



**District Attorney
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: October 15, 2019-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"/>
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"/>

CONTACT PERSON: Dan Underwood PHONE: 636-5494

SUBJECT: Ratify and approve an agreement with the Insurance Commissioner of the State of California

REQUEST(S):

That the Board of Supervisors:

1. Ratify and approve the Grant Award Agreement for acceptance of 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, 2019 through June 30, 2020. This grant is retroactive due to having received the grant award in September 2019, making it impracticable for the Board to take action prior to July 1, 2019 due to the time needed to process, prepare, and submit the agenda item;
2. Find that the Board had authority to enter into the proposed agreement as of July 1, 2019 and that it was in the County's best interest to enter into the agreement on that date;
3. Ratify and approve the District Attorney's signature on the Agreement;
4. Direct the Board Clerk to prepare a certified copy of the resolution for the District Attorney's Office; and
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: Ratify and approve an agreement with the Insurance Commissioner of the State of California

DATE: October 15, 2019

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 since 1994. The grant funds 1.0 FTE DA Investigator, .50 FTE Investigator Aide, and .20 FTE Deputy District Attorney.

The grant period for this renewal is July 1, 2019 through June 30, 2020. However, the Grant Award Agreement was not received from the California Department of Insurance until September 10, 2019. Therefore, the District Attorney's Office requests that this agreement is approved retroactive to July 1, 2019. The Department of Insurance will reimburse the District Attorney's Office for all allowable grant expenses incurred retroactive to July 1, 2019.

A prior agreement, identical except for the time period and dollar value, was approved as to form by County Counsel and was approved by the Board of Supervisors on October 23, 2018. The deviations from the County contract protocol included in the prior agenda item were: This 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 County contract protocol.

The only changes from the prior agreement are to the time period of the agreement from July 1, 2018 through June 30, 2019 to July 1, 2019 through June 30, 2020. The price for services has not changed.

FISCAL IMPACT/FINANCING:

The Automobile Insurance Fraud Prosecution Program grant (Budget Unit 3181) in the amount of \$180,000 covers the period of July 1, 2019 through June 30, 2020. The program expenses and grant revenue have been included in the District Attorney's Office Fiscal Year 2019/20 budget. There is no additional net County cost to the General Fund.

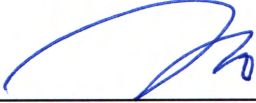
LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

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: Ratify and approve an agreement with the Insurance Commissioner of the State of California

DATE: October 15, 2019

ADMINISTRATIVE SIGN-OFF:



Yun-Gyung Park-Moore
Fiscal Manager

cc: County Administrative Office

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

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

IN THE MATTER OF RATIFY AND)
APPROVE AN AGREEMENT WITH) Resolution No. _____
THE INSURANCE COMMISSIONER OF) Agreement No. _____
THE STATE OF CALIFORNIA)

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: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Ratified and approved the Grant Award Agreement for acceptance of 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, 2019 through June 30, 2020. This grant is retroactive due to having received the grant award in September 2019, making it impracticable for the Board to take action prior to July 1, 2019 due to the time needed to process, prepare, and submit the agenda item;
2. Found that the Board had authority to enter into the proposed agreement as of July 1, 2019 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 Agreement;
4. Directed the Board Clerk to prepare a certified copy of the resolution for the District Attorney's Office; and

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.

**APPLICATION
FOR THE
AUTOMOBILE INSURANCE FRAUD PROGRAM
FISCAL YEAR 2019-2020**

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 2019-2020**

THE APPLICATION MUST INCLUDE THE FOLLOWING:

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

FORM 02

GRANT APPLICATION TRANSMITTAL

AUTOMOBILE INSURANCE FRAUD PROGRAM

Grant Period: July 1, 2019 to June 30, 2020

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: 221 S. Mooney Blvd, Room 224

Visalia, CA 93291

Telephone: (559) 205-1011

(1) New Funds Being Requested: \$ 202,425

(2) Estimated Carryover Funds: \$ 0

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: 7/2/19

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: 221 S. Mooney Blvd. Room 224
Visalia, CA 93291
- d. E-mail address: rdempsie@co.tulare.ca.us
- e. Telephone Number: (559) 636-5494 Fax Number: (559) 730-2658

