Application Report

Applicant Organization:

San Bernardino

Project Name: 25-26 AUTO San Bernardino

Application ID: App-25-413

FundingAnnouncement: FY 25-26 Automobile Insurance Fraud Program

Requested Amount: $1,167,829.00

Project Summary: 25-26 AUTO San Bernardino

Authorized Certifying Official: William Lee   wlee@sbcda.org   9093823690

Project Director/Manager: William Lee   wlee@sbcda.org   9093823690

Case Statistics / Data Reporter: Brenda Whittaker   bwhittaker@sbcda.org   9093827762

Compliance/Fiscal Officer: Claudia Walker   cwalker@sbcda.org   9093827689

Section Name: Overview Questions

Sub Section Name: General Information

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1. Applicant Question: Multi-County Grant

Is this a multi-county grant application request? If Yes, select the additional counties.

Applicant Response:

No

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2. Applicant Question: FY 23-24 Audited Unexpended Funds

Excluding interest, what was the amount of your FY 23-24 Audited Unexpended Funds? If none, enter "0".

Applicant Response:

$0.00

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3. Applicant Question: FY 23-24 Audited Unexpended Funds Percentage of FY 23-24 Award

Your FY 23-24 Audited Unexpended Funds are what percentage of your FY 23-24 total award? If none, enter "0".

Total Award excludes interest earned and incoming carryover. To calculate percentage, divide your audited unexpended funds by your total award. Round to the nearest whole number.

Example:

       FY 23-24 Total Award: $100,000

       FY 23-24 Audited Unexpended Funds: $23,750

       FY 23-24 Audited Unexpended Funds Percentage: 24%

Applicant Response:

0.00%

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4. Applicant Question: Contact Updates

Has your county's Admin User updated the Contacts and Users for your Program?

- *Contacts* are those, such as your elected District Attorney, who need to be identified but do not need access to GMS.
- *Users* are those individuals who will be entering information/uploading into GMS for the application. *Confidential Users* have access to everything in all your grant applications. *Standard Users* do not have access to the Confidential Sections where Investigation Activity is reported. Typical Standard Users are budget personnel.

Applicant Response:

Yes

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5. Applicant Question: Program Contacts

Identify the individuals who will serve as the Program Contacts and your Elected District Attorney. Your Program Contacts must be entered as a User and your Elected District Attorney may be a Contact or User in GMS. Contact your county's Admin User if an individual needs to be added or updated.

On the final submission page, you will link your Program Contacts to the application.

Project Director/Manager is the individual ultimately responsible for the program. This person must be a Confidential User.

Case Statistics/Data Reporter is the individual responsible for entering the statistics into the DAR (District Attorney Program Report). This person should be a Confidential User.

Compliance/Fiscal Officer is the individual responsible for all fiscal matters relating to the program. This person is usually a Standard User.

Elected District Attorney is your county's elected official. This person must be entered as a Contact or a User.

Applicant Response:

Program Contacts	Name
Project Director / Manager	William Lee
Case Statistics / Data Reporter	Brenda Whittaker
Compliance / Fiscal Officer	Claudia Walker
Elected District Attorney	Jason Anderson

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6. Applicant Question: Statistical Reporting Requirements

Do you acknowledge the County is responsible for separately submitting a Program Report using the CDI website, DA Portal?

To access the DAR webpage on the CDI website: right click on the following link to open a new tab, or copy the URL into your browser.

http://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/10-anti-fraud-prog/dareporting.cfm

As a reminder, Vertical Prosecutions should not be counted as an Investigation, a Joint Investigation, or an Assist in the DAR.

Applicant Response:

Yes

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7. Applicant Question: Required Documents Upload

Have you reviewed the Application Upload List and properly named and uploaded the documents into your Document Library?

To view/download the Application Upload List: go the Announcement, click View, and at the top of the page select Attachments. The Application Upload List is 4d. Items must be uploaded into the Document Library before you can attach them to the upcoming questions.

Applicant Response:

Yes

Sub Section Name: BOS Resolution

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1. Applicant Question: BOS Resolution

Have you uploaded a Board of Supervisors (BOS) Resolution to the Document Library and attached it to this question?

A BOS Resolution for the new grant period must be uploaded to GMS to receive funding for the 2025-2026 Fiscal Year. If the resolution cannot be submitted with the application, it must be emailed to LAU@insurance.ca.gov no later than January 2, 2026. There is a sample with instructions located in the Announcement Attachments, 3b.

Applicant Response:

No

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2. Applicant Question: Delegated Authority Designation

Choose from the selection who will be the person submitting this application, signing the Grant Award Agreement (GAA), and approving any amendments thereof.

The person selected must be a Confidential User, who will attest their authority and link their contact record on the submission page of this application. Must be a direct email address; No generic/group email address allowed. A sample Delegated Authority Designation Letter is located in the Announcement Attachments, 3a. CDI encourages the contact named as Project Director/Manger be the designated authority, should that be your selection.

Applicant Response:

Designated Person named in Attached Letter

Attachment:
25-26 AUTO San Bernardino Delegated Authority Designation.pdf - PDF FILE

Section Name: County Plan

Sub Section Name: Qualifications and Successes

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1. Applicant Question: Successes

What areas of your automobile insurance fraud program were successful and why?

Detail your program's successes for ONLY the 23-24 and 24-25 Fiscal Years. It is not necessary to list every case. If a case is being reported in more than one insurance fraud grant program, clearly identify the component(s) that apply to <u>this</u> program. If you are including any task force cases in your caseload, name the task force and your county personnel's specific involvement/role in the case(s). Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Applicant Response:

I.

Summary

Since 1993, the San Bernardino County District Attorney's (SBCDA) Automobile Insurance Fraud (AIF) Program has been dedicated to investigating and prosecuting automobile insurance fraud. Throughout this time, we have continually monitored and refined our investigation and prosecution strategies to maximize effectiveness.

The pillars of our program most responsible for success are (1) our case evaluation process and (2) the adoption of hi-tech (digital data harvesting) investigation techniques.

Our case evaluation process is best described as going "back-to-basics." Only the referrals which have a high likelihood of producing a provable, fileable case will be investigated. Little or no time will be wasted on weak cases.

These changes, as detailed below, produced: (1) an increase in filed cases, (2) an increase in convictions, (3) an increase in restitution ordered, (4) a decrease in cases turned down for filing, and (5) strengthened our relationship with the Department of Insurance (CDI) and other investigating agencies.

Digital data harvesting is the second key pillar of our program. Cars are repositories of significant digital evidence which can reveal and prove fraud. Indeed, it can reveal fraud that was once thought undetectable. What we have dubbed "Operation Trojan Horse," an initiative to harvest that evidence, has fulfilled that promise to become a key pillar to the success of our program.

II.

Pillar 1:

Adherence to a Strong Case Evaluation Process

Our program strives to identify quality referrals at the earliest stage in the investigative process, starting with intake and screening. Deputy District Attorney Thomas Colclough is in his 10th year in AIF. This has given him a keen eye for identifying referrals that are most likely to result in a prosecutable case. Further, an investigation that looked promising at its inception may quickly turn fallow. It is our policy to quickly end those investigations and move on to those that are more promising.

This was a change from the prior practice that valued the number of investigations over their quality. While this past practice generated high numbers of investigations, few translated into prosecutable cases. DDA Colclough's revisions to the case evaluation process have turned this around. Now, AIF only investigates cases that present a strong chance of being filed in court. As a result, the number of new investigations, carry-forward investigations, total investigations, and cases turned down for filing *all fell*. At the same time, the number of new prosecutions *rose*.

The difference is noticeable in the table presented below. In the 5 years prior to DDA Colclough's arrival (Fiscal Years 2010 through 2015):

- 23% of investigations resulted in filed cases (calculated as New Cases Filed divided by Total Investigations).

- 107 new cases were filed – an average of 21 per year.

In the 10 years since DDA Colclough's arrival, including the current fiscal year:

- 68% of investigations resulted in filed cases.

- 278 new cases were filed, an average of 27.8 per year.

Fiscal Year	Investigations Carried Forward	New Investigations	Total Investigations	Declined To File	New Cases Filed
2024-25	10	23	33	17	19
2023-24	5	27	32	14	29
2022-23	6	25	31	12	17
2021-22	7	35	42	13	28
2020-21	10	33	43	8	30

2019-20	7	36	43	6	31
2018-19	7	34	41	10	30
2017-18	8	49	57	13	41
2016-17	15	34	49	11	31
2015-16	18	19	37	10	22
Arrival of DDA Colclough – February 2015					
2014-15	28	40	68	50	15
2013-14	58	37	95	70	20
2012-13	34	64	98	55	27
2011-12	32	91	123	67	22
2010-11	18	68	86	44	23

Improvements in productivity were seen across the board. On an average annual basis, productivity after DDA Colclough's arrival rose over the years before his arrival, as follows and as shown in the table below:

- New case filings increased 30%.

- Convictions increased by nearly 15%.

- Restitution Ordered increased nearly 43%.

