

MEMORANDUM OF UNDERSTANDING

ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION PROGRAM

RIVERSIDE AND SAN BERNARDINO COUNTIES

This Memorandum of Understanding (MOU) is being executed by the below listed agencies in connection with the Organized Automobile Fraud Activity Interdiction Program for Riverside and San Bernardino Counties (Program). The participating agencies listed below jointly and separately agree to abide by the terms and provisions of this MOU throughout the duration of this agreement.

1. California Department of Insurance, Fraud Division, Inland Empire Regional Office. (CDI-IERO)
2. California Highway Patrol, Inland Division (CHP-ID)
3. Riverside County District Attorney's Office (RCDA)
4. San Bernardino District Attorney's Office (SBDA)

I. MISSION

The mission of the Program is to investigate and prosecute organized automobile insurance fraud activities using coordinated investigative and prosecutorial resources.

II. PROGRAM OBJECTIVES

- a. Utilize state and regional resources in a coordinated manner to reduce the impact of organized automobile insurance fraud, economic auto theft and related criminal activity.
- b. Investigate, arrest and prosecute individuals and criminal enterprises that commit or conspire to commit automobile insurance fraud, including economic auto theft, staged auto collisions and related crimes.
- c. Use current technology to develop investigation and prosecution strategies to reduce organized automobile insurance fraud activity.
- d. Develop investigation and prosecution strategies that will significantly reduce the incidence of organized automobile fraud in urban areas of the state.
- e. Provide technical assistance and expertise to allied agencies on specific organized automobile fraud activity within their respective jurisdictions.

- f. Establish liaison and communication between allied agencies, the insurance industry, and other public and private sectors to enhance intelligence and informant development.
- g. Educate the public regarding fraud and the consequences of committing fraud using media and public forums.

III. INVESTIGATION / PROSECUTION STRATEGY

The routine investigative strategy regarding case development and direction shall be the responsibility of the Program Supervisor. The assigned deputy district attorneys shall be contacted on a regular basis for updates, legal opinions and guidance. "Vertical prosecutions" shall be used on all cases investigated under the Program.

A "vertical prosecution" means that all supervisors and investigators will work together with the prosecutors at the earliest possible opportunity in the investigation and build the investigation from inception through prosecution and final adjudication.

The prosecutors shall be available to provide legal review and shall file Program cases warranting a criminal complaint or indictment. Any salary and benefits associated with these positions shall be the responsibility of the RCDA and SBDA. The respective county District Attorney's office shall retain sole charging, filing, and settlement authority for all cases.

IV. GENERAL AGREEMENTS

It is agreed among the participating agencies:

a. PARTICIPANTS

The Program will be comprised of detectives from the CDI-IERO and CHP-ID and investigators and prosecutors from RCDA and SBDA. Other members of the Program may include personnel from the participating agencies or as otherwise permitted by this agreement.

b. PROGRAM COORDINATOR

The Program Coordinator shall be the Captain of CDI-IERO and shall have overall responsibility for the administration, operation and management of the regional program. The Captain shall act as the liaison between the participating agencies and the CDI Fraud Division.

The Program Coordinator shall prepare a quarterly operational report outlining the activities of the Regional Program, including the number of opened and assigned cases, the number of investigative hours inclusive of overtime, and all funds expended on each case. The report shall also include a summary of all significant program activity, including the numbers and types of search warrants executed, arrests, cases filed, and the results of all

prosecutions and convictions obtained by the Program District Attorneys. The report shall be presented to the executive staff of the Fraud Division, the California Highway Patrol, RCDA and SBDA.

c. PROGRAM SUPERVISOR

The Program Supervisor shall be a CDI-IERO sergeant, who is responsible for the daily investigative activities and operations of the Program. The sergeant is responsible for the direct supervision of the activities for the assigned investigators, investigative assistants, and the clerical support personnel. The Task Force supervisor retains the authority to schedule and deploy the task force officers to accomplish the task force mission. The Task Force supervisor may informally counsel the Task Force members but will follow the process established by the respective employing agency for all disciplinary matters.