2. Provide contact information for the District Attorney's Financial Officer.

- a. Name: Yun-Gyung Park-Moore
- b. Title: Fiscal Manager
- c. Address: 221 S. Mooney Blvd. Room 224
Visalia, CA 93291
- d. E-mail address: rpmooore@co.tulare.ca.us
- e. 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: 221 S. Mooney Blvd. Room 224
Visalia, CA 93291
- d. E-mail address: dtyndal@co.tulare.ca.us
- e. Telephone Number: (559) 205-1011 Fax Number: (559) 624-1077

FORM 05

**COUNTY PLAN: QUALIFICATIONS
FISCAL YEAR 2018-2019**

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

INVESTIGATIONS

Tulare County’s Auto Insurance Fraud Program (Program) continues to receive a large number of SFCs from the California Department of Insurance, receiving 99 in fiscal year 17/18. So far in fiscal year 18/19, another 78 have been received – a total of 177 SFCs in the past two years.

Each claim is reviewed by the Program’s investigator aide or investigator, with occasional assistance from other non-grant funded investigators to help pare down the large caseload. Investigators assess the viability of each case and either close it – determining there is no fraud or not enough evidence – or order the claim file for further information and review.

A breakdown of the status of the Program caseload during fiscal year 2018/2019 is as follows:

INVESTIGATIONS	CASES	SUSPECTS
Cases carried into FY 18/19	59	64
New Cases in FY 18/19	78	90
Total Cases & Suspects*	137	154
Reviewed & Closed by Inv.	61	66
Rejected by DDA & Closed	2	2
Warrants	1	1
Cases in Court	6	7
Convictions	4	4
Under DDA Review	8	12
Under Investigation/Pending	62	69
Total	144	161

** Total excludes cases in court that were investigated and filed in a previous fiscal year, or were investigated by an outside agency but filed by our prosecutor.*

In addition to reviewing and closing out 61 cases this fiscal year, Investigators Lance Kirk (July through February) and Louie Cantu (February to present) also reviewed 55 documented case referrals, accepting 42 of them.

The following are a few examples of the work done by program investigators this year. Please see Attachment B Part 1 for a more detailed synopsis of these investigations.

Case No. 17-01-000500 (Claimant Fraud): The defendant in this case claimed she was driving a vehicle involved in a collision, and had a friend provide witness information to that effect. Investigation revealed the defendant's daughter, who was not named on the policy, was the actual driver.

Case No. 18-01-000329 (Claimant Fraud): This case involved a defendant who was behind on his loan payments and as a result, had his vehicle repossessed. Within a week, the defendant caught up on his payments and purchased an insurance policy. He filed a claim two days later, but after being questioned, admitted he falsified the claim.

Case No. 18-01-000568 (Claimant Fraud): This case was originated by the Tulare County Regional Auto Theft Task Force (T-RATT) and is a good example of the unfunded contributions provided to the Program. The defendant in this case filed a claim for a stolen truck, but a Lo-Jack alert provided the location of the truck, which was in the process of being dismantled.

CONVICTIONS

Throughout the last two years, the program prosecutors have secured 9 convictions (three felonies and six misdemeanors). Cases that resulted in a conviction this fiscal year include:

Case VCF 366755 (Economic Car Theft): Juan Rodriguez sold his vehicle, receiving a check in the amount of \$3,500. He realized the next day the check was bogus, written on a closed bank account. Although he reported this as a theft by use of a forged check to the local police department, he filed a stolen vehicle claim with State Farm. He received \$2,100 for his loss. After being questioned by an investigator, Rodriguez admitted to the fraud. Rodriguez plead no contest to one count of PC 550(b)(1) on March 13, 2019. He paid \$2,459 in restitution to State Farm.

Case VCF 366904 (Claimant Fraud) – Tifani Tucker was involved in a traffic accident on 11/4/17 at 10:32 a.m. She purchased an insurance policy that same day at 12:27 p.m. Two days later, she filed a claim, alleging the accident occurred at 1:30 p.m. on 11/4/17. When questioned by an investigator, Tucker admitted purchasing the policy after the accident, adding that she was told the policy covered that whole day. Charges were subsequently filed against Tucker for violation of Penal Code 550(b)(1). On March 8, 2019, Tucker plead no contest. Sentencing is scheduled for December 2, 2019.