Fiscal Year	New Cases in Court	Convictions	Restitution Ordered	Restitution Collected
2024 – 2025	19	19	$153,309	$105,363
2023 – 2024	29	19	$69,650	$36,486
2022 – 2023	17	21	$51,921	$47,461
2021 – 2022	28	32	$182,029	$120,225
2020 – 2021	30	22	$59,951	$62,065
2019 – 2020	31	27	$77,845	$33,801
2018 – 2019	30	37	$79,644	$131,354
2017 – 2018	41	38	$136,587	$88,992
2016 – 2017	31	30	$59,629	$28,798
2015 – 2016	22	28	$40,956	$35,760
Arrival of DDA Colclough – February 2015				
2014 – 2015	15	29	$28,373	$111,541
2013 – 2014	21	26	$94,008	$114,303
2012 – 2013	26	23	$70,232	$39,138
2011 – 2012	22	20	$62,487	$29,456
2010 – 2011	23	21	$64,084	$29,700

Pillar 2:

Expert Use of Hi-Tech and Digital Evidence

For several years we have been expanding our ability to investigate automobile insurance fraud with digital evidence. Vehicles are increasingly collecting and storing significant amounts of digital evidence. Like how DNA solves crimes that were once thought to be unsolvable, digital evidence has proven critical in investigating and prosecuting fraud that would have otherwise gone undetected and unpunished. Digital evidence and the ability to harvest it is the future of insurance fraud investigations.

Since Fiscal Year 2018 – 2019, we have trained our investigators in accessing and using evidence obtained from Event Data Recorders (EDRs, often called the "black box"), Infotainment systems (BERLA), ZETX, key fobs, and other devices containing digital data. Each year, we learn of new sources of digital evidence available to us. This fiscal year we used Toyota's Vehicle Control History (VCH) software to prove that a purported carjacking was really fraud (see below, *Significant Cases Filed in Fiscal Year 2024 – 2025; Otoniel Ramos and Wilber Ramos – FWV25001677 & 78)* VCH software gives access to Toyota and Lexus vehicles' data collected from a forward-facing camera. In the *Otoniel Ramos and Wilber Ramos* case, their $56,000 fraud may have succeeded if VCH was not accessible. Due to the prevalence of Toyota and Lexus cars, VCH data will be enormously useful in fraud investigations.

Digital data harvesting requires a sacrifice, however. Accessing digital evidence often requires some disassembly of the car, which is time-consuming. This has placed a *de facto* ceiling on the volume of investigations we can complete. Its value, however, outweighs the necessary sacrifice. Digital evidence is the future, and we must not remain trapped in the past. We remain hopeful that car manufacturers will eventually provide easier access to data contained in their cars.

Our experience has prepared us to deal with new data sources as they become available. We continue to invest significant amounts of time and resources to develop our expertise in this field. We have been training others through CDAA, SCFIA and other organizations to share our growing knowledge and experience with this technology.

A.   Operation Trojan Horse

The availability of digital evidence has been transformative. We believe that it offers the automobile insurance fraud industry a means to discover undetected fraud claims. We put this theory to the test with an initiative developed in partnership with CDI, the San Bernardino County Automobile Theft Task Force (SANCATT) and the National Insurance Crime Bureau (NICB).

A typical fraud scheme involves an owner falsely reporting a car as stolen. These "owner give-up" schemes are difficult to detect and prove. Many insurance carriers will pay a theft claim if the car is not recovered within 30 days. Now, a vehicle's hi-tech equipment and available digital evidence provide a means to identify these cases.

In Fiscal Year 2021 – 2022, Operation Trojan Horse was developed to detect owner give-up frauds. NICB regularly provides us with a list of recovered stolen vehicles. While the information contained in the list is basic, it is the starting

point to screen for cars that store data and are BERLA compatible. Significant additional screening occurs, such as contact with insurance carriers, review of theft/police reports, etc. The few theft claims passing this screening process will move forward into an investigation that includes downloading digital data and/or removing hi-tech equipment. Operation Trojan Horse began mostly with District Attorney investigators but was quickly adopted by our regional CDI office.

Operation Trojan Horse targets newer cars. Thus, potential and actual losses from those investigations tend to be high. The table below reveals the Estimated Chargeable Fraud increasing since our program adopted harvesting digital evidence.

Fiscal Year	New Cases In Court	Average Estimated Chargeable Fraud
FY 2024-2025	19	$21,273
FY 2023-2024	29	$20,388
FY 2022-2023	17	$25,285
Started Operation Trojan Horse.		
FY 2021-2022	28	$15,651
FY 2020-2021	30	$21,093
FY 2019-2020	31	$17,021
Started to harvest digital evidence.		
FY 2018-2019	30	$10,412
FY 2017-2018	41	$13,545
FY 2016-2017	35	$12,812

- We began vehicle data mining in Fiscal Year 2018 – 2019.

  - The Estimated Chargeable Fraud (ECF) of new prosecutions in the three years that followed (Fiscal Year 2019 – 2020 through Fiscal Year 2021 – 2022) averaged $17,922.
  - The ECF of new prosecutions for the three preceding years averaged $12,256.
  - This represents an increase of 46%.

- We implemented Operation Trojan Horse in Fiscal Year 2021 – 2022.

  - The ECF of new prosecutions in the three years that followed (Fiscal Year 2022 – 2023 through Fiscal Year 2024 – 2025) averaged $22,315.
  - The ECF of new prosecutions for the three preceding years averaged $17,922.
  - This represents an increase of 24.5%.

We credit Operation Trojan Horse for identifying several fraudulent insurance claims that would have gone undetected. Several examples are detailed below in the *Significant Cases Filed* portion of this grant application. Examples from Fiscal Year 2024 – 2025 include *People v. Harmanveer Singh*, FWV25001318, *People v. Jermaine Latawn Smiley*, FVI25000794, and *People v. Edwin Otoniel Ramos and Wilber Ramos*, FWV25001677.

Examples from Fiscal Year 2023 – 2024 include *People v. James Cameron,* FWV23002443, and *People v. Roman Osuna,* FVI24001365.

Operation Trojan Horse was an experiment that presented risks. Investigations involving hi-tech equipment and data are time-consuming, involving the removal of the hi-tech devices, downloading and analyzing data, and securing search warrants from aggregators of digital evidence such as cell phone carriers, car companies, Google, etc. Our concern that our productivity would significantly fall has not been the case. The table below represents the number of new prosecutions generated solely by District Attorney investigators. The 12 new prosecutions in Fiscal Year 2024 – 2025 is close to our 7-year average of 15.3. This slight drop was expected because we replaced a long-time investigator this year with an investigator new to automobile insurance fraud. Additionally, it is generally consistent with our post-COVID average from Fiscal Year 2021 – 2022 to the present.

Fiscal Year	New Cases In Court
FY 2024-2025	12
FY 2023-2024	14
FY 2022-2023	10
FY 2021-2022	12
FY 2020-2021	20
FY 2019-2020	16
FY 2018-2019	23

We believe Operation Trojan Horse has been a resounding success.

IV.

Collaborations and Outreach

A. California Department of Insurance

Our most significant collaboration continues to be with CDI's Inland Empire Regional Office. We depend upon CDI to generate and investigate new cases. But that is just a small part of their overall importance. Combating insurance fraud requires a joint, collaborative effort amongst all law enforcement agencies, as well as with numerous private parties and other organizations. This is where CDI plays a key role. As a governmental organization with a statewide presence, local law enforcement and other organizations rely on CDI as a central hub for multi-jurisdictional communication and collaboration. Our collaboration with CDI grants us access to this vast network. In furtherance of our collaboration with CDI, we have signed a Joint Plan that lays out guidelines for our interaction.

The table below gives a history of case referrals from CDI. After an outstanding 15 referrals in Fiscal Year 2023 – 2024 (of which 13 were filed), total referrals this fiscal year fell to 9, resulting in 6 filed cases. This is a big drop. History shows, however, that large variances in filed cases are common. Averaged over each of the last 7 fiscal years, however, CDI has consistently sent us 11.1 referrals of which 8.7 have been filed.

Fiscal Year	Filed Referrals	Rejected Referrals	Total Referrals
FY 2024-2025	6	3	9
FY 2023-2024	13	2	15
FY 2022-2023	7	4	11
FY 2021-2022	14	4	18
FY 2020-2021	5	3	8
FY 2019-2020	11	0	11
FY 2018-2019	5	1	6

Since Fiscal Year 2019 – 2020, CDI sergeants and the SBDA Supervisor began meeting once every month to discuss overall case development. Additionally, DDA Colclough commenced meeting with CDI detectives regularly to discuss ongoing investigations. These meetings are invaluable and assist both the District Attorney and CDI in focusing resources on fruitful investigations.

B.   Local Law Enforcement

Local law enforcement agencies, fire departments and arson investigators encounter automobile insurance fraud in their daily work but do not always recognize the signs of insurance fraud. As first responders, they may be the first to contact fraud perpetrators, the first to examine the scene, the first to collect the evidence, and, if properly trained, the first to identify fraud.

Outreach to these agencies has been critical to our past success. We trained local law enforcement agencies on both the obvious and hidden signs of automobile insurance fraud. We further encourage deputies and officers to contact our staff any time they suspect fraud, even during an in-field investigation.

