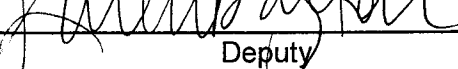
7 ADOPTED by Riverside County Board of Supervisors on January 28, 2020.

8 **ROLL CALL:**

9 **Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt**  
10 **Nays: None**  
11 **Absent: None**

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

15 **KECIA R. HARPER, Clerk of said Board**

16 By:  Deputy

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23 01.28.2020 3.12  
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**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

November 13, 2019

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  
Fiscal Year 2019-2020

Dear District Attorney Hestrin:

I am pleased to report that for Fiscal Year 2019-2020, \$1,500,000 is available in the High Impact Insurance Fraud Program to distribute to 7 District Attorney Offices, of which Riverside County has been awarded the following grant funds to be used for this important Program. These funds are to be used for the enhanced investigation and prosecution of insurance fraud for the following case(s):

Case # 1	\$81,429
Case # 2	\$108,639

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.

Each application received for grant funding was thoroughly reviewed, 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 submitting your application for funding. Please feel free to contact Fraud Division Chief Eric Charlick at (559) 440-5922 if you would like to discuss your application and award. I look forward to working together with you in our continuing pursuit against insurance fraud.

Sincerely,

**RICARDO LARA**  
Insurance Commissioner

cc: Amy Glaudini, Managing Deputy District Attorney

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