



**District Attorney  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

KUYLER CROCKER  
District One

PETE VANDER POEL  
District Two

AMY SHUKLIAN  
District Three

J. STEVEN WORTHLEY  
District Four

MIKE ENNIS  
District Five

**AGENDA DATE:**    October 23, 2018 - REVISED

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
County Counsel Sign Off	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
<b>CONTACT PERSON:</b> Robert Dempsie <b>PHONE:</b> 636-5494				

**SUBJECT:**            Approve an agreement with the Insurance Commissioner of the State of California for the Automobile Insurance Fraud Prosecution Program.

**REQUEST(S):**

That the Board of Supervisors:

1. Approve the Grant Award Agreement to accept grant funding from the Insurance Commissioner of the State of California for the Automobile Insurance Fraud Prosecution Program in the amount of \$180,000, retroactive to July 1, 2018 through June 30, 2019. This grant is retroactive due to having received the signed grant award in late September 2018.
2. Find that the Board had authority to enter into the proposed agreement as of July 1, 2018 and that it was in the County's best interest to enter into the agreement on that date.
3. Authorize the District Attorney to sign the Grant Award Agreement for the Automobile Insurance Fraud Program.
4. Direct the Board Clerk to prepare a certified copy of the resolution for the District Attorney's Office.
5. Agree that any liability arising out of the performance of the Grant Award Agreement, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency, and acknowledge that the State of California and the California Department of Insurance disclaim responsibility for any such liability.

**SUBJECT:** Approve an agreement with the Insurance Commissioner of the State of California for the Automobile Insurance Fraud Prosecution Program.

**DATE:** October 23, 2018

**SUMMARY:**

The purpose of the Automobile Insurance Fraud Prosecution Program (Auto Program) is to increase the investigation and prosecution of automobile insurance fraud cases. The Program targets those individuals who are actively involved in defrauding Tulare County businesses, governmental entities, medical providers and insurance companies through filing false claims for automobile insurance payments. The Office of the District Attorney has been awarded this grant for over a decade.

In Fiscal Year 2017/2018, the Auto Program staff investigated 100 new cases, filed 10 cases and secured 5 convictions.

The grant period for this renewal is July 1, 2018 through June 30, 2019. However, the countersigned Grant Award Agreement, which the District Attorney of the County is specifically required to sign, was not received from the California Department of Insurance until September 20, 2018. Therefore, the District Attorney's Office requests that this agreement is approved retroactive to July 1, 2018.

A prior agreement, identical except for the term or time period and/or dollar value, was approved as to form by County Counsel on November 27, 2017, and was approved by the Board of Supervisors on December 5, 2017. The substantive deviations from the standard County boilerplate identified in the prior agenda item were:

1. The agreement requires the County to agree to release the State from any liability arising out of the performance under the agreement.

The proposed renewal agreement does not include any additional deviations from the standard County boilerplate. The only changes from the prior agreement are to the time period of the agreement, from July 1, 2017 through June 30, 2018 to July 1, 2018 through June 30, 2019. The price for services has not changed.

**FISCAL IMPACT/FINANCING:**

The Automobile Insurance Fraud Prosecution Program grant (Budget Unit 3181) for \$180,000 covers the period of July 1, 2018 through June 30, 2019. The District Attorney's Office is not requesting additional Net County Cost for this program beyond the already adopted FY 18/19 Net County Cost.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The County's five-year Strategic Business Plan and Management System include Safety and Security initiatives to provide for the safety and security of the public. The authorization to accept continued grant funding from the California Department of Insurance helps to fulfill this initiative by continuing to provide dedicated staff to investigate and prosecute workers' compensation insurance fraud cases throughout Tulare County, protecting businesses and individuals from being victims of this kind of fraud.

**SUBJECT:** Approve an agreement with the Insurance Commissioner of the State of California for the Automobile Insurance Fraud Prosecution Program.

**DATE:** October 23, 2018

**ADMINISTRATIVE SIGN-OFF:**

  
\_\_\_\_\_  
Robert Dempsie  
Assistant District Attorney

Cc: County Administrative Office

Attachment(s)      1) Grant Award Agreement  
                             2) Grant Application

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF APPROVE AN )  
AGREEMENT WITH THE INSURANCE ) Resolution No. \_\_\_\_\_  
COMMISSIONER OF THE STATE OF ) Agreement No. \_\_\_\_\_  
CALIFORNIA FOR THE AUTOMOBILE )  
INSURANCE FRAUD PROSECUTION )  
PROGRAM )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: MICHAEL C. SPATA  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

1. Approved the Grant Award Agreement to accept grant funding from the Insurance Commissioner of the State of California for the Automobile Insurance Fraud Prosecution Program in the amount of \$180,000, retroactive to July 1, 2018 through June 30, 2019. This grant is retroactive due to having received the signed grant award in late September 2018.
2. Found that the Board had authority to enter into the proposed agreement as of July 1, 2018 and that it was in the County's best interest to enter into the agreement on that date.
3. Authorized the District Attorney to sign the Grant Award Agreement for the Automobile Insurance Fraud Program.
4. Directed the Board Clerk to prepare a certified copy of the resolution for the District Attorney's Office.
5. Agreed that any liability arising out of the performance of the Grant Award Agreement, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency, and acknowledge that the State of California and the California Department of Insurance disclaim responsibility for any such liability.

**INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA**

**GRANT AWARD AGREEMENT**

**Fiscal Year 2018-19**

**Automobile Insurance Fraud Program**

The Insurance Commissioner of the State of California hereby makes an award of funds to **Tulare County**, Office of the District Attorney, in the amount and for the purpose and duration set forth in this grant award.

This grant award consists of this agreement and the application for the grant and made a part hereof. By acceptance of the grant award, the grant award recipient agrees to administer the grant project in accordance with all applicable statutes, regulations and Request-for-Application (RFA).

**Duration of Grant:** The grant award is for the program period, **July 1, 2018** through **June 30, 2019**.

**Purpose of Grant:** This grant award is made pursuant to the provisions of California Insurance Code §1872.8 and shall be used solely for the purposes of enhanced investigation and prosecution of automobile insurance fraud and economic car theft cases.

**Amount of Grant:** The grant award agreed to herein is in the amount of **\$180,000**. This amount has been determined by the Insurance Commissioner. However, the actual total award amount for the county is contingent on the collection and the authorization for expenditure pursuant to the Government Code §13000 et seq. The grant award shall be distributed pursuant to §1872.8 of the Insurance Code and to the California Code of Regulations Sub-Chapter 9, Article 4, §2698.65.

<p>Official Authorized to Sign for Applicant/Grant Recipient</p> <hr/> <p>Name: <b>Tim Ward</b> Title: District Attorney</p> <p>Address: 221 South Mooney Blvd., Room 224 Visalia, CA 93291</p> <p>Date: _____</p>	<p><b>DAVE JONES</b> Insurance Commissioner</p> <hr/> <p>Name: <b>George Mueller</b> Title: Deputy Commissioner</p> <p>Date: _____</p>
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I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure.