Unfortunately, we saw fewer referrals from local law enforcement this year compared to last year. Nonetheless, we will continue to work with local agencies to help them to recognize insurance fraud and to be a resource for them when they are unsure how to handle a fraud case involving an automobile.

Local law enforcement referrals from the last 7 fiscal years are shown in the table below.

Fiscal Year	Filed Referrals (New Prosecutions)	Rejected Referrals	Pending Referrals	Total Referrals
FY 2024-2025	1	0	0	1
FY 2023-2024	5	6	0	11
FY 2022-2023	1	1	1	3
FY 2021-2022	2	2	2	6
FY 2020-2021	8	0	2	10

FY 2019-2020	7	4	2	13
FY 2018-2019	5	1	2	8

Referrals from law enforcement have produced significant numbers of referrals to our program, but they have been inconsistent in recent years. Unfortunately, this year we received fewer referrals than in prior years. We will continue to foster these relationships and encourage referrals.

C.   General

Our program values partnerships with private industry. We spend significant energy creating and maintaining strong relationships and open lines of communication with private organizations such as SIUs, TPAs, NICB, SCFIA, AFA, IASIU, WSATI, Arson Investigators Association, auto fraud task forces, insurance companies, and many other private industry partners. DDA Colclough regularly attends meetings sponsored or attended by these groups and offers presentations to network and develop relationships.

Our program has extensive contacts with nearly all major SIUs and insurance carriers active in San Bernardino County. We regularly communicate with the Auto Club, Mercury Insurance, GEICO, Kemper, Wawanesa, Nations/Blue Fire and Bristol West Insurance. The SIUs can easily reach us by phone or email. We often have in-person meetings with carriers as necessary. Indeed, it is this strong relationship with private industry that made possible the cooperation of NICB in Operation Trojan Horse.

Our prosecutor and investigators place great emphasis on attending trainings, outreach sessions, meetings and various other events to meet with, and be accessible to, representatives of various organizations. These relationships serve as a foundation for our continued success.

V.

Root Causes For Diminished Performance in Fiscal Year 2024 – 2025

This fiscal year we saw a reduction in (1) case filings and (2) case resolutions/convictions. Both are areas of concern that we are working to address.

A.   Case Filings.

New prosecutions fell because each of the three primary contributors – the District Attorney, CDI and local law enforcement – produced or referred less. Presented in the table below are new prosecutions and/or referrals per source.

Fiscal Year	Law Enforcement	CDI	District Attorney
FY 2024-2025	1	6	12
FY 2023-2024	5	13	14

FY 2022-2023	1	7	10
FY 2021-2022	2	14	12
FY 2020-2021	8	5	20
FY 2019-2020	7	11	16
FY 2018-2019	5	5	23

District Attorney investigations generated 12 new prosecutions this fiscal year. This is only a slight drop from our average productivity of 15.3 in the last 7 fiscal years. This dip does not reveal any weakness in our program. Rather, District Attorney Thomas Tardiff left AIF after 7 years of service and was replaced by an investigator new to automobile insurance fraud. A slight dip in productivity was expected. DAI Tardiff was replaced relatively quickly, and all other staff remain intact. Additionally, the 12 is consistent with our post-COVID average since Fiscal Year 2021 – 2022. We are not worried.

CDI's referrals fell this fiscal year. This is not unexpected. As explained above, a history of CDI referrals reveals an annual up-and-down pattern which, over the years, still averaged about 8.7 new prosecutions each year from Fiscal Year 2018 – 2019 through the present. We are not worried.

Referrals from local enforcement fell significantly. While this has happened in the past, it does not follow a predictable pattern. In Fiscal Year 2022 – 2023, there was a very low number of referrals. We worked to improve upon this and saw a rise in Fiscal Year 2023 – 2024 to 11 referrals and 5 filed cases. It fell to 1 this fiscal year.

We think the cause is multi-faceted. Law enforcement agencies, like all employers, have experienced staffing issues which required them to focus more on basic policing rather than the more obscure world of automobile fraud.

Additionally, our outreach has fallen in recent years. From Fiscal Year 2015 – 2016 through Fiscal Year 2019 – 2020, our program provided an average of 8.4 events reaching an average annual audience of 405. From Fiscal Year 2021 – 2022 through Fiscal Year 2024 – 2025, we provided an average of 4.5 outreach events that reached an annual average of 218 people. We have conducted only about half the outreach in recent years as we provided in prior years.

The underlying cause, we think, is resources. As our investigators spend more time investigating complex fraud cases and our single prosecutor spends more time in court prosecuting cases, there is less time for outreach. We will try to rebalance our outreach efforts, but we cannot fix the underlying problem of a lack of resources within the Automobile Insurance Fraud program whose grant funding has been effectively shrinking (due to inflationary impact) for decades.

An additional – although smaller – factor for lower case filings is the increase in referrals that were rejected for filing. As shown in the table included above in the section titled, *An Effective and Efficient Screening Process*, we averaged 11.4 rejected filings per year since Fiscal Year 2015 – 2016. Rejections rose to 17 this fiscal year, which marks the highest number of rejections since Fiscal Year 2014 – 2015. A primary cause relates to the pandemic. A desire by carriers during the pandemic to expedite claims led to a lack of in-person contact/communication with the person reporting a claim. Without personal contact, it is difficult to prove beyond a reasonable doubt the identity of the person committing the fraud.

B. **Convictions.**

Convictions and dispositions also fell this fiscal year. This is largely a result of legislative changes that have made it difficult to resolve cases favorably. New laws have disincentivized early resolution of cases. Historically, a defendant was

assured by their attorney that an early resolution would be their best resolution. This is no longer always true. Also, the defense bar (particularly the Public Defender) is experiencing staffing shortages like all employers. They are prioritizing in-custody and violent cases. Thus, fraud cases have tended to languish in court. These new realities of the criminal justice system hinder expeditious case resolutions.

As a result, we obtained 21, 19 and 19 convictions in the three most recent fiscal years, respectively, compared to an average in the high 20s in prior years.

Even though convictions were down, each case carried higher potential loss. This resulted in restitution orders totaling $153,309, which is our second highest level in at least 15 years, and restitution collected exceeding $100,000 for just the 5th time in 15 years.

VI.

Significant Cases Filed in Fiscal Year 2024 – 2025

Harmanveer Singh – FWV25001318. Harmanveer Singh reported his car stolen from a local shopping center. The car was recovered later that evening after it was set on fire. Mr. Singh's insurance company paid out nearly $35,000 on his claim. DDA Colclough identified this case under Operation Trojan Horse as a candidate for data mining. The investigation consisted of 10 search warrants for electronic data such as Infotainment System data, cellular phone records, Telematic history, and the search and imaging of the actual cellular device. Text messages were obtained via search warrants which showed research into gas bottle bombs and insurance pay-outs on total loss claims. Mr. Singh was charged with insurance fraud, and he remains a fugitive at large. This case presents an example of the significant labor required to investigate data mining investigations but the great reward that can accrue by securing restitution of the $35,000 that was actually paid.

Jermaine Latawn Smiley – FVI25000794. Operation Trojan Horse and traditional investigation success. Jermaine Smiley reported his car as stolen. The carrier paid over $20,000 on the claim. The car was eventually discovered in flames. DDA Colclough identified the case for possible data mining using BERLA. Numerous search warrants were completed on this case which involved electronic information such as Telematic history and cellular phone data. Analysis of this data revealed the car was not parked at the location Mr. Smiley had reported. Also contrary to Mr. Smiley's statements, the car was driven around multiple towns in the days before its purported theft. Further, the car's key was used shortly before the car was discovered in flames. When confronted with the evidence, Mr. Smiley admitted to committing fraud. Mr. Smiley was charged with felony fraud charges and remains a fugitive at large.

Edwin Otoniel Ramos and Wilber Ramos – FWV25001677 & 78. Edwin Ramos reported that his Toyota was carjacked by two suspects on the freeway. The car was recovered days later with extensive damage. Suspiciously, downloaded BERLA data proved the car was not at the location of the purported carjacking. This combined with data and photographs obtained from Toyota's VCH interface identified the date, time and location of an actual crash event. This led investigators to a CHP report of a hit and run injury event. When confronted with this evidence, both defendants admitted to filing a false claim to cover for a relative who had crashed the car while driving unlicensed. Edwin Ramos and Wilbur Ramos were charged with felony insurance fraud, attempted grand theft and filing a false vehicle theft report. The case is pending in court.

Cherel Ramsey and Darrell Ramsey– FVI23001330 & 31. Cherel Ramsey owned a BMW. Her husband, Darrell Ramsey, was an excluded driver on the policy. David Ramsey drove the BMW to a night club, became intoxicated, and later that night struck another car occupied by two women. Both women were treated at a hospital for minor injuries. Darrell Ramsey fled the scene of the crash. A few days later, Cherel Ramsey falsely reported that BMW was involved in a collision while she was driving. AAA paid $21,000 to repair the BMW. Darrell Ramsey pled guilty to felony offenses of

fraud, DUI causing injury, vandalism and hit and run, and was sentenced to 5 years of felony probation along with one year in jail and 90 days in a live-in alcohol treatment program. Cherel Ramsey pled guilty to a single count of insurance fraud. The defendants made an up-front payment of over $40,000 in restitution.

