

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



ITEM: 3.5  
(ID # 17265)

**MEETING DATE:**

Tuesday, October 26, 2021


**FROM :** DISTRICT ATTORNEY:

**SUBJECT:** DISTRICT ATTORNEY: Approve Acceptance of the Department of Insurance Organized Automobile Fraud Activity Interdiction Program Grant Award for Fiscal Years 2022 - 2024 with Adoption of Resolution No. 2021-188. All Districts [\$1,421,250; 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 \$1,421,250 for a three-year period beginning July 1, 2021 through June 30, 2024; and
2. Adopt Resolution No. 2021-188 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:**

  
Jared Haringsma 10/6/2021

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington and Perez  
Nays: None  
Absent: Hewitt  
Date: October 26, 2021  
xc: DA

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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<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>	\$473,750	\$473,750	\$1,421,250	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> State of California 100%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 22-24	

**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 \$473,750 for a three-year funding cycle starting July 1, 2021 and ending June 30, 2024.

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, and 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. 2021-188**

  
\_\_\_\_\_  
Rebecca S Cortez, Principal Management Analyst 10/15/2021



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

September 14, 2021

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 2021-2022, 2022-2023, and 2023-2024**

Dear District Attorney Hestrin:

I am very pleased to report that for Fiscal Years 2021-2022, 2022-2023, and 2023-2024, the Organized Automobile Fraud Activity Interdiction Program has \$6,841,000 available to distribute each Fiscal Year to eight District Attorney Offices. **Riverside County** has been awarded **\$473,750, \$473,750, and \$473,750** for each of the Fiscal Years 2021-2022, 2022-2023, and 2023-2024. This grant award is to be used for the coordinated efforts targeted at the investigation and prosecution of organized automobile fraud activity.

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.

It is my continuing intent that these funds be used effectively to pursue and investigate fraud across California. It is important to focus these finite resources on combating fraud committed by individuals, businesses, providers, and others who prey upon the system. Additionally, a coordinated and aggressive outreach program to all communities by your office, including to diverse and underserved communities, with measurable outcomes remains a priority.

Thank you for submitting your application for grant funding and, moreover, congratulations on your award. Please feel free to contact Assistant Chief Victoria Martinez at (323) 278-5062 should you have any questions regarding your award. I look forward to working together with you in our continuing pursuit against automobile insurance fraud.

Sincerely,

**RICARDO LARA**  
Insurance Commissioner

cc via email: Ms. Amy Glaudini, Managing Deputy District Attorney

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COMMISSIONERLARA@INSURANCE.CA.GOV



FORM APPROVED COUNTY COUNSEL  
BY RYAN D. YABKO  
DATE 9/17/21

1 Board of Supervisors

County of Riverside

2  
3 RESOLUTION NO. 2021-188

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 and

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

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

17 NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of  
18 Supervisors of the County of Riverside, State of California, in regular session assembled on November 2,  
19 2021, that the Board of Supervisors of the County of Riverside, located on the first floor of the County  
20 Administrative Center, 4080 Lemon Street, Riverside, California, hereby authorizes the District Attorney  
21 of the County of Riverside or his designee to submit and to sign the Grant Award Agreement on behalf of  
22 the County, as well as related contracts, amendments, or extensions with DOI that do not significantly  
23 change the grant or contract.

24 BE IT FURTHER RESOLVED that the resolution shall be in effect for a three-year period  
25 beginning July 1, 2021 and ending June 30, 2024.  
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FORM APPROVED COUNTY COUNSEL  
BY:  RYAN D. YABKO  
DATE: 9/17/21

OCT 26 2021 3.5

2 **RESOLUTION 2021-188**

3 **RESOLUTION OF THE GOVERNING BODY OF THE COUNTY OF RIVERSIDE,**  
4 **AUTHORIZING THE DISTRICT ATTORNEY TO EXECUTE AN AGREEMENT WITH**  
5 **THE CALIFORNIA DEPARTMENT OF INSURANCE TO ACCEPT THE ORGANIZED**  
6 **AUTOMOBILE FRAUD ACTIVITY INTERDICTION PROGRAM GRANT AWARD**

7 ADOPTED by Riverside County Board of Supervisors on October 26, 2021.

8 ROLL CALL:

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

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

14 KECIA R. HARPER, Clerk of said Board

15 By: \_\_\_\_\_

16 *[Handwritten signature in blue ink]*  
17 Deputy

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20 10.26.2021 3.5  
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