

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

June 22, 2021

FROM

JASON ANDERSON, District Attorney

SUBJECT

Grant Application for the Organized Automobile Insurance Fraud Interdiction Program

RECOMMENDATION(S)

1. Approve submission of grant application, including an attached **Memorandum of Understanding No. 21-442** with the County of Riverside, the California Department of Insurance (CDI) Fraud Division, and the California Highway Patrol, to the California Insurance Commissioner in the amount of \$1,811,639 for the County's Organized Automobile Insurance Fraud Activity Interdiction Program for a three-year period from July 1, 2021 through June 30, 2024.
2. Adopt **Resolution No. 2021-109** authorizing the following:
 - a. The District Attorney, on behalf of the Board of Supervisors, to sign and submit the grant application, as required by the California Insurance Commissioner, and, subject to review by County Counsel, any subsequent non-substantive amendments; and
 - b. The District Attorney or his designee, on behalf of the Board of Supervisors, to sign and submit with the grant application, the Memorandum of Understanding with the County of Riverside, the CDI Fraud Division and the California Highway Patrol.
3. Direct the District Attorney to transmit all documents and amendments in relation to this grant application to the Clerk of the Board of Supervisors within 30 days of execution.
(Presenter: Michael Fermin, Assistant District Attorney, 382-3662)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the need for additional Discretionary General Funding (Net County Cost). There is no local match required for this grant. The grant application of \$1,811,639 is for costs of the County's Organized Automobile Insurance Fraud Activity Interdiction Program (Program) over a three-year period (\$582,585 for 2021-22; \$604,111 for 2022-23 and \$624,943 for 2023-24). Specifically, this grant would fund the cost of 1.0 Deputy District Attorney, 1.0 Senior Investigator and 0.5 Paralegal assigned to the Program and related operating expenses. The District Attorney's (Department) 2021-22 Budget includes \$443,000 in revenue from this grant based on the prior year award amount. If awarded, the Department will submit a future item to the Board of Supervisors (Board) to accept the grant funds and request any necessary budgetary adjustments at that time.

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BACKGROUND INFORMATION

Under the direction of the Insurance Commissioner and per California Insurance Code Section 1874.8, the CDI administers the Organized Automobile Insurance Fraud Activity Interdiction Program. In accordance with this Program, the CDI distributes grant funds to District Attorneys statewide for the purpose of investigating and prosecuting organized automobile fraud. This type of fraud activity often represents a significant portion of all fraud-related automobile insurance cases. The grant funds being sought would assist the Department in the investigation/prosecution of organized automobile fraud and help protect the citizens of San Bernardino County from these crimes.

The grant application includes, as a required attachment, a Memorandum of Understanding (MOU) with the County of Riverside, the CDI-Fraud Division, and the California Highway Patrol for a coordinated effort aimed at the investigation and prosecution of organized automobile insurance fraud activity. Cases referred for filing by the CDI will be prosecuted in the appropriate county. The MOU creates the framework for effective communication, coordination and resource management in the investigation and prosecution of organized automobile insurance fraud activity. Since 2000, San Bernardino and Riverside Counties have received grant funding for this Program and have had a MOU with the aforementioned partners over this same period of time.

The Department was made aware of this grant solicitation in January 2021, with a due date of July 7, 2021. Due to the requirement to include statistical information through June 30, 2021, the Department anticipates that the final application will not be completed until July 5, 2021. After completion, the District Attorney will sign and submit the grant application to the California Insurance Commissioner. A copy of the application will be filed with the Clerk of the Board and forwarded to County Counsel. Board approval of this item and the related resolution are necessary as the grant application requires both.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5437) on May 28, 2021; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-5423) on June 1, 2021.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Dawn Rowe

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 22, 2021



cc: W/RESOLUTION
DA- Walker w/agree for sign w/attach
Contractor- C/O DA w/agree
File- w/agree
LA 06/23/2021