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VII.

Significant Cases Filed in Fiscal Year 2023 – 2024

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James Cameron – FWV23002443 This is an Operation Trojan Horse case that avoided a nearly $90,000 insurance payout. Mr. Cameron allowed an insurance policy to lapse on a Dodge Hellcat worth around $90,000. On May 18, 2023, he purchased insurance on his vehicle. Two days later, he reported a crash of the vehicle and submitted a tow receipt to the carrier. The carrier contacted SBCDA due to concern over the tow receipt's authenticity. Data downloaded from the Infotainment system showed the vehicle was last operated on May 13, 2023. Further investigation proved the crash occurred on May 13 and the tow receipt was forged. Mr. Cameron pled guilty to felony insurance fraud and was ordered to pay restitution in sum of $1,393.00 to Bristol West.

Roman Osuna – FVI24001365 This was an Operation Trojan Horse case where the carrier had already paid $23,177. Mr. Osuna claimed his 2022 Toyota Corolla was stolen on January 3, 2024, while he was visiting a friend in the city of Victorville. An investigation revealed the car travelled into Mexico before the supposed theft and never returned. Mr. Osama, however, returned to the US three days later as a passenger in another car and then reported the Corolla as being stolen. A digital data download was conducted on the car. Once Mr. Osuna was confronted with the evidence, he confessed to abandoning the car in Mexico because it had significant mechanical problems. Mr. Osama was charged with several counts of felony insurance fraud. Defendant failed to appear in court as ordered. A warrant has been issued for his arrest.

Stephanie Cervantes – FSB23003406 Ms. Cervantez was involved in a car crash on August 5, 2021, while driving under the influence of alcohol. The insurance policy had lapsed nearly a year earlier. She purchased insurance the next day, then claimed the collision occurred after policy inception and was not alcohol related. An investigation eventually led to Ms. Cervantez confessing to committing fraud. She was charged with multiple counts of felony insurance fraud. The court ordered the defendant into mental health diversion.

People v Kenyata Gibson – FWV24001657 This case involves economic car theft. Mr. Gibson was operating a sophisticated, large-scale auto-theft operation selling stolen vehicles to unsuspecting buyers.
He reportedly stole up to 50 Honda vehicles and sold them over the internet for cash with the help of an accomplice.

An accomplice would use a burner phone/number, represent herself as the vehicle's owner and use a forged driver's license, pink slip, registration and proof of insurance, to create the appearance of being a bona fide seller. A key part of the scheme included reprograming key fobs. The innocent purchaser learned of the fraud only upon being stopped by law enforcement while driving a stolen vehicle. This case was solved in collaboration between SBCDA and the Montclair Police Department. SBCDA filed charges relating to one victim, as most others are in Los Angeles and Riverside Counties. The defendant pled guilty, was sentenced to 120 days in jail, 2 years felony probation and ordered to pay $44,360 in restitution.

Gurpreet Singh Kaler and Ballinder Singh – FWV24001360/1 Defendants operate a commercial trucking company in Fontana. One of their tractors, which did not have collision damage insurance, suffered a rollover accident resulting in about $70,000 in damage. The defendants purchased an insurance policy and reported the tractor as stolen. As part of the insurance claim, they claimed to have repaired the rollover damage before the theft and offered documentation of the repair work. An investigation revealed fraud, including a determination that the repair documentation was fabricated. The defendants were charged with fraud and grand theft. Gurpreet Kaler pled guilty, was sentenced to 30

days in jail, 2 years felony probation and ordered to pay $4,503 in restitution. Ballinder Singh pled guilty to misdemeanor insurance fraud, was sentenced to 15 days in jail and jointly ordered to pay $4,503 in restitution.

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2. Applicant Question: Task Forces and Agencies

List the governmental agencies and task forces you have worked with to develop potential automobile insurance fraud cases.

Applicant Response:

Our Program worked with the following governmental agencies in developing automobile insurance fraud cases:

- California Department of Insurance, Inland Empire Regional Office
- California Department of Insurance, Los Angeles Regional Office
- California Department of Motor Vehicle's Investigations
- California Highway Patrol – multiple stations/divisions.
- Chino Police Department
- Chino Hills Sheriff Station
- Colton Police Department
- Fontana Police Department
- Los Angeles County Sheriff Department
- Montclair Police Department
- Ontario Police Department
- Redlands Police Department
- Rialto Police Department
- San Bernardino City Police
- San Bernardino County Auto Theft Task Force (SANCATT)
- San Bernardino County Fire/Arson Department
- San Bernardino County Sheriff Department, Victorville Station
- San Bernardino County Sheriff Department, Bomb/Arson
- San Bernardino County Sheriff Department, Central Station.
- San Bernardino County Sheriff Department, Hesperia Station
- Upland Police Department

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3. Applicant Question: Unfunded Contributions

Specify any unfunded contributions and support (i.e., financial, equipment, personnel, and technology) your county provided in Fiscal Year 24-25 to the automobile insurance fraud program.

Applicant Response:

SBCDA expends significant resources of its own in support of the program.

The services of managing attorneys, Supervising Deputy District Attorney Ronald Webster and Chief Deputy District Attorney William Lee, are provided at no cost to the grant. In addition to general management and administrative responsibilities, CDDA Lee is the co-chair of the CDAA Insurance Committee, served as the technical advisor for the 2023 and 2024 CDAA Fraud Symposiums, and was heavily involved in setting the agenda for CDAA Fraud Symposiums in prior years. We anticipate CDDA Lee continuing in these roles as an unfunded contribution. SDDA Webster directly supervises the operations of the AIF Unit, including direct engagement with CDI and grant writing. His services are unfunded contributions.

The services of District Attorney Investigator Chuck Peterson are an unfunded contribution. DAI Peterson was previously assigned to AIF as an investigator, during which time he trained to develop significant skills relating to Electronic Data Recorders and Infotainment systems. These rare skills put him in high demand both within our office and throughout our region. SBCDA decided to place DAI Peterson to an assignment where he could more widely apply his knowledge to pending homicide cases while still being of assistance to the AIF unit. Although no longer assigned to AIF, and thus no longer funded by the grant, he nevertheless continues to contribute regularly to investigations within the unit and conducts hi-tech training and outreach, such as presenting at the CDAA Fraud Symposium.

Our AIF Unit is part of our Specialized Prosecutions Division. As such, the staff members of the program work side by side and in cooperation with members of our Urban Grant Unit, Workers' Compensation Fraud Unit, the Real Estate Fraud Unit, the Consumer and Environmental Protection Unit, our Asset Forfeiture Unit, our Major Frauds Unit and others. These units support and supplement the efforts of our program, aid when needed and give expertise in overlapping areas.

The services of our Bureau of Administration are provided without cost to the program. This arm of our office is responsible for all budget preparation (including the proposed budgets for this application), fiscal responsibilities, and support necessary to ensure proper review and approval of our grant application by County Counsel and the Board of Supervisors.

Finally, all operating expenses and about half of an investigator position are expected to be unfunded contributions. While we ask in each year's grant application to fully fund our salary and benefits and operating expenses, the actual award in recent years has left all operating expenses and almost half of an investigator unfunded. Fiscal Year 2024 – 2025 was the exception only due to an unexpectedly high supplemental award.

4. Applicant Question: Personnel Continuity

Explain what your county is doing to achieve and preserve automobile fraud institutional knowledge in your grant program. Also detail and explain the turnover or continuity of personnel assigned to your automobile insurance fraud program. Include any rotational policies your county may have.

Applicant Response:

SBCDA does not have a mandatory rotation policy that might impact that continuity. Movement is occasionally necessary to meet shifting challenges, but we always act with an eye toward providing effective and stable staffing to all our fraud programs.

The staffing in our AIF Program has been remarkably stable. Secretary Brenda Whittaker has served since 2010, DDA Colclough has served since 2015, DAI Thomas Tardiff has served since 2018 (when he replaced a retiring investigator who had served for 5 years), and DAI David Steele has served since 2020 (when he replaced DAI Petersen, who was moved into a Hi-Tech position to provide his services as an unfunded contribution).

After a significant period of stability, DAI Tardiff was reassigned in November 2024. He was replaced relatively quickly with DAI Erick Bennett, who is new to automobile insurance fraud.

CDDA William Lee has provided managerial support for the unit since 2016, as both a supervisor and a chief. SDDA Webster is in his third year of supervising the unit. Supervising District Attorney Supervisor (SDAI) John Vega retired in February 2025 but was immediately replaced by SDAI Stephen Showalter, a former Workers' Compensation Fraud investigator.

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5. Applicant Question: Frozen Assets Distribution

Were any frozen assets <u>distributed</u> in FY 24-25?

If yes, please describe. Assets may have been frozen in previous years.

Applicant Response:

No

Sub Section Name: Staffing

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1. Applicant Question: Staffing List

Complete the chart and list the individuals working the program. Include prosecutor(s), investigator(s), support staff, and any vacant positions to be filled.

All staff listed in your application budget <u>must</u> be included in the chart.