Case VCF 375715 (Claimant Fraud) – On June 2, 2018, Martha Ramos struck the co-defendant's car with her vehicle as she was leaving a party. She and co-defendant exchanged phone numbers, and Ramos assured the co-defendant her insurance company would cover the damages. Ramos purchased a policy from Infinity Insurance Company on June 4, 2018. The next day, she filed a claim for the accident, stating it occurred on June 4, 2018. Infinity contacted the co-defendant, who provided inconsistent information, eventually admitting that Ramos had asked him to lie. When Infinity confronted Ramos with this information, she apologized, saying she just wanted to help the co-defendant get his vehicle repaired.

Charges were filed against Ramos and the co-defendant for violation of Penal Code 550(b)(1). On March 8, 2019, Ramos plead no contest. She is currently awaiting sentencing, and the matter has been set for March 9, 2020. The co-defendant has a preliminary hearing setting scheduled for July 10, 2019.

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:

- Although the Program's investigator aide spends 100% of her time in the Program, about one-third of her time is covered 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 T-RATT unit investigator will often do the investigation himself when he recognizes an auto insurance fraud case imbedded with a stolen auto case. The T-RATT investigator is paid through our general fund.
- 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 time sheets, 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 submits the two District Attorney Reports due each year, and frequently reviews the caseload and goals and objectives of the Program. She is paid through our general fund.

Unfunded contributions to the program also include:

- Costs for cell phones (\$780 annually) and two-way radios (\$360 annually) for Program staff are covered under our general fund.
- Approximately \$3,000 in fuel and vehicle maintenance for the vehicles assigned to the investigator and investigator aide.

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 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.

Deputy District Attorney Jimmy has been the Program prosecutor since June 2018, and Krista Miller has been the investigator aide since November 2017. Investigator Lance Kirk was the Program investigator from July 1, 2018 through February 2018. He was replaced by former Workers' Compensation Insurance Fraud Investigator Louie Cantu.

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 (T-RATT), 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, two cases were received from T-RATT and one came from a local law enforcement agency.

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 2019-2020**

COUNTY OF TULARE

Prosecutors	% Time	Time With Program Start Date/End Date
Jimmy Voge	20%	June 2018 – Present

COUNTY OF TULARE

Investigators	% Time	Time With Program Start Date/End Date
Louie Cantu, DA Investigator	100%	February 2019 - Present
Lance Kirk DA Investigator	100%	July 2018 to February 2019
Krista Miller, Investigator Aide	70%	November 2017 – present

Prosecutor

DDA Jimmy Voge came to our office in November 2015. For the first two and one-half years, DDA Voge worked as the special prosecutor for the Marijuana Suppression Unit, handling all of the County’s serious marijuana-related felonies. He also conducted 10 jury trials, including four felony trails involving child abuse, hit and run, and DUI. In June 2018, he took on the dual prosecutor role of the Auto Insurance Fraud and Workers’ Compensation Fraud Programs. DDA Voge earned a BA degree in Philosophy from Boston College, and received his JD from Santa Clara University School of Law.

Investigators

Currently Funded

Investigator Louie Cantu came to our office in 2014 with 32 years of experience in law enforcement. He worked in the Trial Preparation unit and on the Tulare County Gang Task Force before joining the Worker’s Compensation Fraud unit in November 2017. He was transferred to the Auto Insurance Fraud unit in February 2019. Investigator Cantu earned his AS degree from Fresno City College, and holds Basic, Intermediate and Advanced POST certificates.