\_\_\_\_\_  
Crista Hill, Budget Officer, CDI

\_\_\_\_\_  
Date

**APPLICATION  
FOR THE  
AUTOMOBILE INSURANCE FRAUD PROGRAM  
FISCAL YEAR 2018-2019**

**Submitted By:**

**Office of the District Attorney  
County of Tulare  
Tim Ward, District Attorney**



**Submitted To:**

**California Department Of Insurance  
Fraud Division**



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**FORM 01**

**GRANT APPLICATION CHECKLIST and SEQUENCE  
FISCAL YEAR 2017-2018**

**THE APPLICATION MUST INCLUDE THE FOLLOWING:**

	<u><b>YES</b></u>	<u><b>NO</b></u>
<b>1. GRANT APPLICATION TRANSMITTAL (FORM 02)</b> completed and signed by the district attorney?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>2. PROGRAM CONTACT FORM (FORM 03)</b> completed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3. Original or certified copy of the BOARD RESOLUTION (FORM 04)</b> included? If NOT, the cover letter must indicate the submission date.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4. TABLE OF CONTENTS</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>5. The County Plan includes:</b>		
a) <b>COUNTY PLAN QUALIFICATIONS (FORM 05)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <b>STAFF QUALIFICATIONS (FORM 06(A))</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <b>ORGANIZATIONAL CHART (FORM 06(B))</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <b>PROGRAM REPORT (DAR OR FORM 07)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <b>COUNTY PLAN PROBLEM STATEMENT (FORM 08)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) <b>COUNTY PLAN PROGRAM STRATEGY (FORM 09)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>6. Projected BUDGET (FORMS 10-12)</b> included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a) <b>LINE-ITEM TOTALS VERIFIED?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <b>PROGRAM BUDGET TOTAL (FORM 12)</b> matches the amount requested on FORM 02?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>7. EQUIPMENT LOG (FORM 13)</b> completed and signed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>8. JOINT PLAN (Attachment A)</b> completed and signed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>9. CONFIDENTIAL CASE DESCRIPTIONS (Attachment B)</b> Is all content readable? A partial narrative is not acceptable.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>10. ELECTRONIC VERSION (CD/DVD)</b> included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>



**FORM 02**

**GRANT APPLICATION TRANSMITTAL**

**AUTOMOBILE INSURANCE FRAUD PROGRAM**

**Grant Period: July 1, 2018 to June 30, 2019**

Office of the District Attorney, County of Tulare, hereby makes application for funds under the Automobile Insurance Fraud Program pursuant to Section 1872.8 of the California Insurance Code.

Contact: Darlene Tyndal, Grants & Program Coordinator

Address: 2637 West Burrel Avenue

Visalia, CA 93291

Telephone: (559) 205-1011

(1) New Funds Being Requested: \$ 193,165

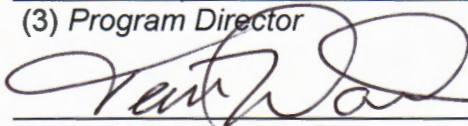
(2) Estimated Carryover Funds: \$ 1,800

Robert Dempsie

(3) *Program Director*

Yun-Gyung Park-Moore

(4) *Financial Officer*



(5) *District Attorney's Signature*

Name: Tim Ward

Title: District Attorney

County: Tulare

Address: 221 S. Mooney Blvd., Room 224

Visalia, CA 93291

Telephone: (559) 636-5494

Date: 6/20/18

**FORM 03**

**AUTOMOBILE INSURANCE FRAUD PROGRAM  
PROGRAM CONTACT FORM  
FISCAL YEAR 2017-2018**

1. Provide contact information for the person with day-to-day operational responsibility for the program, who can be contacted for questions regarding the program.
  - a. Name: Robert Dempsie
  - b. Title: Supervising Attorney
  - c. Address: 2637 West Burrel
  - d. Visalia, CA 93291
  - e. E-mail address: rdempsie@co.tulare.ca.us
  - f. Telephone Number: (559) 205-1001 Fax Number: (559) 624-1077
  
2. Provide contact information for the District Attorney's Financial Officer.
  - a. Name: Yun-Gyung Park-Moore
  - b. Title: Fiscal Manager
  - c. Address: 2637 West Burrel
  - d. Visalia, CA 93291
  - e. E-mail address: rpmooore@co.tulare.ca.us
  - a. Telephone Number: (559) 205-1003 Fax Number: (559) 624-1077
  
3. Provide contact information for questions regarding data collection/reporting.
  - a. Name: Darlene Tyndal
  - b. Title: Grants & Program Coordinator
  - c. Address: 2637 West Burrel
  - d. Visalia, CA 93291
  - e. E-mail address: dtyndal@co.tulare.ca.us
  - f. Telephone Number: (559) 205-1011 Fax Number: (559) 624-1077

**FORM 05**

**COUNTY PLAN: QUALIFICATIONS  
FISCAL YEAR 2017-2018**

1. What areas of your automobile insurance fraud operation were successful and why?

**INVESTIGATIONS**

Over the past two years, our Auto Insurance Fraud investigator continues to be busy with a large number of SFCs to review. In fiscal year 16/17, we received 103 SFCs from the California Department of Insurance. This year, we have received another 99, for a total of 202 SFCs in the past two years.

Each of these SFCs is reviewed by the Program Investigator, with occasional assistance from other general funded investigators to help pare down the caseload. Investigators assess the viability of each case and either closes it, determining there is not enough evidence, or orders the claim file for further information and review.

A breakdown of the status of the investigator's caseload is as follows:

<b>FY 17/18 CASES</b>	<b>CASES</b>	<b>SUSPECTS</b>
Cases carried into FY 17/18	90	97
New Cases in FY 17/18	100	100
<b>Total Cases*</b>	<b>190</b>	<b>197</b>
Reviewed & Closed by Inv.	118	121
Under Investigation	11	12
Rejected by DDA	3	5
Cases in Court	1	1
Warrants	2	2
Convictions	4	5
Under DDA Review	4	4
Pending Further Information	52	53
<b>Total</b>	<b>195</b>	<b>203</b>

*\* Total cases excludes those in court (5 cases, 6 defendants)*

In addition to reviewing and closing 118 cases this fiscal year, Investigators John Lee (July through October) and John Clark (October to present) have also reviewed 55 documented case referrals.

A few examples of successful investigations this year include:

- **Case # VCF364521 (Hoffman)** – Hoffman was involved in an accident on the morning of June 10, 2016, when she collided with another vehicle. No injuries occurred and the parties opted to not have the police respond. Hoffman was not able to provide insurance at the time of the accident but provided her contact information. Later that evening, she obtained insurance online through Esurance and filed a claim.

Evidence was obtained through statements and Esurance's web site to show the insurance was purchased after the accident. Hoffman was interviewed by Investigator Clark and she persisted in her denial of filing a false complaint, stating she did not receive the insurance benefit for filing the claim.

The case was submitted, charges filed, and an arrest warrant issued. Investigator Clark contacted her parents, grandparents and friends, and went to her last known address. Eventually, Hoffman contacted Investigator Clark, telling him that she will take care of the warrant with an attorney in a few weeks, as she had just had a baby and had some complications. On June 15, 2018, Hoffman turned herself into the court.

- **Case # VCF349144 (Ontiveros)** – Ontiveros filed a claim with Sentry Insurance on August 31, 2016, saying her vehicle was vandalized. An inquiry into Ontiveros' insurance claim history indicated that she had previously filed a similar claim with similar damages with Infinity Insurance. An investigative comparison was conducted and revealed the current claim included prior damages which were actually on the vehicle claim that was filed with Infinity.

When Ontiveros was confronted with the suspected fraud claim, she challenged the validity of the claim and said that the damages were different. Investigator Lee submitted the case and charges were filed against Ontiveros. Ontiveros's defense attorney made multiple discovery motions which included due diligence for additional evidence insurance policy inception that was possibly retained by the insurance broker. Investigator Clark received the service request and sought to obtain proof of policy inception, recordings of conversations, and photographs that may have been taken at the time of insurance inception. Because the insurance brokers were independently operated, there were no application standardization, however, information and documents were retrievable from the parent company in Anaheim. Investigator Clark completed the discovery due diligence and a court hearing was set.