For each person, list the percentage of time dedicated to the program and the start and end dates the individual is in the program. The entry in the "% Time" field must be a whole number, i.e., an employee who dedicates 80% of their time to the program but is only billed 20% to the program, would be entered as "80" in the "% Time Dedicated to the Program" column.

Applicant Response:

Name	Role	Start Date	End Date (leave blank if N/A)	% Time Dedicated to the Program
Thomas Colclough	Deputy District Attorney	02/21/2015		100
Thomas Tardiff	District Attorney Investigator	11/10/2018	11/30/2024	100
David Steele	District Attorney Investigator	02/15/2020		100
Erick Bennett	District Attorney Investigator	11/30/2024		100
Brenda Whittaker	Secretary	11/06/2010		100
Vacant - Proposed position	Paralegal			25

Applicant Comment:

The paralegal position is newly proposed in the grant application. The position does not currently exist.

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2. Applicant Question: FTE and Position Count

The staff and FTE included in the chart below MUST MATCH the staff and FTE listed in your application budget. Do not include unfunded personnel.

The "# of Positions" field represents people and must be entered in whole numbers. The "FTE" field must be entered as a decimal and represents the Full Time Equivalent (FTE) for all budgeted personnel in that position.

E.g. Two Attorneys who are billed to the program at 80% each would be entered as "2" in the # of Positions field and "1.60" in the FTE field.

Reminder: This chart MUST match your application budget.

Applicant Response:

Salary by Position	# of Positions (whole numbers)	FTE (1.00 = 2080 hours/year)
Supervising Attorneys		
Attorneys	1	1
Supervising Investigators		
Investigators (Sworn)	2	2
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	1	0.25
Clerical Staff	1	1
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary by Position, other		
	Total: 5.00	**Total: 4.25**

3. Applicant Question: Organizational Chart

Upload and attach to this question an Organizational Chart; label it "25-26 AUTO (county name) Org Chart".

The organizational chart should outline:

- *Personnel assigned to the program. Identify their position, title, and placement in the lines of authority to the elected district attorney.*

- *The placement of the program staff and their program responsibility.*

Applicant Response:
25-26 AUTO San Bernardino Org Chart.pdf - PDF FILE

Sub Section Name: Problem Statement & Program Strategy

1. Applicant Question: Problem Statement

Describe the types and magnitude of automobile insurance fraud (e.g., applicant, medical/legal provider, staged collisions, insider fraud, fraud ring, capping, and economic car theft) relative to the extent of the problem specific to your county.

Use local data or other evidence to support your description.

Applicant Response:

MAGNITUDE OF FRAUD PROBLEM

It is an unfortunate fact that San Bernardino County's location, size and population offer a rich environment for fraud activity. Grant funding guarantees the resources to confront this ongoing problem. It is our goal to maintain a staff of one prosecutor and two investigators dedicated exclusively to investigating and prosecuting automobile insurance fraud.

Population and Geography

San Bernardino County is the largest geographic county in the United States. It is the 5th most populous county in California with nearly 2.2 million people. Recent forecasts by the California Department of Finance predict that population growth in San Bernardino County will outpace growth in most other large counties and the state.

Between 2023 through 2030, San Bernardino County's population is projected to grow by 3.5% compared to statewide population growth of 1.5%. Also, San Bernardino County has the highest projected rate of growth during that period of all counties with a current population of at least 1,000,000.

San Bernardino County offers vast undeveloped land to easily accommodate future growth. Among Southern California counties, San Bernardino offers lower living costs, lower housing costs, proximity to urban centers within Los Angeles County and Orange County, two international airports in the cities of Ontario and San Bernardino, and a busy logistics airport in the city of Victorville. San Bernardino County is an attractive location into which businesses and workers will continue to relocate.

San Bernardino County's fraud problem is affected by regional geography. The Southern California region encompassing Los Angeles, Orange, Riverside, and San Bernardino Counties comprises 45% of the state population. The economies of these counties are intertwined due to their shared borders.

The expected growth in San Bernardino County's population will inevitably lead to an increase in fraud activity. Fraud will thrive in the absence of strong enforcement.

Suspected Fraudulent Claims (SFCs)

The number of SFCs is a strong indicator of local fraud activity. San Bernardino County received the 4th highest number of SFCs between 2022 and 2024. The table below shows all 9 counties with 1,000 or more SFCs in that timeframe:

County	2022	2023	2024	Total
Los Angeles	4,518	4,424	5,438	14,380
San Diego	748	654	782	2,184
Alameda	651	701	649	2,001
San Bernardino	**614**	**638**	**714**	**1,966**

Riverside	649	613	686	1,948
Orange	564	572	632	1,768
Santa Clara	473	586	695	1,754
Sacramento	505	585	555	1,645
Contra Costa	339	357	369	1,065
STATEWIDE TOTAL	**12,053**	**12,347**	**13,857**	**38,257**

San Bernardino County's high population and number of SFCs point to a significant fraud problem. The problem will worsen as its population grows in the future. Continued strong enforcement activity is needed to combat this problem.

TYPES OF FRAUD

Applicant fraud is our most prevalent fraud activity. Economic automobile theft activity is small but usually the next largest category of fraud activity. Fraud rings and staged accidents are primarily handled by our Organized Automobile Fraud Interdiction Program (Urban Grant) and are, therefore, less common in AIF. Even less common are capping, medical provider fraud, insider fraud and legal office fraud.

Applicant Fraud

The majority of automobile insurance fraud activity in San Bernardino County remains applicant fraud. Most are committed by one or two individuals with minimal sophistication. Frequently seen fraud activity includes owner attempts to pre-date insurance policies to cover a preexisting loss ("crash-and-buy"), abandoning or setting fire to damaged cars and reporting them as stolen, false theft reports of hidden cars, and excluded driver losses.

Over the last two fiscal years, applicant fraud represented 46 of 48 newly filed cases.

Economic Car Theft

Despite economic car theft being the second most prevalent fraud activity in San Bernardino County, the numbers seen by our program remain low.

In the last two fiscal years, we filed one economic car theft case.

Staged Accidents

It is our experience that staged accidents usually involve organized activity. These cases, like fraud rings, are usually handled within our Urban Grant. The Urban Grant and AIF work cooperatively to maximize prosecution and investigation resources. The Urban Grant will handle lengthy, complex cases that involve organized activity while AIF handles the less complex but more voluminous matters.

Nonetheless, over the last two fiscal years, our program filed one staged accident case.

Fraud Rings

Fraud rings generally involve organized fraud activity. These cases are customarily handled by our Urban Grant.

The Urban Grant and AIF work cooperatively to maximize prosecution and investigation resources. The Urban Grant will handle lengthy, complex cases that involve organized activity, while AIF handles less complex but more voluminous matters.

AIF filed two fraud ring cases in Fiscal Year 2021 – 2022, but none in the last two fiscal years.

<center><u>Capping, Medical Provider, Insider, and Legal Frauds</u></center>

San Bernardino County receives few referrals for these types of fraud activity. None of these types of cases were filed in the last two fiscal years. However, we have had a few of these cases in recent years and are ready and able to investigate and prosecute them when discovered.

For instance, we filed one insider fraud case in Fiscal Year 2021 – 2022. (*People v. Jose Ramirez, FWV22001857.*) The defendant was convicted of felony insurance fraud, sentenced to 30 days in jail, and placed on felony probation.

In Fiscal Year 2019 – 2020, we investigated and filed one insider fraud case. (*People v. Steve Rodriguez, FWV20000301.*) The defendant neglected to bind a policy for a customer despite receiving payment. Subsequently, the customer was involved in a crash. The defendant secured a policy afterwards and impersonated the customer to submit a claim. The defendant was charged with insurance fraud and false personation as felonies. The defendant was convicted of a misdemeanor insurance fraud, sentenced to 30 days in jail and was placed on probation.

In Fiscal Year 2016 – 2017, AIF investigated and filed one medical provider case, resulting in a conviction in Fiscal Year 2018 – 2019. (*People v. Moosa Heikali, FSB17000417.*) Dr. Heikali was convicted of felony insurance fraud and sentenced to 45 days in jail, 3 years of probation, and ordered to pay a $10,000 fine and $1,000 in restitution to Mercury Insurance.

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2. Applicant Question: Problem Resolution Plan

Explain how your county plans to resolve the problem described in your problem statement. Include improvements in your program.

Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Specify how the district attorney will address the automobile insurance fraud problem, defined in the Problem Statement, through the use of program funds. The discussion should include the steps that will be taken to address the problem, as well as the estimated time frame(s) to achieve program objectives and activities.

The response should describe:
- The manner in which the district attorney will develop his or her caseload;

- The sources for referrals of cases; and

- A description of how the district attorney will coordinate various sectors involved, including insurers, medical and legal providers, CDI, public agencies such as California Highway Patrol, Bureau of Automotive Repairs, U.S. Customs, and local law enforcement agencies.

Applicant Response:

Dedicated, Full-Time Staff

SBCDA has demonstrated an ongoing commitment to providing consistent, full-time staffing to address automobile insurance fraud. For several years we have maintained dedicated staffing in AIF with one attorney, two senior investigators and one secretary. Our attorney and investigators work in a full-time capacity, devoting their resources to meeting the goals of our office and the Commissioner.