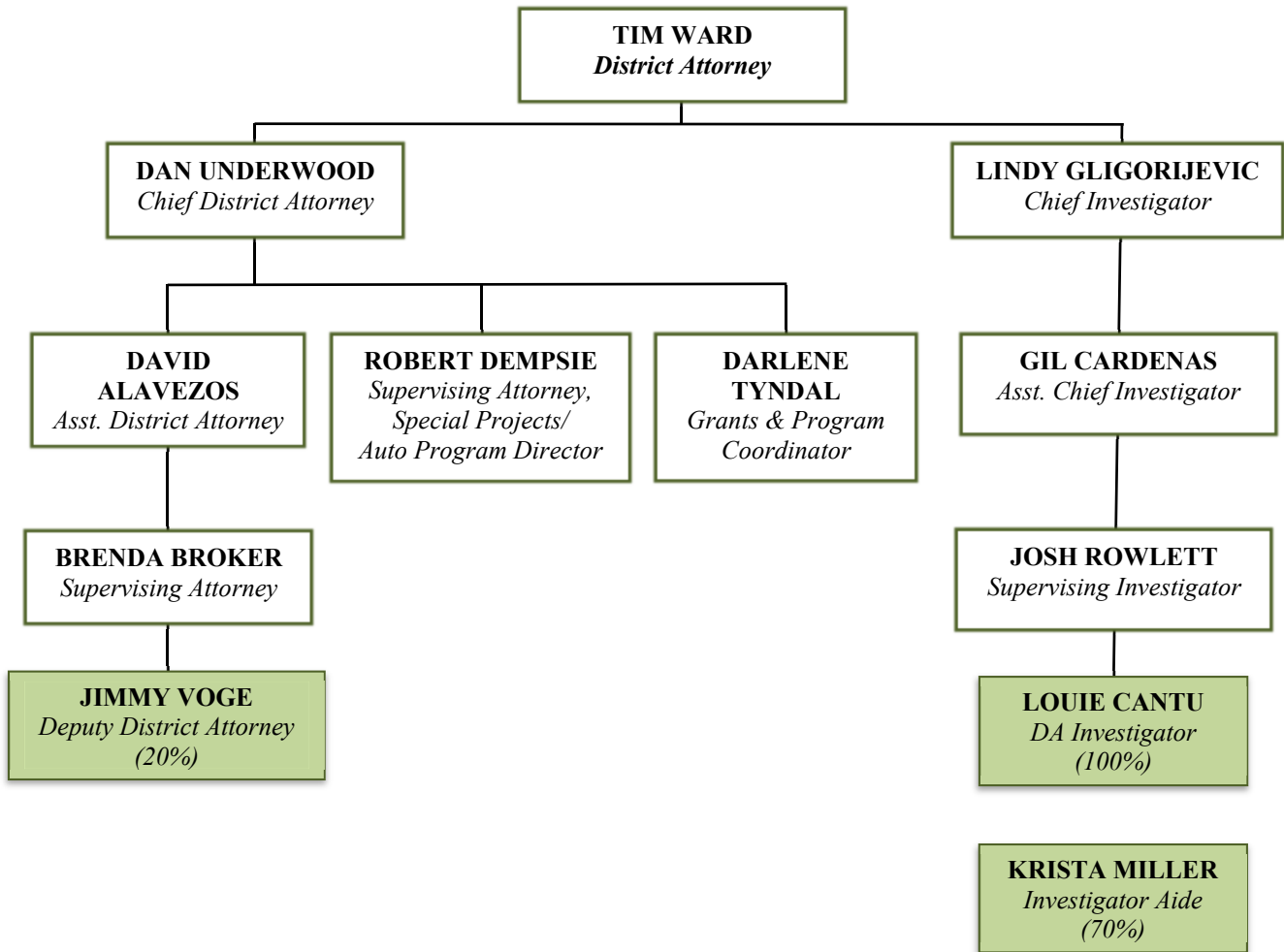
Investigator Aide Miller came to our office November 2016, bringing three years of experience in customer service. She spent one year as an aide in the Workers’ Compensation Insurance Fraud program before moving to assist on this grant. She retrieves and logs all incoming referrals, requests claim files, 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.

Previously Funded Within FY 18/19

Investigator Lance Kirk joined the Tulare County District Attorney's Office after spending 10 years with a local police department, where he worked narcotics, homicides, sex crimes, embezzlement, and child abuse cases. Prior to his assignment to the Program, Investigator Kirk worked in the Welfare Fraud Unit. He attended the Police Academy at College of the Sequoias.

FORM 06(b)

**COUNTY PLAN: ORGANIZATIONAL CHART
FISCAL YEAR 2019-2020**



 = Staff proposed to be funded through this grant by % funded

FORM 07

**COUNTY PLAN: DISTRICT ATTORNEY PROGRAM REPORT
FISCAL YEAR 2018-2019**

DAR (FORM 07) is submitted online

STATISTICAL INFORMATION WILL BE CAPTURED

FROM JULY 1, 2018 TO JUNE 15, 2019

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 2019-2020**

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%¹. One in four residents live below the poverty level, with a whopping 38% of children living in poverty.² At \$42,031, Tulare County's median household income is far below the state's average of \$61,818³.