On May 29, 2018, Ontiveros pled guilty to Penal Code Section 550(b)(1).

- **Case # VCF366755 (Rodriguez)** – Rodriguez sold his vehicle to a private party on September 17, 2017 and received a check for \$3,500 as payment. On September 18, 2017, Rodriguez's wife attempted to cash the check and discovered the checking account was closed with insufficient funds. Afterwards, Rodriguez filed a claim with State Farm saying his vehicle was stolen, leaving out details of the sale. He then reported to the Tulare Police Department that the vehicle was stolen by use of a forged check.

On September 20, 2017, the vehicle was found abandoned by California Highway Patrol and was impounded as a recovered stolen vehicle. On September 25, 2017, Rodriguez contacted State Farm a second time with information that the alleged stolen vehicle was recovered. Rodriguez received \$2,100 from the insurance company.

The police report and Rodriguez' statements were reviewed by an investigator assisting with the caseload. On May 23, 2018, Rodriguez was approached with the evidence and he admitted that he reported the incident with the police department and filed the claim with the insurance company.

Charges have been filed against Rodriguez for violation of Penal Code 550(b)(1) and arrest warrant has been issued.

- **Case # VCF366904 (Tucker)** – Tucker was involved in a traffic accident on November 4, 2017 at 10:32 a.m. in Visalia. Local police and an ambulance responded. At 12:27 p.m., Tucker went to Workman's Auto Insurance Company and purchased an automobile policy. She did not mention the accident she was involved in a couple of hours prior to purchasing the policy.

On November 6, 2017, Tucker filed a claim with the insurance company indicating that she was involved in an accident on November 4, 2017 at 1:30 p.m. The insurance company reviewed the policy inception time and the traffic accident reports and determined that Tucker had made a fraudulent claim.

A review of the evidence verified the sequence of events. On May 23, 2018, Tucker was interviewed by an investigator assisting in the program. She admitted that she did not have an active insurance during the accident, yet filed a claim for the accident. She indicated that she was told by an uninvolved party that her policy, though purchased after the accident, covered the whole day. She further contended that she received benefits for the other party involved in the accident since it was their fault and her policy did not provide any benefits. She indicated she would be seeking additional benefits for personal injury and injuries to her children who were passengers in her vehicle.

Charges have been filed against Rodriguez for violation of Penal Code 550(b)(1) and arrest warrant has been issued.

## **CONVICTIONS**

Throughout the last two years, the program prosecutor, Deputy District Attorney (DDA) Spencer Johnston, has secured 11 convictions (six felonies and five misdemeanors). This includes:

- **Case # VCF349800 (Chavero)** – Defendant filed a claim with Farmers Insurance, saying he accidentally hit the wall at a Payless Shoe Store. Investigation revealed the defendant's son Roberto, who had a suspended license and was an excluded driver on

the car insurance policy, was actually the driver at the time of the incident. He had fled on foot and called his dad, who arrived at the scene and told officers he was driving the car.

Chavero was charged with PC 550(b)(1) and plead to that charge on March 1, 2018.

- **PCF351293A & PCF351293B (DeLaCruz)** – This case involved two defendants, brother and sister Frank and Crystal. In March of 2017, Crystal’s mother reported her car as stolen from her house, and filed a claim with Sentry Insurance. Crystal was found to be the registered owner, but claimed she sold the car to her mother for \$1,000 but never transferred the title. The vehicle was later found but was stripped and burned.

A CHP/Tulare County Regional Auto Theft Task Force (T-RATT) investigator was provided information provided to the CHP’s office by an anonymous caller. The caller alleged that Frank towed and burned the vehicle, but that parts were stripped prior to setting it on fire. The CHP/T-RATT’s extensive investigation revealed that Crystal and Frank knowingly made false statements to both the police and the insurance company, that Crystal knew the vehicle was not at her mom’s house, but at her brother’s house because he was fixing it. The brother’s house turned out to be a chop shop. She also admitted to taking the rims prior to the car being “stolen”.

Crystal pled guilty in July 2017 to a violation of Vehicle Code 10501(a), a misdemeanor. Frank pled guilty in November 2017 to a violation of PC 550(b)(1) and 451(d) Arson.

2. Specify any unfunded contributions (i.e., financial, equipment, personnel, and technology) and support your county provided to the automobile insurance fraud program.

Many staff lend their expertise and assistance to the Program, but are charged to other funding sources. As a policy, we do not charge administration time or indirect costs to our grants. Non-grant funded contributions to this program include:

- We will cover 70% of the Program prosecutor through the Workers’ Compensation Insurance Fraud Program and the other 5% through our general fund.
- We will cover 50% of the Program’s investigator aide through our general fund.
- We utilize our general funded investigators to assist with case review when the volume gets high. These investigators review and file or review and close cases at no cost to the grant.
- Our legal office assistants spend time scanning and processing documents for program cases. They are paid through our general fund.

- Fiscal staff review and post timesheets, ensuring the grant is properly charged for staff hours, while also reviewing, coding and entering expenses associated with training and operations. All are paid by our general fund.
- The supervising attorney and supervising investigator both meet frequently with grant funded staff to review cases and offer support, and are paid through our general fund.
- The grants & program coordinator is actively involved in the Program, but is paid through our general fund.

Unfunded contributions to the program also include:

- Costs cell phones (\$780 annually) and two-way radios (\$360 annually) for Program staff are covered under our general fund.
3. Detail and explain the turnover or continuity of personnel assigned to your automobile insurance fraud program. Include any rotational policies your county may have.

It is the District Attorney's policy to rotate staff periodically to allow for the opportunity to broaden investigative and prosecutorial skills. However, the rotation of staff assigned to special programs is usually minimized, so as not to disrupt the effective operation of those programs. Assignments to special programs, including the Automobile Insurance Fraud Program, are typically long term. If a need to rotate staff presents itself (i.e., staff leave our employment), replacement staff are carefully considered, and only those demonstrating significant investigative skills and prosecutorial experience are selected.

DDA Johnston was the Program prosecutor from August 1, 2015, through June 1, 2018, when he left our employment to work in a neighboring county. He was replaced by DDA Jimmy Voge. Investigator Lee was the Program investigator from July 1, 2016 until November 2017. He was replaced by Investigator Clark. Cristal Rodarte was the Investigator Aide from October 2016 to November 2017. She was replaced by Krista Miller.

Experience and qualifications for these program staff are included later in this application.

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

Our program investigator continues to collaborate with key agencies to develop cases. We utilize the services of the Fresno Regional Office, Tulare County Reduce Auto Theft Task Force (TRATT), the California Highway Patrol, Tulare County Sheriff, local municipal police departments, and the Bureau of Automotive Repair (BAR). These agencies work together to provide assistance with search warrants and information to establish solid cases.

This year, three cases received from local law enforcement (Farmersville and Dinuba Police Departments, as well as one case from TRATT) resulted in convictions.

Investigator Clark stays in close communication with TRAFF, the multi-agency consortium which meets frequently to share information and identify trends and developments in order to alert one another to potential criminal activity.

Investigator Clark also attends Special Investigation Round Table meetings as well as the Central Chapter Western States Auto Theft Investigators (WSATI) Association meetings. WSATI Association meetings are attended by investigators from several insurance agencies and district attorney offices, local law enforcement officers, and the California Department of Forestry and Fire Protection (CalFIRE). Attendees share information on cases and discuss trends in their auto fraud insurance programs.

5. Were any frozen assets distributed in the current reporting period? (Assets may have been frozen in previous years.) If yes, please describe. If no, state none.

None.