Our program needs to grow. Our ability to tackle the significant fraud problem is limited by our resources. We have one attorney assigned to handle automobile insurance fraud cases across our very large county and multiple courthouses. In addition to filing and prosecuting cases, the attorney reviews all intakes and claim files, advises with ongoing investigations, meets with law enforcement agencies, and conducts collaborations and outreach. Similarly, our two investigators must investigate fraud activity that span 20,000 square miles of county land. Our adoption of hi-tech equipment and digital evidence consumes significant investigative resources. Accessing hi-tech data, downloading digital evidence, authoring warrants to obtain data from companies such as Google, cell phone carriers, and other sources take an inordinate amount of time.

Adequate staffing is the primary barrier to increased success and productivity. It has created a ceiling that is difficult to crack. For these reasons, our program has maxed out at an average of 27.8 filed cases over the last 10 years.

The addition of a paralegal would be the most cost-effective solution to our staffing deficit. For that reason, we are requesting the addition of a 0.25 FTE paralegal position. We ask for so little only because we are cognizant that the Automobile Insurance Fraud program is underfunded. However, our inability to add the paralegal position, or some other supportive personnel, would imperil the future success of our program.

Effective Case Management

The efficiency in case management we have achieved in the past decade is the foundation for our improved productivity. With our streamlined efforts, we continue to see the program flourish. We will continue to ensure our resources are being used most effectively.

A key factor in the success of our case management is our commitment to vertical prosecutions. Our investigators and attorney remain constant throughout the life of a case. By involving an experienced attorney at the earliest stage in the investigation, we ensure that the investigation focuses on criminal conduct related to automobile insurance fraud. This procedure helps to increase the probability of a case filing. From there, the prosecutor can see the case through to its conclusion, ensuring that significant details are not lost along the way.

Additionally, early involvement allows us to screen cases to identify those that might be good or poor prospects for prosecution. To accomplish these goals, our staff meet regularly to discuss cases. We use the same approach when working with our partners at CDI. The attorney visits CDI's office for a monthly meeting with CDI sergeants and more regularly to discuss case development with CDI detectives. Our strong relationship is memorialized in our Joint Plan.

Once a case is filed, our attorney works to diligently pursue a just outcome, seeking to minimize continuances and unnecessary delays. Cases that should be settled are resolved quickly with a constant focus on a just outcome that makes the victim whole, punishes the misconduct and serves as deterrence. But we must maintain our pragmatism in resolving cases due to the continuing challenge prosecutors face in today's challenging legal landscape.

A key aspect of our comprehensive fight against automobile insurance fraud is the collaborative use of AIF and Urban Grant. Our Urban Grant program focuses its efforts on large, organized fraud activity, such as staged accidents, fraud rings and other large-scale conspiratorial activity, which require long and extensive investigations. This allows AIF to focus on small and medium size fraud activities that occur more frequently.

Collaboration and Outreach

CDI remains our most important partner in the fight against auto insurance fraud. We avoid duplication of investigative effort by working cooperatively on cases and by maintaining open lines of communication. This allows us to effectively implement a division of labor on cases and assists in properly directing cases either to AIF or Urban Grant. Since there is no system of mandated dual referrals in AIF, we maintain a request that CDI promptly notify us when it turns down a referral for a lack of resources.

Our attached Joint Plan provides the structure by which we and CDI work together. The Supervising District Attorney Investigator will maintain frequent contact with CDI's sergeants and the Supervising Deputy District Attorney will similarly maintain communication with CDI's captain and sergeants. Additionally, the monthly meetings with DA management staff and CDI sergeants to discuss our overall collaboration and routine meetings that between the prosecutor and CDI detectives to discuss ongoing investigations will continue.

We will continue our outreach and training of local law enforcement in the upcoming fiscal year. This training is to provide street-level officers with the tools they need to recognize automobile insurance fraud.

Both AIF and Urban Grant will continue to work closely with the local law enforcement personnel assigned to SANCATT, our regional auto theft task force. In this way, both units will quickly be able to assist in the identification and investigation of insurance fraud cases connected with car thefts.

We will further our outreach efforts, and maintain and develop personal contacts and relationships with SIUs. We will continue to encourage SIUs to submit cases to us for review and investigation. We will continue our practice of contacting local SIUs who do not submit cases to us to encourage them to do so in the future.

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3. Applicant Question: Plans to Meet IC Goals

What are your plans to meet the announced goals of the Insurance Commissioner?

If these goals are not realistic for your county, please state why they are not, and what goals you can achieve. Include your strategic plan to accomplish these goals. *Copies of the Goals can be found in the Announcement Attachments, 4f.*

Applicant Response:

Insurance Commissioner Goal: Public Safety

Public safety is our number one goal. Arson is the single biggest threat to physical safety. Our attorney has trained law enforcement officers and other prosecutors in the investigation and prosecution of arson-related automobile insurance fraud. We continue to focus our efforts on reducing and preventing this dangerous practice.

Staged collisions also present a significant danger to public safety. The collaborative use of AIF and Urban Grant resources is our best approach to combat staged collisions. Because most staged collision cases involve multiples individuals conspiring to commit automobile insurance fraud, the investigations tend to be more involved and are therefore better suited for Urban Grant so that AIF can tackle the significant volume of small and medium-sized fraud activity. As such, staged collision cases are not a large part of AIF's caseload. None were filed this fiscal year, but two were filed over the two previous fiscal years.

Insurance Commissioner Goal: Medical and Legal Fraud

Historically, neither medical fraud nor legal fraud has played large roles in our program. There is logic behind this, as these types of fraud often tend to be more sophisticated and organized than other cases within the unit. Consequently, if these types of fraud become apparent in an investigation, we will frequently channel the case into our Urban Grant, which may more effectively handle greater complexity through smaller caseloads.

Nevertheless, we prosecuted one medical provider case in Fiscal Year 2016 – 2017 which resulted in a felony conviction in Fiscal Year 2018 – 2019.

Insurance Commissioner Goal: Performance and Continuity with the Program

Despite the recent departure of DAI Thomas Tardiff, our program has succeeded in maintaining continuity and stability. Secretary Whittaker has been in her assignment since 2010, DDA Colclough has served since 2015, DAI Steele has served since 2010 and DAI Tardiff left the AIF Unit after 7 years.

Our office does not have mandatory rotation policies that would undermine the continued stability in our staffing.

Insurance Commissioner Goal: Outreach

Strong ties with law enforcement partners are important to our program's vitality. Contact, training and guidance play an important role in those relationships. We will provide training to law enforcement and SIUs in our region to foster the investigative skills and tools necessary to assist in detecting automobile insurance fraud.

Furthermore, our prosecutor and investigator regularly present at CDAA's Annual Fraud Symposium, SCFIA's annual conference, and other events. We believe that continuing close relationships with our counterparts in neighboring counties strengthens our program. The greater the contacts with other prosecutors and investigators, the greater our impact in our shared fight against fraud.

Insurance Commissioner Goal: Balanced Caseload

The interaction between our AIF and Urban Grant programs allows us to effectively pursue the Commissioner's goal of maintaining a balanced caseload. We recognize that we cannot devote all resources to one area of fraud lest another area go unaddressed. Consequently, we use a teamwork approach to maintain the highest amount of positive economic impact on our community as possible.

As indicated, when a case involves a large or complex scheme, it generally will be directed to Urban Grant. This leaves AIF free to concentrate on higher-volume areas like applicant fraud, give-up schemes, arson cases and crash-and-buys. AIF, nonetheless, has seen some insider fraud, fraud rings, economic car thefts and staged accidents.

We filed two fraud rings and one insider fraud in Fiscal Year 2021 – 2022, one staged accident in Fiscal Year 2022 – 2023, and one staged accident and one economic car theft in Fiscal Year 2023 – 2024. None were filed this fiscal year.

Our AIF and Urban Grant programs complement each other well. The assigned personnel in each unit often work together to reach a unified approach to combatting insurance fraud in our county. They, in turn, interact well with all the regional stakeholders to achieve an effective counterbalance to fraud as part of our commitment to the goals of both the Commissioner and our office.

4. Applicant Question: Multi-Year Goals

What specific goals do you have that require more than a single year to accomplish?

Applicant Response:

Our commitment to using digital evidence from vehicles to investigate fraud remains a long-term commitment. Our efforts under Operation Trojan Horse will continue to be refined as our experience grows. We remain hopeful that the automobile industry will allow easier access to vehicle data.

Collaboration and mutually beneficial interaction with our partners in combatting automobile insurance fraud, such as CDI, SANCATT, CHP, local law enforcement, our neighboring counties and local SIUs will always be an ongoing relationship. Furthering these ties in ways that continue to allow us and our partners to be productive and effective must necessarily be a process without defined end. As a result, nurturing those ties will not be a goal that can be accomplished in a single year.

Outreach to law enforcement, SIUs and the community at large will be an ongoing part of our program. We must continually reinvest efforts to communicate with, and educate, those whose lives are impacted by auto insurance fraud and the countermeasures that are taken as a result. These tasks do not have a defined end, so they cannot be accomplished within a single year.