V. OTHER OPERATIONAL CONSIDERATIONS

a. CLERICAL SUPPORT

Clerical support for the investigations will be provided to the Program by the Fraud Division to facilitate normal clerical duties, not including transcription, associated with an investigative unit. Each agency will be responsible for its own transcriptions. The CDI Captain may approve additional clerical or technical support, as needed, from other participants to the Program.

b. PROGRAM PERSONNEL QUALIFICATIONS AND SELECTION

The program shall be designed to bring from the participating agencies the highest level of experience and expertise to jointly combat organized automobile insurance fraud activity. To achieve this goal, the program shall be staffed as follows:

Investigative personnel recommended for the program by each participating agency will be subject to introduction and interview by the Program Coordinator and Program Supervisor. Considerations for acceptance include past job performance, investigative experience and ability to work with others in a team environment. Final selection of investigative personnel shall rest with the Program Coordinator.

Assignment of investigative personnel into the program will be for a minimum of two years. The participating agencies will strive to meet this commitment, but changes will be permitted within two years if necessitated by administrative or other needs of that participating agency.

Investigative personnel not maintaining acceptable standards of performance or refusing to comply with the policies and procedures as outlined in the Inland Empire Automobile Fraud Activity Interdiction Program Standard Operating Procedures manual (SOP) may be removed from the Program and transferred back to their employing agency. Whenever there is cause to

remove any member, the Investigations Supervisor shall discuss the issue with the appropriate contributing agency manager and resolve the issue. Issues not resolved at this level shall be referred to the MOU Oversight Committee for resolution.

Personnel assigned to the Program shall be deemed to be continuing under the employment of their respective jurisdictions, and shall have the same powers, duties, privileges, responsibilities, and immunities as are conferred upon them by their own jurisdictions.

All terms and conditions of an employee's labor contract shall be in effect, and shall be abided by, even though the employee is assigned to the Program.

c. INFORMANTS

The use of informants shall be consistent with the laws of the state of California, the individual policies of the participating agencies and any subsequent agreement among the participating agencies, the substance of which shall be attached to this MOU.

d. INVESTIGATIVE FUNDS

The use of investigative funds shall be consistent with the existing policies of the participating agencies and the laws of the State of California. The Program Coordinator is responsible for maintaining and accounting for these funds.

e. LIABILITY

Each participating agency shall be responsible for the acts of its respective program personnel as well as for any losses, damages, claims, demands, or other liabilities arising out of that member's services and activities while participating in the Program. Each participating agency shall also be liable for any and all workers' compensation benefits for personnel employed by them who are injured in the course and scope of their duties while assigned to this Program. Each participating agency, insofar as it may legally do so, agrees to indemnify and hold harmless all other participating agencies, their officers, agents, and employees, from and against any and all claims and demands whatsoever, resulting from their negligence or omissions in connection with the acts related to this agreement.

f. HOUSING

Program personnel will be provided space at the Inland Empire Fraud Division Regional Office or other suitable location. The Program Coordinator shall have the final authority in determining the actual location of space for the Program.

g. EQUIPMENT

The contributions of the participating agencies shall be negotiated and shall be based on what items and funding each agency has available. Participating agencies shall provide an undercover vehicle, safety equipment, portable computer and miscellaneous surveillance items in support of their full time assigned investigative personnel. The procurement and allocation of additional operational resources is the responsibility of the Program Coordinator. All equipment provided by an individual agency shall remain the property of that agency and shall remain with that agency upon termination of that agency's participation in the joint investigation.

The CDI Fraud Division will provide the necessary computer training and computer equipment for the full time Program investigators. CDI investigators will use the Fraud Division's Case Record Information Management System (CRIMS). All Program members shall use CRIMS to record case activity and track Program statistics.

h. MEDIA

The release of media information regarding Program operations shall be coordinated through the Program Supervisor and the Media Coordinators of RCDA and/or SBDA, as determined by the jurisdiction of the case, and with notification to the Program Coordinator. Scheduled media releases of a significant nature or involving joint investigations with one or more county agency shall be coordinated with notification to the Captain and the affected agencies prior to the event. The sergeant shall have the responsibility and flexibility of making the appropriate contact with the CDI Press Office following the CDI Fraud Division policy and procedure.