**FORM 06(a)**

**COUNTY PLAN: STAFFING  
Fiscal Year 2018-2019**

**COUNTY OF TULARE**

<b>Prosecutors</b>	<b>% Time</b>	<b>Time With Program Start Date/End Date</b>
Spencer Johnston, Deputy District Attorney	25%	August 2015 – June 2018
Jimmy Voge	25%	June 2018 – present

**COUNTY OF TULARE**

<b>Investigators</b>	<b>% Time</b>	<b>Time With Program Start Date/End Date</b>
John Lee, DA Investigator	100%	July 2016 – November 2017
John Clark, DA Investigator	100%	November 2017 – present
Cristal Rodarte, Investigator Aide	50%	October 2016 – November 2017
Krista Miller, Investigator Aide	50%	November 2017 – present

**Prosecutor**

DDA Jimmy Voge came to our office in November 2015 and recently took on the dual prosecutor role of Auto Insurance Fraud and Workers’ Compensation Fraud prosecutor. DDA Voge was most recently the special prosecutor for our Marijuana Suppression Unit, handling all of the county’s serious marijuana-related felonies. He has conducted 10 jury trials, including four felony trails involving child abuse, hit and run, and DUI. DDA Voge earned a BA degree in Philosophy from Boston College, and received his JD from Santa Clara University School of Law.

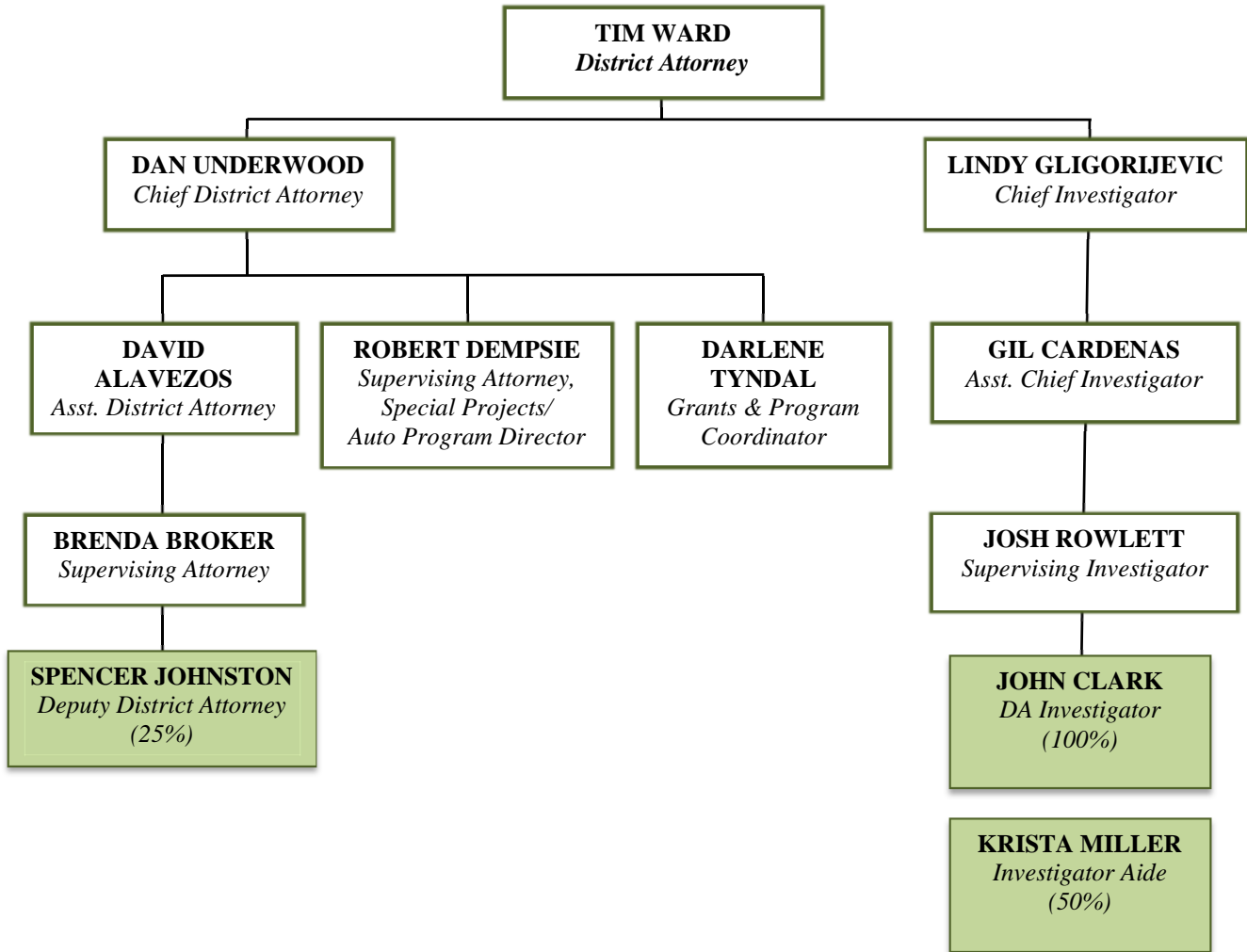
**Investigators**


Investigator Clark has spent his entire career in law enforcement, spending 34 years with the Los Angeles Police Department before making his way to our office. He was an investigator for our Workers’ Compensation Insurance Fraud and Real Estate Fraud Programs before joining the Auto Insurance Fraud program in November 2017.

Investigator Aide Miller (formerly Dotson) came to our office November 2016, bringing three years of experience in customer service. She spent one year as an aide in the Workers’ Compensation Insurance Fraud program before moving to assist on this grant. She retrieves and logs all incoming referrals, requests claim files, reviewing them for content and substance, and maintains unit statistics. Krista graduated from Milan Institute in 2014, completing the Registered Dental Assistant Program, where she received a leadership award for her outstanding academic work.

**FORM 06(b)**

**COUNTY PLAN: ORGANIZATIONAL CHART  
FISCAL YEAR 2017-2018**



 = Staff currently funded through this grant by % funded

**FORM 07**

**COUNTY PLAN: DISTRICT ATTORNEY PROGRAM REPORT  
FISCAL YEAR 2017-2018**

**DAR (FORM 07) is submitted online**

**STATISTICAL INFORMATION WILL BE CAPTURED**

**FROM JULY 1, 2017 TO JUNE 15, 2018**

To access the DAR webpage on the CDI website, click on the following link or copy the URL into your browser.

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

**FORM 08**

**COUNTY PLAN: PROBLEM STATEMENT  
FISCAL YEAR 2017-2018**

**PROBLEM STATEMENT**

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

Use local data or other evidence to support your description.

**CAUSES OF FRAUD IN THE CENTRAL VALLEY**

Tulare County sits in the middle of California's Central Valley, an area plagued by some of the highest rates of poverty in the United States. Nearly half a million people (454,143) live in an area that spans 4,839 miles, a good portion of that being rural farms and dairies. It is comprised of eight incorporated cities and 59 unincorporated census designated places (CDPs), where one in five residents reside. Its unemployment rate continues to hover in the double digits (11.1%), with some CDPs as high as 22.4%<sup>1</sup>. One in four residents live below the poverty level, with a whopping 38% of children living in poverty.<sup>2</sup> At \$42,031, Tulare County's median household income is far below the state's average of \$61,818<sup>3</sup>.

These factors significantly contribute to the social conditions that foster criminal activity. The low income/unemployment rate combination plays a role in so many drivers not having insurance coverage for their automobiles, that is, until after they are in an accident and hurriedly purchase a policy after the fact. The County's rural nature lends itself to economic car theft, our second most common type of case. There is plenty of remote farmland, where fraudsters are enticed to set their vehicle on fire and flee the scene without any witnesses.