5. Applicant Question: Restitution and Fines

Describe the county's efforts and the District Attorney's plan to obtain restitution and fines imposed by the court to the Automobile Fraud Account.

Applicant Response:

The California Constitution guarantees victims of crime full restitution for any economic loss. Courts are mandated to order restitution in all criminal cases. *Marsy's Law* establishes a constitutional priority that any funds collected from a defendant must first be used to make full restitution to the victim before they can be used to pay fines, court assessments, or special funds.

We take a multi-tiered approach to restitution recovery. At the initial investigation and case-filing stages, we contact the victim to determine monetary loss. If appropriate, we file sentencing enhancements based on the value of the loss and seek increased bail when possible. In cases where the defendant has assets and the case falls within the purview of Penal Code section 186.11, we will seize and freeze assets so they are preserved for restitution. Due to the high loss threshold required by the statute, this tool is rarely available in AIF cases.

Securing an order for restitution is a routine part of our handling of insurance fraud cases. Successful collection is more difficult. Our experience in fraud and other economic crimes has led us to conclude that we are most likely to receive restitution if it is collected as part of a plea agreement, rather than trying to collect it after conviction. As such, we seek up-front payment of all or a portion of restitution at sentencing when possible. Some examples over the last two fiscal years are: (1) *People v. Darrell Ramsey, FVI23001331* - $40,198 paid in full; (2) *People v. Lucille Moreno, FSB22002857* - $5,000 paid in advance of a restitution order of $18,454; (3) *People v. Mishell Dunn, FWV22001804*, $18,391 paid in full; (4) *People v. Gurpreet Singh Kaler, FWV24001360* - $4,503 paid in full.

Restitution that is unpaid will be made a term of probation.

Over the last five fiscal years, $371,599 was collected of the $516,859 in restitution that was ordered. This is a 72% collection rate.

6. Applicant Question: Restitution Numbers

Provide the amount of restitution ordered and collected for the past five fiscal years.

If this information is not available, provide an explanation.

Applicant Response:

Fiscal Year	Restitution Ordered	Restitution Collected
2024-25	$153,309.00	$105,363.00
2023-24	$69,650.00	$36,486.00
2022-23	$51,920.00	$47,460.00
2021-22	$182,029.00	$120,225.00
2020-21	$59,951.00	$62,065.00
	Total: $516,859.00	Total: $371,599.00

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7. Applicant Question: Utilization Plan Related to Unexpended Funds

If you had any unexpended funds from FY 23-24 (Overview Questions 2 & 3), address the below question(s). If you did not have any unexpended funds from FY 23-24, mark N/A.

1) You must address if you are on track to expend all of your Total Funding for FY 24-25. This includes your FY 24-25 Awards and FY 23-24 Approved Unexpended Funds.

2) If you are not on track to expend your Total Funding and you are not asking for a corresponding reduction in your grant request, please explain.

Applicant Response:

Not Applicable

Applicant Comment:

Not Applicable

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8. Applicant Question: Utilization Plan

Your budget provides the amount of funds requested for Fiscal Year 25-26.

Provide a <u>brief narrative</u> description of your utilization plan for the Fiscal Year 25-26 requested funds.

If an increase is being requested, please provide a justification. Any information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).

Applicant Response:

Our application requests $1,167,829 to fund our program. Of that, $1,043,559 is allocated for salary and benefits and $124,270 for operating expenses.

Our past grant awards, even with supplemental funds that were later awarded, had not fully covered salaries and benefits, except for Fiscal Year 2023 – 2024 due to an unusually high supplemental award. We anticipate our award for Fiscal Year 2025 – 2026 will be insufficient to pay all the costs for Salaries and Benefits. Therefore, whatever award we receive in Fiscal Year 2025 – 2026 will be allocated for Salaries and Benefits. If funds do remain after paying those costs, they will be allocated for the listed operating expenses.

Sub Section Name: Training and Outreach

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1. Applicant Question: Training Received

List the <u>insurance fraud</u> training received by each county staff member in the automobile fraud unit during Fiscal Year 24-25.

If it is a multiple day training/conference (e.g. CDAA, AFA, etc.), only one entry is required; enter the first day for the "Training Date" field.

For the "Hours Credit" field, enter the combined total hours of credit for all attendees.

Applicant Response:

Number of Personnel	Training Date	Provider	Location	Topic	Hours Credit (combined total)
2	10/22/2024	CDAA	Santa Rosa	Various	42
1	03/19/2025	IASIU	CDI - Ontario	IASIU Meeting	2
3	04/10/2025	SB Arson Task Force	San Bernardino	Task Force Meeting	7.5
2	04/16/2025	IASIU	CDI - Ontario	Training on Toyota systems	6
2	10/16/2024	IASIU	Ontario Police	Auto Fraud	16
2	11/18/2024	SCFIA	Palm Springs	Various	48
1	12/03/2024	CDAA	San Diego	Auto Fraud - Electronic Data Collection	24
1	03/19/2025	San Bernardino DA	Rancho Cucamonga	Turning into criminal cases	2
1	02/05/2025	SANCATT	Hesperia	Car theft, VIN, BERLA, Infotainment, etc	8
1	02/19/2025	IASIU	Costa Mesa	Wildfire claims etc.	4
1	03/17/2025	ZETX	Virtual	ZETX technology	40
1	03/26/2025	Cast Viz/FBI Task Force	San Bernardino	Cell site analysis with cell phone technology	16

2. Applicant Question: Training and Outreach Provided

Upload and attach the Training and Outreach Provided form in Excel; label it "25-26 AUTO (county name) Training and Outreach Provided"

Do not include training *received*; **only list training and outreach provided during FY 24-25** as outlined in the outreach definition below.

- For the number of Attendees / Contacts list only *numbers*; no other characters. Estimate the number as best you can. The data provided on this Excel sheet is compiled and presented to the Insurance Commissioner as Outreach is a focus of the Commissioner's Goals & Objectives.
- For the purposes of the insurance fraud grant programs, "outreach" is defined as: Any activity undertaken by a grant awardee to inform and educate the public on the nature and consequences of insurance fraud and the training and

sharing of best practices with industry stakeholders and allied law enforcement agencies. The results will be crime prevention, the generation of quality referrals from the public, business community, insurance industry, and law enforcement, and improved strategies for the investigation and prosecution of insurance fraud.

- *If, in the form, you listed any "Other, Specify" provide a brief explanation here; other additional comments are optional. The blank form is located in the Announcement Attachments, 1a.*

Applicant Response:

Label attachment "25-26 AUTO (county) Training and Outreach"

Attachment:

25-26 AUTO San Bernardino Training and Outreach Provided.xlsx - EXCEL DOCUMENT

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3. Applicant Question: Future Training and Outreach

Describe what kind of training/outreach you plan to provide in Fiscal Year 25-26.

Applicant Response:

- •   We will continue our participation in the meetings hosted by CDI, as well as other meetings by IASIU, WSATI and various task forces.
- •   We will continue to meet regularly with CDI management and investigators to develop new cases.
- •   We will expand formal and informal outreach with local agencies to develop new cases, such as fire departments, police departments and Sheriff Department.
- •   We will continue to build relationships with SIUs with operations in San Bernardino County. We will provide them with information to assist in the investigation of cases of suspected fraudulent claims, including contact information and resources available to them.
- •   As in past years, our attorney and investigators will continue to make presentations at conferences and other venues. This has included and will continue to include groups such as CDAA and SCFIA.

Sub Section Name: Joint Plan

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1. Applicant Question: Joint Plan

Upload your AUTO Joint Plan and label it "25-26 AUTO (county name) Joint Plan".

Each County is required to develop a Joint Plan with their CDI Regional Office, to be signed and dated by the Regional Office Captain and the Prosecutor in Charge of the Grant Program. Please note, the joint plan you upload is a tentative agreement pending execution of a Grant Award Agreement (GAA) signed by the authorized parties. Additional information is in the Announcement Attachments, 3c, and also copied into the attached instructions to this question.

Applicant Response:

Confirm signed and dated by all parties.

Attachment:

25-26 AUTO San Bernardino Joint Plan.pdf - PDF FILE

Section Name: Investigation Case Reporting

Sub Section Name: Investigation Case Information Relating to Questions

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1. Applicant Question: County Plan Confidential Investigation Details

If you discussed any confidential cases throughout the County Plan section and provided a reference number, please include additional confidential details on an attachment uploaded here.

The reference number/citation used in the County Plan narrative responses should be repeated in your document upload. Task Force cases should specifically name the task force and your county personnel's specific involvement / role in the case.