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.

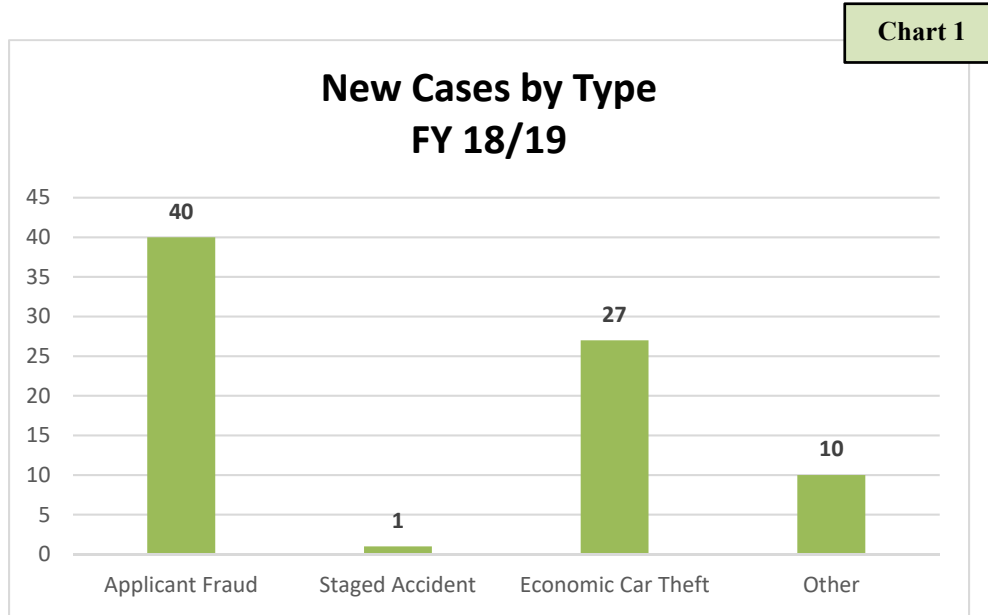
HISTORICAL FRAUD TRENDS

As seen in Chart 1 on the following page, a review of this year's new case types shows 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 86% of our new cases this year.

¹ EDD, March 2018

² U.S. Census 2012-2016 American Community Survey 5-Year Estimates

³ United State Census Bureau



FRAUD IMPACT

Automobile insurance fraud hurts everyone – not just the insurance companies that cover the fraudulent losses. These losses are passed on to consumers through increased insurance rates. In fact, the National Insurance Crime Bureau estimates an additional \$200-300 per policy is added to compensate for insurance fraud.

It is essential then 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.

Our multi-faceted approach to combat auto insurance fraud includes outreach and education, aggressive investigation/prosecution, and collaborative partnerships. We plan to continue to fight auto insurance fraud in Tulare County through these same key components:

- **Outreach & Education**
It is important that people are aware of what auto insurance fraud is, and that our office will pursue 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 Cantu has a very large caseload. He will continue to review and quickly close cases that are not viable, while ordering the claim file for promising cases and investigating appropriately.
- **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 (which funds T-RATT). 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 Cantu 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 Lara 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.

Commissioner Lara 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 **insurance fraud training received** by each county staff member in the automobile insurance fraud unit **during Fiscal Years 2017-2018 and 2018-2019**.

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

DDA Voge

- ✓ CDAA Fraud Symposium (October 2018)
- ✓ 30th Annual Anti-Fraud Conference (April 2019)

Investigator Cantu

- ✓ 30th Annual Anti-Fraud Conference (April 2019)

Investigator Aide Miller

- ✓ 30th Annual Anti-Fraud Conference (April 2019)
- ✓ 29th Annual Anti-Fraud Conference (April 2018)
- ✓ CDAA Fraud Symposium (October 2017)

Past Program Staff

DDA Johnston

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

Investigator Kirk

- ✓ CDAA Fraud Symposium (October 2018)

- Describe what kind of training/outreach **you provided in Fiscal Year 2018-2019** 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. Do not include presentation materials (e.g., fliers, power points, sign in sheets).