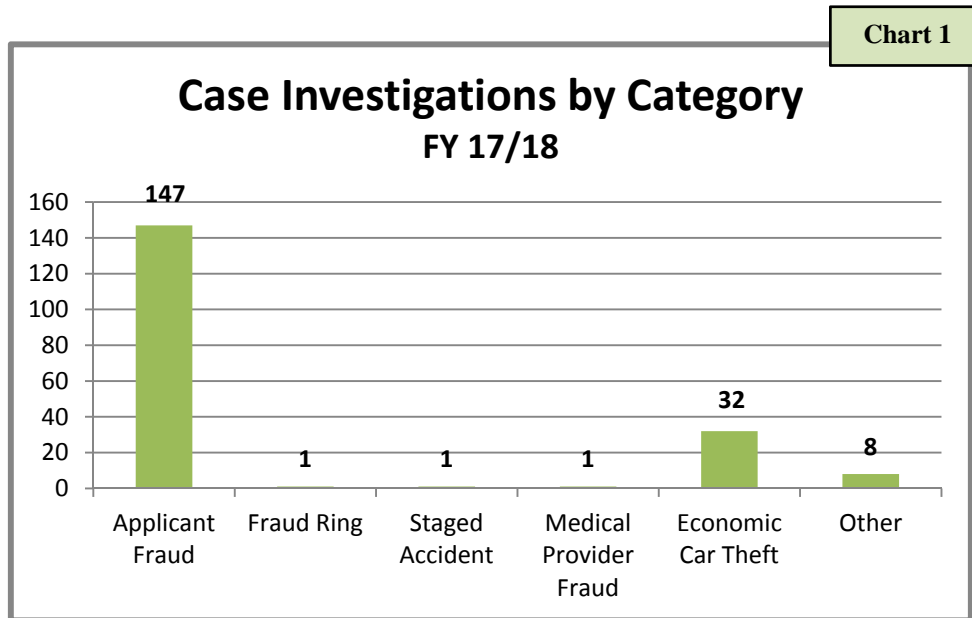
**HISTORICAL FRAUD TRENDS**

As seen in Chart 1 on the following page, a review of case types on this year's caseload reveals the continuing trend of applicant fraud being the most common type of automobile insurance fraud committed, followed by economic car theft. Together, these case types made up 94% of our caseload this year.

<sup>1</sup> EDD, March 2018

<sup>2</sup> U.S. Census 2012-2016 American Community Survey 5-Year Estimates

<sup>3</sup> United State Census Bureau



### **FRAUD IMPACT**

Automobile insurance fraud hurts everyone – not just the insurance companies that cover the fraudulent losses. The losses to the insurance companies are passed on to consumers through increased insurance rates. It is essential that we make every attempt to aggressively investigate and prosecute auto insurance fraud in order to keep auto insurance rates affordable for all.

**FORM 09**

**COUNTY PLAN: PROGRAM STRATEGY  
FISCAL YEAR 2017-2018**

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

We have been using a multi-faceted approach to fight auto insurance fraud for several years. Outreach and education, aggressive investigation/prosecution, and collaborative partnerships are all solutions to address the problems identified in this application. We plan to combat auto insurance fraud in Tulare County through the following key components:

- **Outreach & Education**  
It is important that people are aware of what auto insurance fraud is, and that our office pursues this fraudulent activity. Witnesses need to know how to report suspected fraud as well. We will continue to attend large community events to disseminate information about our program.
- **Aggressive Investigation**  
As mentioned earlier, Investigator Clark has a hefty caseload. He will continue to review and quickly close cases that aren't viable, while ordering the claim file for promising cases.
- **Prosecution**  
DDA Voge will continue to vertically prosecute all Program cases, seeking the harshest penalty and ordering maximum restitution available in each case.
- **Collaborative Partnerships**  
We will continue to coordinate with the various agencies involved in auto insurance fraud, including insurers, medical and legal providers, the Fraud Division, CHP, and local law enforcement agencies. As part of the Special Prosecution Division, this unit has access to information from our Financial Crimes, Welfare Fraud, and Workers' Compensation Insurance Fraud units. This integration provides a wealth of information sharing that can lead to auto insurance fraud investigations. The prosecutor and investigator will also continue to work closely with their counterparts in our DMV Auto Theft Program. This allows for the coordination of investigations and vigorous prosecution of cases of auto insurance fraud, which otherwise may have been overlooked as an isolated auto theft case.

Investigator Clark will also continue to participate on the Tulare County Vehicle Theft Task Force, which is comprised of all local police departments, the Sheriff's Office, CHP, and Cal-Fire. The unit is active with the Central Valley Auto Theft Task Force, the Central Valley Fraud Committee, and surrounding district attorney's

offices. Additionally, we have routine contact with investigators from the National Insurance Crime Bureau, BAR, State Medical Examiners Board, Fraud Bureau investigators, and third party administrators.

Finally, we have a comprehensive Joint Plan with the Department of Insurance, Fraud Division, Fresno Regional Office. This plan addresses our intent to reduce duplication of efforts, enhance investigative support, and increase the number of arrests and prosecutions. A signed Joint Plan is included as Attachment A to this application.

2. What are your plans to meet the announced goals of the Insurance Commissioner?  
Copies have been provided for your reference.

Commissioner Jones stresses the need for program performance and continuity. We utilize grant funds to adequately staff the program in proportion to the high volume of investigative work necessary in this program. We also carefully review program expenditures and submit statistical data reports on time to ensure our program meets the standards of the Commissioner.

A coordinated and aggressive outreach program is also a goal of the Commissioner. As mentioned previously in this application, we consider outreach to be a key component of our program, and we will continue to make appearances at community events to make the public aware that we WILL investigate and prosecute this type of fraud. We ran a Public Service Announcement regarding automobile insurance fraud that aired on seven radio stations in August 2017. The advertisement was aired on English and Spanish channels, and was designed to be a deterrent to those even considering committing fraud. The PSA was paid for out of our approved FY 2016/2017 budget.

Commissioner Jones has again set the goal of having a balanced caseload, with the focus on fraudulent activities having the greatest fiscal impact to the system. For Tulare County, these include claimant fraud and economic car theft, which make up the bulk of our cases. We will do our due diligence in investigating and prosecuting these cases, ensuring that money paid out under these fraudulent claims is rightfully returned to the insurance companies.

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

All of our goals can be accomplished throughout the fiscal year.

4. Training and Outreach

- List the **training received** by each county staff member in the automobile insurance fraud unit **during Fiscal Years 2016-2017 and 2017-2018**.

The following lists the relevant trainings attended by program staff over the last two fiscal years, broken down by past and current staff:

### **Current Program Staff**

#### Investigator Clark

- ✓ WASATI - Law Enforcement Heavy Equipment Identification Training (February 2018)

#### Investigator Aide Miller

- ✓ Anti-Fraud Allowance Anti-Fraud Conference (April 2018)
- ✓ CDAA Fraud Symposium (October 2017)
- ✓ CDI - Insurance Fraud is a Crime (May 2017)
- ✓ Employers' Fraud Task Force Symposium (January 2017)

### **Past Program Staff**

#### DDA Johnston

- ✓ CDAA California High Tech and Digital Evidence Symposium (April 2018)
- ✓ CDAA Fraud Symposium (October 2017)
- ✓ CDAA Fraud Symposium (September 2016)

#### Investigator Lee

- ✓ CDI - Insurance Fraud is a Crime (May 2017)
- ✓ CDAA Fraud Symposium (September 2016)
- ✓ Staged Collision and Auto Fraud, CDI (May 2017)

#### Investigator Aide Rodarte

- ✓ CDI - Insurance Fraud is a Crime (May 2017)
- ✓ CDAA Fraud Symposium (September 2016)

- Describe what kind of training/outreach **you provided in Fiscal Year 2017-2018** to local Special Investigative Units, as well as, public and private sectors to enhance the investigation and prosecution of automobile insurance fraud. Also describe any coordination with the Fraud Division, insurers, or other entities.