*Upload your own attachment and label it **"25-26 AUTO (county name) County Plan Confidential Investigation Details"** upload and mark confidential, then attach to this question. If no investigation information was referenced, mark the N/A response.*

Applicant Response:

Not Applicable

Applicant Comment:

Not Applicable

Sub Section Name: Reporting on All Investigations

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1. Applicant Question: Investigation Case Activity Report (ICAR)

*Download Announcement Attachment **1bii**, label it **"25-26 AUTO (county name) ICAR"** upload and mark confidential, then attach to this question.*

This document requires information regarding each investigation case *that was reported in the DAR, Section III C (Investigations). Two of the three reporting components ask for case counts* only. *The total of the case counts in Part 1 and Part 2, along with the number of case entries in Part 3, should equal your total investigation case count reported in the DAR section III (Investigations). The blank form is located in the Announcement Attachments, 1bii.*

Do NOT substitute descriptions in Part 3 in lieu of case counts for Part 1 and Part 2.
Reminders:
1. The total *of the case counts in the ICAR Parts 1, 2, and 3, should equal your total investigation case count reported in the DAR Section III.*
2. Vertical Prosecutions should not *be counted as an Investigation or a Joint Investigation.*

Click the "SHOW INSTRUCTIONS" link above to view directions on how to properly complete the report.

Applicant Response:
25-26 AUTO San Bernardino ICAR.pdf - PDF FILE

Sub Section Name: New Investigation Information for Cases in Court

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1. Applicant Question: Cases in Court - Investigation Case Activity

Do you have NEW Investigation Information for cases that started the year in prosecution that you want to include? This report is optional.

If you do have cases to report, download Announcement Attachment 1c, label it **"25-26 AUTO (county name) Cases in Court Investigation Case Activity"** ***upload and mark confidential*****, then attach to this question.** *Provide only investigation information for case(s) that started the fiscal year in prosecution, but required additional investigation during the reporting period.* **Other than current status, no prosecution case information should be included.**

Applicant Response:

No

Section Name: Acknowledgment

Sub Section Name: Acknowledgment

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1. Applicant Question: Acknowledgment

For purposes of the grant application process and Grant Award Agreement (GAA), the term "application" refers to the grant application and its Funding Announcement Attachments including, but not limited to, the Budget Instructions, Grant Requirements, and Fact Sheets.

Applicant Response:

I acknowledge

BUDGET REPORT

Project Name: 25-26 AUTO San Bernardino
Applicant Organization: San Bernardino
Application ID: App-25-413
Requested Amount:
Funding Announcement Name: FY 25-26 Automobile Insurance Fraud Program

Expand All	Direct	Total
▶ Salary By Position	$657,427.00	$657,427.00
Supervising Attorneys		
Attorneys	$233,725.00	$233,725.00
Supervising Investigators		
Investigators (Sworn)	$341,361.00	$341,361.00
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	$16,463.00	$16,463.00
Clerical Staff	$65,878.00	$65,878.00
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary By Position - other		

Expand All	Direct	Total
Benefits	$386,132.00	$386,132.00
▸ Operating Expenses, General	$80,770.00	$80,770.00
Grant Indirect Costs - 10% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)	$65,742.00	$65,742.00
Grant Indirect Costs - 5% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)		
Outreach		
Audit	$3,245.00	$3,245.00
Forensic Accounting Services		
Transcription Services, Interpreter Services, Records Requests		
Expert Consultant Fees	$1,622.00	$1,622.00
Witness Fees/Litigation Fees		
Undercover Operation Expenses		
Office Supplies	$8,652.00	$8,652.00
Office Space/Facility Fees		
IT Services		
Communications (phone, etc.)		
Membership Dues/Publications	$1,509.00	$1,509.00
Operating Expenses, General - other		
▸ Operating Expenses, Detailed	$32,272.00	$32,272.00
Insurance (i.e., General Liability, etc.; identify in narrative)		
Motor Pool/Fleet Services (cannot include reserve fund for future purchases; identify number of vehicles)	$1,872.00	$1,872.00

Expand All	Direct	Total
Vehicle Fuel and Maintenance (identify number of vehicles in narrative)	$30,000.00	$30,000.00
Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased or motor pool/fleet vehicles; identify number of vehicles in narrative)	$400.00	$400.00
Vehicle Parking (identify number of vehicles in narrative)		
Software Renewal (identify in narrative)		
Software Purchase (identify and provide justification in narrative)		
Minor Equipment as defined in instructions (identify in narrative IF over $1,000 combined total)		
Equipment Lease/Maintenance (identify in narrative)		
Operating Expenses, Detailed - other		
▶ Operating Expenses, Travel and Training	$11,228.00	$11,228.00
Travel - In CA (Include costs such as hotel, airfare, and rental car associated with investigation and/or training. In narrative identify purpose, number of staff, and % billed to the program and other source of funding if less than 100%)	$5,820.00	$5,820.00
Travel - Out of CA (Include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training. In narrative identify state, purpose, number of staff, and % billed to the program and other source of funding if less than 100%)		
Training - In CA (Include registration fees. In narrative identify purpose, number of staff, and % billed to the program and other source of funding if less than 100%)	$5,408.00	$5,408.00
Training - Out of CA (Include registration fees. In narrative identify state, purpose, number of staff, and % billed to the program and other source of funding if less than 100%)		
Operating Expenses, Travel and Training - other		
▶ Equipment		
Computers (provide justification and % billed to each program in narrative)		
Printers/Scanners (provide justification and % billed to each program in narrative)		

Expand All	Direct	Total
Vehicles (provide justification and % billed to each program in narrative)		
Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)		
Equipment - other		
Total	$1,167,829.00	$1,167,829.00

Budget Justification	Budget Calculations	Budget Narrative
▶ Salary By Position		
Supervising Attorneys		
Attorneys	No. of Positions: 1 Total FTE: 1 — Total Cost: $233,725.00 Total Requested Amount: $233,725.00	
Supervising Investigators		
Investigators (Sworn)	No. of Positions: 2 Total FTE: 2 — Total Cost: $341,361.00 Total Requested Amount: $341,361.00	
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Audit or		
Support Staff Supervisor		

Paralegal/Analyst/Legal Assistant/etc.	No. of Positions: 1 Total FTE: 0.25	Total Cost: $16,463.00 Total Requested Amount: $16,463.00
Clerical Staff	No. of Positions: 1 Total FTE: 1	Total Cost: $65,878.00 Total Requested Amount: $65,878.00
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary By Position - other		
Benefits		
▸ Operating Expenses, General		
Grant Indirect Costs - 10% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)		

Grant Indirect Costs - 5% method; plan must be on file and made available to CDI upon request (choose only 1 indirect cost method)	
Outreach	
Audit	
Forensic Accounting Services	
Transcription Services, Interpreter Services, Records Requests	
Expert Consultant Fees	
Witness Fees/Litigation Fees	
Undercover Operation Expenses	
Office Supplies	

Office Space/Facility Fees		
IT Services		
Communications (phone, etc.)		
Membership Dues/Publications		
Operating Expenses, General - other		
▶ Operating Expenses, Detailed		
Insurance (i.e., General Liability, etc.; identify in narrative)		
Motor Pool/Fleet Services (cannot include reserve fund for future purchases; identify number of vehicles)		Two investigator vehicles: $78 per month x 12 months x 2 vehicles = $1,872. Does not include reserve fund for future purchases.
Vehicle Fuel and Maintenance (identify number of vehicles in narrative)		Two investigator vehicles - TOTAL is $30,000. One full size sedan - 2,000 miles per month x 12 months x 0.60 cents = $14,400. One SUV - 2,000 miles per month x 12 months x 0.65 cents = $15,600.

Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased or motor pool/fleet vehicles; identify number of vehicles in narrative)		Prosecutor uses personal vehicle to travel to court, outreach events, meetings and other matters.
Vehicle Parking (identify number of vehicles in narrative)		
Software Renewal (identify in narrative)		
Software Purchase (identify and provide justification in narrative)		
Minor Equipment as defined in instructions (identify in narrative IF over $1,000 combined total)		

Equipment Lease/Maintenance (identify in narrative)		
Operating Expenses, Detailed - other		
▸ Operating Expenses, Travel and Training		
Travel - In CA (Include costs such as hotel, airfare, and rental car associated with investigation and/or training. In narrative identify purpose, number of staff, and % billed to the program and other source of funding if less than 100%)	No. of People: 3 Total Cost: $5,820.00 Total Requested Amount: $5,820.00	Hotel, airfare and other associated costs to attend training events by 1 attorney (1 FTE) and 2 investigators (2 FTE). Trainings include CDAA, SCFIA, AFA etc. All costs are 100% funded by grant.

Travel - Out of CA (Include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training. In narrative identify state, purpose, number of staff, and % billed to the program and other source of funding if less than 100%)		
Training - In CA (Include registration fees. In narrative identify purpose, number of staff, and % billed to the program and other source of funding if less than 100%)	No. of People: 3 Total Cost: $5,408.00 Total Requested Amount: $5,408.00	Registration costs for 1 attorney (1 FTE) and 2 investigators (2 FTE) to pay for CDAA, SCFIA, AFA and other training events. All costs are 100% funded by grant.

Training - Out of CA (Include registration fees. In narrative identify state, purpose, number of staff, and % billed to the program and other source of funding if less than 100%)	
Operating Expenses, Travel and Training - other	
▸ Equipment	
Computers (provide justification and % billed to each program in narrative)	

Printers/Scanners (provide justification and % billed to each program in narrative)		
Vehicles (provide justification and % billed to each program in narrative)		
Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)		
Equipment - other		