Release of media information regarding officer involved shootings, vehicle accidents or other individual personnel matters shall be handled by the agency employing the individual investigator.

i. STANDARD OPERATING PROCEDURES

All Program members shall abide by a SOP, which shall be prepared by the management from RCDA and SBDA and the CDI-IERO Captain. The SOP shall specify policies and procedures for the joint investigation and shall include, at a minimum, the following specific items:

- mission statement
- program objectives
- operational strategy
- duty statements
- conflict resolution procedures
- use of force policy
- vehicle accident procedures
- complaint procedures

- disciplinary action
- time reporting procedures
- document control procedures
- policy and procedure for amending the SOP
- use of funds for undercover operations

Program personnel evaluations, citizens' complaints and internal investigations shall be processed by the employing agency of the personnel, with input from the Program Supervisor when applicable. Disciplinary actions will be approved solely by the employing agency of the affected personnel. In inquiries involving areas of mutual concern, participating agencies will provide the name, rank and telephone number of a liaison supervisor responsible for investigating the matter.

j. PERMIT-REQUIRED CONFINED SPACES

Pursuant to California Code of Regulations, Title 8 (Industrial Relations), Section 5157. The local agency having investigative authority will be used for all incidents involving Permit- Required Confined Spaces (i.e. clandestine labs).

VI. TRAINING

Program investigators shall maintain their training proficiency in the use of firearms, arrest and control procedures. Additional on-going training in the areas of surveillance techniques, search and seizure and undercover operations shall be initially identified by addendum to this MOU and updated as needed. Program personnel are expected to maintain any additional training requirements dictated by their employing agencies.

At the direction of the Program Supervisor, Personnel assigned to the Program shall participate in all training exercises that the Program Supervisor deems necessary to maintain an effective and proficient team. Participation in program training exercises shall be in addition to any required training established by an employing agency.

Program personnel will be expected to participate in outreach activities including local law enforcement training, insurance company training, and community awareness activities.

Providing each agency can fund its participants, Program personnel shall attend the annual CDAA Fraud Symposium.

VII. UNDERCOVER IDENTIFICATION

The use of covert identities to support or enhance undercover operations is essential. This will require the issuance of undercover California driver's licenses and credit cards. The procurement, utilization, and control of these documents will be such as to assure that they are properly accounted for at all

times and used only for authorized purposes. Specific guidelines for document accountability shall be outlined in the SOP.

VIII. PROBLEM RESOLUTION

Problems within the agencies tend to be minimal as members of each agency work together on cases and unexpected results are unlikely. If a problem does arise, the Investigator/Prosecutor team should handle it. If needed, the Supervisor(s) from the Fraud Division, CHP-ID and District Attorneys' Offices will meet with the parties to discuss and resolve the problem.

In cases where differences in policy between the agencies exist, the Task Force member will be held to the standards set forth by their employing agencies policy.

IX. ASSET FORFEITURE SHARING

Program operations which result in the potential for either state or federal asset seizures shall be brought to the attention of the Program Coordinator and the executive staff of each participating agency to determine whether an application for asset forfeiture will be pursued under state or federal law.

Allocation of forfeited funds will be determined by the Program Coordinator and the executive staff of every participating agency, unless otherwise provided for by law.

The District Attorney's Office responsible for prosecuting the criminal case shall retain sole discretion whether or not to initiate the appropriate proceeding to secure the forfeiture of seized assets.

X. ASSESSMENT OF PERFORMANCE

The SBDA Supervising Deputy District Attorney, RCDA Managing Deputy District Attorney, CHP-ID Chief and CDI Captain will meet regularly to assess the successes and failures in meeting the goals of this Program.

XI. TERM OF AGREEMENT

This agreement, contingent upon available funding, becomes operative effective July 1, 2021 and shall remain in effect until June 30, 2024. Any agency desiring to terminate its participation in this agreement shall indicate such intent in writing to the CDI Fraud Division. The termination shall be deemed to take effect not less than 30 days after receipt of written communication or upon a date established by mutual agreement.

XII. JOINT ACCEPTANCE OF MOU

The undersigned represent that they have the authority to execute this agreement on behalf of their respective participating agencies and, in signing this agreement, represent a concurrence with and support of the Program as set forth in this agreement and for the period and purposes stated herein.

George Mueller, Deputy Commissioner
California Department of Insurance
Fraud Division

Date: _____

D.J. Minor, Chief
California Highway Patrol
Inland Division

Date: _____

Robert P. Brown, Chief Deputy District Attorney
District Attorney's Office
County of San Bernardino

Date: _____

Kelli Catlett, Chief Deputy District Attorney
District Attorney's Office
County of Riverside

Date: _____