Tulare County does not have any SIUs in its jurisdiction, so our focus remains on providing outreach to the community. We believe that educating the public at large will bring more awareness of auto insurance fraud and the legal ramifications of being involved. We also seek to create a mindset that fraud will not be tolerated, creating a deterrent to all types of fraud in Tulare County. Over the past two fiscal years, we have manned booths at various large community events, including:

- **September 2017 – Tulare County Fair:** manned a booth and handed out informational brochures to 150 attendees.
- **February 2018 – World Ag Expo:** manned a booth and handed out informational brochures to 75 attendees.
- **February 2018 – Visalia Police Department:** DDA Johnston and Investigator Clark presented roll call training to officers at the beginning of five different shifts. They



presented information on indicators of auto insurance fraud, as well as what type of evidence the prosecutor expects before filing a case. A total of 25 officers received this training.

- Describe what kind of training/outreach **you plan to provide in Fiscal Year 2018-2019.**

It is our policy to have the Program investigator interview the SIU investigator and/or appraiser listed in the documented case referral to verify the accuracy of the notes in the claim file. While doing so, the investigator discusses the likelihood of filing criminal charges based on the referral, explaining the “beyond a reasonable doubt” threshold to file criminal charges, as opposed to their civil standard necessary to deny a claim.

We will also continue to set up booths at large community events, including the Tulare County Fair and the World Ag Expo, effectively reaching large numbers of Tulare County residents.

New this year will be providing educational outreach to auto body repair shops. Investigator Clark will be visiting random shops to educate them on commonly used tactics by applicant fraud defendants. They will be encouraged not to conspire with customers when they suspect that customer may be involved in fraudulent behavior (i.e. asking the shop to create false or inflated invoices).

5. 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.

We continue to request that the court order restitution and fines in every case possible, and to request restitution as a matter of probation or parole terms. While the responsibility to collect those fees and fines falls to our County’s Probation Department, our Program’s investigator aide connects monthly with them to determine which defendants are paying as ordered and which are not actively paying.

It should be noted that the amount of restitution ordered has decreased as the number of cases where there is no chargeable fraud have increased.

In the last two fiscal years, we have ordered \$66,632 and collected \$35,752 in restitution, while ordering \$2,800 and collecting \$2,760 in fines.

6. Identify the performance objectives that the county would consider attainable and would have a significant impact in reducing automobile insurance fraud.

Projection:

- a. 20 new investigations will be initiated during FY 2018-2019
- b. 8 new prosecutions will be initiated during FY 2018-2019

7. If you are asking for an increase over the amount of grant funds awarded last fiscal year, please provide a brief description of how you plan to utilize the additional funds.

<u>\$ 193,165</u> FY 2018-2019 Grant REQUEST	<u>\$ 180,000</u> FY 2017-2018 Grant AWARD	<u>\$ 13,165</u> FY 2018-2019 Increase Requested
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Utilization Plan:

The increase in our grant request represents the increasing cost of operating this program. We are once again only asking for 50% of the investigator aide. The remaining 50% is covered by our general fund.

<b>AUTOMOBILE INSURANCE FRAUD PROGRAM PROGRAM BUDGET: PERSONNEL EXPENSES FISCAL YEAR 2018-2019</b>		
<b>COUNTY OF TULARE</b>		
<b>A. PERSONNEL SERVICES: Salaries and Employee Benefits</b>	<b>COST</b>	
<p>The following salaries and benefits are average figures for the purpose of budgeting. Actual staff placed in the program will determine exact salary figures. Benefits Package/Cafeteria Plan includes medical, dental, vision, and life insurance, plus bar dues for attorneys.</p>		
<p><b>Deputy District Attorney:</b> .25 FTE - The DDA will be responsible for the vertical prosecution of Program cases. This attorney will report to the Financial Crimes Division Supervising Attorney. The grant will cover 25% of the salary and benefits for this position.</p>		
Salary:	\$87,566	
Benefits: Retirement:	\$9,168	
Social Security:	\$6,699	
Benefits Pkg:	\$9,843	
Sick Leave Buyback	\$842	
Worker's Comp:	\$1,900	
POB	\$5,709	
	\$9,843	
Sub Total Benefits:	\$44,004	50%
<b>DDA Total Salary and Benefits:</b>	<b>\$131,570</b>	<b>@ 25%</b>
		<b>\$32,892</b>
<p><b>DA Investigator:</b> 1 FTE - The investigator will be responsible for the investigation of Program cases. This investigator will report to the Fraud Bureau's Supervising Investigator. The grant will cover 100% of the salary and benefits for this position.</p>		
Salary:	\$77,973	
Benefits: Retirement:	\$12,554	
Social Security:	\$5,965	
Benefits Pkg:	\$11,287	
Sick Leave Buyback	\$1,499	
Worker's Comp:	\$1,900	
POB	\$4,957	
	\$38,162	
Sub Total Benefits:	\$38,162	49%
<b>DA Inv. Total Salary and Benefits:</b>	<b>\$116,135</b>	
		<b>\$116,135</b>
<b>Investigator Overtime:</b>	80 hours x \$56.23 per hour =	<b>\$4,498</b>
<p><b>Investigator Aide:</b> .50 FTE - The aide will assist the program investigator as needed, track case status, and ensure restitution is paid. The grant will cover 50% of the salary and benefits for this position.</p>		
Salary:	\$36,919	
Benefits: Retirement:	\$3,865	
Social Security:	\$2,824	
Benefits Pkg:	\$9,626	
Sick Leave Buyback	\$710	
Worker's Comp:	\$1,900	
POB	\$2,407	
	\$21,332	
Sub Total Benefits:	\$21,332	58%
<b>Inv. Aide Total Salary and Benefits:</b>	<b>\$58,251</b>	<b>@ 50%</b>
		<b>\$29,125</b>
<b>A. PERSONNEL SERVICES TOTAL</b>		<b>\$182,652</b>

<b>AUTOMOBILE INSURANCE FRAUD PROGRAM PROGRAM BUDGET: OPERATING EXPENSES FISCAL YEAR 2018-2019</b>																	
<b>COUNTY OF TULARE</b>																	
<b>B. OPERATING EXPENSES</b>	<b>COST</b>																
<p><b>Training and Travel</b></p> <p>CDA, NCFIA or other relevant training for program staff. Actual expenses will be pro-rated according to staff funding %.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Registration:</td> <td style="width: 45%;">\$350 x 1.75 x 1</td> <td style="width: 20%; text-align: right;">\$613</td> <td style="width: 20%;"></td> </tr> <tr> <td>Lodging:</td> <td>\$120 x 1.75 x 3</td> <td style="text-align: right;">\$630</td> <td></td> </tr> <tr> <td>Per Diem:</td> <td>\$61 x 1.75 x 3</td> <td style="text-align: right;">\$320</td> <td></td> </tr> <tr> <td>Total:</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$1,563</td> <td style="text-align: right; vertical-align: bottom;">\$1,563</td> </tr> </table>	Registration:	\$350 x 1.75 x 1	\$613		Lodging:	\$120 x 1.75 x 3	\$630		Per Diem:	\$61 x 1.75 x 3	\$320		Total:		\$1,563	\$1,563	
Registration:	\$350 x 1.75 x 1	\$613															
Lodging:	\$120 x 1.75 x 3	\$630															
Per Diem:	\$61 x 1.75 x 3	\$320															
Total:		\$1,563	\$1,563														
<p><b>Local Mileage</b></p> <p>Travel expenses for program staff to attend outreach events, meetings, and travel between courthouses. Average 140 miles per month x 12 months x .565 per mil = \$950</p>	\$950																
<p><b>Independent Audit of Program</b></p> <p>Cost for annual independent audit of the program.</p>	\$6,000																
<p><b>Motor Pool Expenses (service &amp; fuel)</b></p> <p>Annual charges for investigator vehicle</p>	\$2,000																
<b>B. OPERATING EXPENSES TOTAL</b>	<b>\$10,513</b>																