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, the program's investigator and prosecutor have staffed booths at various large community events, including:

- **September 2017 – Tulare County Fair:** staffed a booth and handed out informational brochures to 150 attendees.
- **February 2018 – World Ag Expo:** staffed 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.
- **September 2018 - Tulare County Fair:** staffed a booth and handed out informational brochures to 452 attendees.
- **February 2019 – World Ag Expo:** staffed a booth and handed out informational brochures to 344 attendees.

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.

- Describe what kind of training/outreach **you plan to provide in Fiscal Year 2019-2020**.

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.

Throughout Fiscal Year 19/20, the Program staff plan to provide training to local police departments throughout Tulare County, to describe what to look for in suspected auto insurance fraud cases, and how to report it.

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. Still, in the last two fiscal years, we have ordered \$30,347 and collected \$25,573 in restitution.

6. Identify the performance objectives that the county would consider **attainable** and would have a significant impact in reducing automobile insurance fraud. Project a count you expect to **actively** investigate. Do not include cases that are open and assigned but have little or no expectation of being worked.

Projection for FY 2019-2020:

- a. 20 new investigations will be opened and worked during FY 2019-2020
- b. 7 new prosecutions will be initiated during FY 2019-2020

Prior year’s projection from FY 2018-2019 submitted RFA:

- c. 20 new investigations will be initiated during FY 2018-2019
- d. 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>202,425</u> FY 2019-2020 Grant REQUEST	\$ <u>203,291</u> FY 2018-2019 Grant AWARD	\$ <u>0</u> FY 2019-2020 Increase Requested
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Utilization Plan:

N/A

Form 10 here

Form 11 here

Form 12 here

**AUTOMOBILE INSURANCE FRAUD PROGRAM
 PROGRAM BUDGET: EQUIPMENT LOG
 PRIOR FISCAL YEAR 2018-2019**

COUNTY NAME: Tulare

Equipment Ordered	Equipment Cost	Date Ordered	Date Received	Serial Number	Equipment Tag Number
Lenovo ThinkCentre M910S (PC)	\$838.85	3/20/19	4/19/19	MJ085NFK	DA00417
Lenovo ThinkVision P24q (monitor)	\$247.38	3/20/19	4/19/19	VTJ43475	DA00364

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

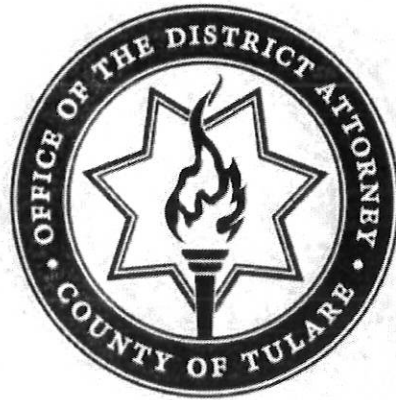
Signature: *Darlene Tyndal*

Date: 6/28/19

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 2019-2020

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 2018, 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 Ricardo Lara (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.

- A prosecutor will be assigned to each investigation to assist in any legal issues and to ensure that all elements of the case are present to meet charging requirements. This teamwork will reduce unnecessary investigative work and insure that an investigation is terminated at the earliest possible time if it becomes apparent that no further amount of work would result in a prosecution.

Objective 1-4: Consent to Record Lawful Communications per Penal Code §633

Pursuant to California Penal Code §633, the District Attorney's Office shall authorize any peace officer employed by the California Department of Insurance, Fraud Division to surreptitiously record any communication that can be lawfully overheard or recorded in connection with any criminal investigation involving only workers' compensation insurance fraud and auto insurance fraud in the County of Tulare. This authorization shall remain in effect for the 2019-2020 fiscal year. The District Attorney's Office shall have the right to withdraw this authorization by written notice to the Department of Insurance, Fraud Division.

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.
- Certified Court Minute Orders on all workers' compensation convictions/sentencing will be provided to the Central Valley Regional Office as soon as possible.

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.
- In a case where there will be a "joint" undercover investigation, there will be a joint operational plan prepared prior to the start of the investigation, which outlines and specifies the goals and objectives of the investigation, as well as the duties and responsibilities, including personnel and financial responsibilities of each of the parties in the investigation.

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

6/25/19
Date



Christine Diep
Captain
California Department of Insurance
Fraud Division, Central Valley Regional Office

6/26/19
Date

ATTACHMENT B
CONFIDENTIAL DOCUMENT