<b>AUTOMOBILE INSURANCE FRAUD PROGRAM</b>	
<b>PROGRAM BUDGET: EQUIPMENT</b>	
<b>FISCAL YEAR 2018-2019</b>	
<b>COUNTY OF TULARE</b>	
<b>C. EQUIPMENT</b>	<b>COST</b>
<b>C. EQUIPMENT TOTAL</b>	<b>\$0</b>
<b>D. PROGRAM BUDGET TOTAL</b>	<b>\$193,165</b>

**FORM 13**

**AUTOMOBILE INSURANCE FRAUD PROGRAM  
PROGRAM BUDGET: EQUIPMENT LOG  
PRIOR FISCAL YEAR 2017-2018**

**COUNTY NAME:** Tulare

Equipment Ordered	Equipment Cost	Date Ordered	Date Received	Serial Number	Equipment Tag Number

Rows can be inserted as needed.

**No equipment purchased.**

I certify this report is accurate and in accordance with the Grant guidelines.

Name: Darlene Tyndal

Title: Grants & Program Coordinator

Signature: *Darlene Tyndal*

Date: 6/21/18

**ATTACHMENT A**  
**JOINT PLAN**

# **JOINT PLAN**

BETWEEN THE



**OFFICE OF THE DISTRICT ATTORNEY  
COUNTY OF TULARE  
TIM WARD, DISTRICT ATTORNEY**

AND THE

**CALIFORNIA DEPARTMENT OF INSURANCE  
FRAUD DIVISION  
CENTRAL VALLEY REGIONAL OFFICE**

**FISCAL YEAR 2018-2019**



## OVERVIEW

For over a decade, the Office of the Tulare County District Attorney (District Attorney) has been steadily moving forward in its investigation and prosecution of workers' compensation and automobile insurance fraud in Tulare County. Collaboration has been key to our success.

Our Automobile Insurance Fraud Program staff has been actively involved in the Central Chapter Western States Auto Theft Investigators (WSATI) Association, as well as the Tulare County Reduce Auto Theft Task Force (TRATT). In addition, we actively participated in the San Joaquin Valley Premium Fraud Consortium from 2005 to 2017, and have been an active participating member of the Central Valley Workers' Compensation Fraud Task Force (Task Force) since its inception on August 2, 2017. As spelled out in the Memorandum of Understanding (MOU) that governs this collaborative effort, the mission of the Task Force is to successfully investigate and prosecute all areas of workers' compensation fraud in the Central Valley counties focusing members' combined resources on complex medical fraud cases. In addition, the Task Force will work premium fraud and applicant fraud cases as directed by the Insurance Commissioner's goals and objectives.

This level of involvement has highlighted the problem of workers' compensation and automobile insurance fraud throughout the Central Valley, and has been a showcase for cooperation and collaboration. The ability to work closely with the myriad agencies involved in these collaborative groups has yielded significant investigative results and similar success in court.

## STATEMENT OF GOALS

As the workload increases for both the District Attorney and the Fraud Division, strong communication and the efficient use of current resources are essential if we are to work together to effectively combat insurance fraud in Tulare County. Therefore, the District Attorney and Fraud Division agree to work together to achieve our overarching goal: **effectively investigate and prosecute those who commit insurance fraud in Tulare County.**

To that end, we have identified five goals and accompanying objectives that not only allow us to meet the larger goal, but also align with objectives identified by Insurance Commissioner Dave Jones (Medical Provider Fraud, Performance and Continuity Within the Program, Outreach, and Balanced Caseload) and the Fraud Assessment Commission (Funding of and Performance Within the Program, Joint Plans and Memorandums of Understanding, Outreach and Public Awareness, and Balanced Effort Against all Types of Fraud).

Both parties agree to investigate cases having the greatest financial impact on the workers' compensation system in Tulare County, while continuing to provide outreach to the community to deter insurance fraud and reduce the overall occurrence of these types of crimes.

Each agency agrees that anti-fraud efforts must be conducted in a cost effective and efficient manner with professionalism, productivity and effectiveness being the overriding principles governing the relationship.

## **JOINT PLAN GOALS**

### **GOAL 1: Promote the Efficient and Effective Usage of Finite Investigative Resources Resulting in Convictions**

#### **Objective 1-1: Avoid Any Duplication of Investigations**

A continual concern of interested parties, from insurance carriers to the Fraud Assessment Commission, is the efficient usage of investigative resources. A review of the cases investigated and prosecuted reveals no cases handled by the District Attorney have experienced an overlap or duplication of investigation with the Fraud Division. To continue this record the following activities are established:

##### ***Activities:***

- All case referrals to the Fraud Division or the District Attorney shall be logged in a database;
- On a monthly basis or as needed, the Fraud Division Staff and the District Attorney Investigators shall confer and compare referral postings; and
- Each office will, on a monthly basis or as needed, provide a confidential list of cases referred and opened for investigations by each office.

#### **Objective 1-2: Institute Pre-Investigation Review of Suspected Fraud Referrals**

A percentage of suspected fraud referrals do not warrant prosecution for several reasons. Identifying such cases immediately will eliminate the fruitless usage of investigative resources. Furthermore, pre-investigation review can provide information that better utilizes investigative resources.

Fraud Division detectives shall confer with the Deputy District Attorney to review suspected fraud referrals, as necessary, prior to initiating an investigation.

#### **Objective 1-3: Facilitate Expedient Filing Review of Submitted Investigations**

Expedient but careful review of cases submitted for prosecution is in the best interests of both agencies. Such review allows for a redeployment of investigative resources when necessary, the freeing of resources for other cases and the efficient allocation of prosecution resources. The complexity of cases impact the rapidity of prosecution review but in all cases, the intent is to expeditiously render a filing decision.

##### ***Activities:***

- All investigative case referrals to the District Attorney for a filing decision shall be resolved within 60 days of the referral date except in cases of significant complexity;
- In complex cases, the Deputy District Attorney and the submitting Detective shall confer and develop a reasonable timeline for review and decision;

- All case referrals for filing at a minimum shall include:
  - 1) All investigative narrative reports;
  - 2) List of witnesses interviewed;
  - 3) Copies of recorded witness interviews;
  - 4) Statement from the suspect(s) if available;
  - 5) Copies of any sub rosa video footage if available;
  - 6) Copy of relevant documents from the insurance claim file;
  - 7) Copy of relevant correspondence between suspect(s) and carrier;
  - 8) Relevant medical records;
  - 9) Any other relevant documentation such as, but not limited to, accounting reports, canceled checks, or cell phone records; and
  - 10) The full insurance file or medical file in the possession of the Fraud Division will be made available on request.
  
- Cases shall be filed when the evidence presented in the referral proves each element of the offense sufficiently. Sufficiency of proof means a legal and ethical presentation to a jury by a prosecutor is not merely a possibility but is professionally sustained.

**GOAL 2: Facilitate Communication Between the Fraud Division and the District Attorney**

**Objective 2-1: Establish Criteria for Request of Fraud Division Resources**

Criteria for requesting the use of Fraud Division resources shall include the following:

- Cases requiring multiple search warrants;
- Very complex cases; and
- Cases requiring audit services when the District Attorney's forensic auditor is not available.

**Objective 2-2: Open Information Sharing**

Any information held by each office pertaining to a referral can either provide further leads or preclude the need for an investigative function. The sharing of such information will save time thereby increasing the efficiency of investigations.

***Activities:***

- On a weekly basis or as necessary, Fraud Division Staff and the District Attorney Investigators shall inform the other of investigative information available on new referrals.
- Information pertaining to open investigations shall be transmitted expeditiously.
- On a quarterly basis, the District Attorney will file a conviction report with

attached certified copies of court sentencing minute orders for reported cases with the Fraud Division.

**Objective 2-3: Create and maintain active linkage**

Due to the demands of case investigations, active linkage can be a problem. Our good intentions of networking may fall to the wayside when a crucial witness needs to be interviewed. Creating and maintaining a consistent time for face to face interaction will provide a forum to share information, exchange ideas, build continuity and thereby increase the efficiency of investigations.

*Activities:*

- As designated by the respective agencies, Fraud Division Staff and the District Attorney Investigators shall meet face to face alternately in Fresno and Visalia.
- On a quarterly basis or periodically as established, Fraud Division staff and the Investigators from the District Attorney will participate in the Central Valley Workers' Compensation Fraud Task Force meetings.

**Objective 2-4: Expeditious Conflict Resolution**

Despite open communication and the best intentions, conflicts and differences of opinion may develop periodically. The expeditious discussion of such conflict will not only save time, thereby increasing the efficiency of investigations, but further enhance the working relationship between agencies.

*Activities:*

- As needed, Fraud Division staff and the District Attorney investigators shall update each other on investigative information available;
- In the event a conflict between detectives or with prosecutors develops, using the open lines of communication established, the detectives or prosecutors will seek resolution. If a resolution can not be achieved at this level, the immediate supervisors shall jointly meet with the detectives/prosecutors to seek resolution. It is anticipated that most, if not all conflicts will be resolved by this step; and
- If a conflict persists, the Captain of the Fraud Division and the Chief Investigator for the District Attorney shall meet and confer.

**Objective 2-5: Joint Case Development**

The two agencies shall communicate at collaborative meetings during (the Central Valley Workers' Compensation Fraud Task Force to identify any complex, multi-jurisdictional cases that would require in depth investigative efforts across agencies. Once a joint case is identified, the two agencies agree to:

- Set a date for the initial meeting between the Fraud Division detectives and

- the Deputy District Attorney within two weeks of identifying such cases; and
- Communicate on a weekly basis or as needed depending on the complexity of the case and any new information that becomes available.

### **GOAL 3: Increase the Level of Confidence and Trust Between the Fraud Division and the District Attorney**

#### **Objective 3-1: Develop Uniform Investigative Skills and Knowledge**

Confidence and trust between agencies will be enhanced by sharing a common skill and knowledge base. Investigators must rely on one another. Understanding and knowing investigators from either agency operate with the same levels of skill, knowledge and experience will foster team building and interoperability.

##### *Activities:*

- Conduct quarterly informal joint training on topics and issues relevant to fraud investigations and prosecutions; and
- Since no SIUs exist in Tulare County, investigators from the Fraud Division District Attorney will create a joint training that can be offered to law enforcement agencies and self-insurers in Tulare County when a need is identified; and
- Jointly attend the annual CDAA sponsored insurance fraud training.

#### **Objective 3-2: Develop a Uniform Investigative Report Format**

A uniform investigative report format will assist either agency in readily comprehending information contained in reports. Using similar formats will promote consistency in investigations thereby increasing confidence in such investigations.

##### *Activities:*

- Begin regular meetings between Fraud Division and the District Attorney to develop uniform reporting format.

### **GOAL 4: Conduct High Impact Joint Investigative Operations**

#### **Objective 4-1: Provide Mutual Assistance on Major Investigative Operations**

Mutual assistance is currently a part of the working relationship between the Fraud Division and the District Attorney. This Joint Plan continues this policy.

*Activities:*

- Assist on search warrants requiring multiple location service;
- Provide back up support on arrest warrants where necessary; and
- Where appropriate, conduct undercover operations.

**Objective 4-2: Conduct Undercover Operations Where Appropriate**

Undercover operations at times are the only effective means of addressing particular types of fraud such as provider fraud or mill activity. In order to maximize the potential for success, both agencies agree to work cooperatively and where appropriate, jointly.

*Activities:*

- Undercover operations by either agency shall be conducted according to current legal standards and in deference to the safety of the agents and the public.
- Such undercover operations whether conducted separately or in conjunction, shall be confidentially disclosed to avoid any negative outcomes.
- Command and control of the undercover operation shall reside with the agency initiating the activity unless by mutual agreement command is transferred.

**Objective 4-3: Conduct a High Profile Joint Operation Targeting Uninsured Employers**

A multiple agency operation targeting uninsured employers is intended to make a major impact in the region. A joint operation increases the reach and also the opportunity for media coverage.

*Activities:*

- Develop targeting plan;
- Assemble participating agencies; and
- Conduct operation in the second quarter of the fiscal year.

**Objective 4-4: Stay Involved with the Central Valley Workers' Compensation Fraud Task Force**

Both premium fraud cases and medical fraud cases can be major undertakings for any agency. Often these cases involve multiple counties and agencies. This region-wide Task Force, composed of investigators from District Attorney offices throughout the San Joaquin Valley and detectives from the Fraud Division (along with the Employment Development Department and the Franchise Tax Board) will jointly investigate major premium fraud and medical fraud cases without regard to in which county the case originated. The Task Force will then provide investigative support on the case when

prosecuted in the designated county. The Task Force will also conduct high visibility regional enforcement of uninsured businesses.

*Activities:*

- Attend regular Task Force meetings between the Fraud Division and the District Attorney offices in the region;
- Continue operating under the MOU for the Task Force; and
- Seek an appropriate level of funding to operate and maintain the Consortium.

**GOAL 5: Increase Fraud Awareness in the Business Community, Labor Sector and the General Public Through Educational Activities**

**Objective 5-1: Educate Businesses**

*Activities:*

- As needed, conduct business forums on insurance issues relevant to the business community;
- Conduct training for businesses on site regarding insurance fraud; and
- Create public service messages directed at business.

**Objective 5-2: Create Deterrent Factors**

*Activities:*

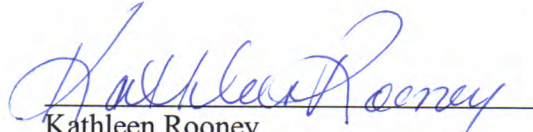
- Publicize every conviction through all media formats;
- Use real case information in all presentations regarding insurance fraud, including sub-rosa tapes, video interviews and testimonials where available;
- Submit conviction information to trade publications, union newsletters, and through local chambers of commerce; and
- Create public service messages.

It is the intent of each agency to efficiently and effectively investigate and prosecute Workers' Compensation Insurance Fraud and Automobile Insurance Fraud. We are committed to these programs and will work diligently to ensure their success.



Tim Ward  
District Attorney  
Office of the District Attorney  
County of Tulare

4/19/18  
Date



Kathleen Rooney  
Assistant Chief  
Department of Insurance  
Fraud Division

April 16, 2018  
Date



**ATTACHMENT B**  
**CASE DESCRIPTIONS (CONFIDENTIAL)**