

Special Revenue Funds - Consolidated

DESCRIPTION OF MAJOR SERVICES

Real Estate Fraud Prosecution accounts for activity related to the investigation and prosecution of real estate fraud crimes in the County. Pursuant to Government Code section 27388, the costs related to this activity are funded through a fee charged on recorded documents. On July 22, 2014, the Board of Supervisors (Board) adopted Resolution 2014-164 authorizing an increase of this fee from \$3.00 to \$10.00. The revenue collected from this fee is transferred to the District Attorney's Criminal Prosecution budget unit to offset the cost of staff assigned to investigate/prosecute real estate fraud.

Budget at a Glance

Requirements Less Reimbursements	\$8,345,031
Sources/Reimbursements	\$7,015,370
Use of/ (Contribution to) Fund Balance	\$1,329,661
Total Staff	0

Auto Insurance Fraud Prosecution represents activity related to the investigation and prosecution of automobile insurance fraud. Insurance fraud is a particular problem for automobile policy holders. It contributes substantially to the cost of automobile insurance, particularly in urban areas. Prevention of automobile insurance fraud can significantly reduce insurance claim payments and may therefore produce a commensurate reduction in automobile insurance premiums. Under direction of the Insurance Commissioner, the California Department of Insurance makes funds available, as authorized by the California Insurance Code, to the District Attorney's Office for investigation and prosecution of automobile insurance fraud. Sources are transferred to the District Attorney's Criminal Prosecution budget unit to offset the cost of staff assigned to investigate/prosecute auto insurance fraud.

Workers' Compensation Fraud Prosecution accounts for activity related to the investigation and prosecution of workers' compensation insurance fraud. The California Department of Insurance, pursuant to Section 1871.83 of the California Insurance code, distributes funds to the District Attorney's Office for this purpose. These assessed funds represent a percentage of the total premiums collected by workers' compensation claims relating to the willful failure to secure the payment of workers' compensation. Of all money collected by the state, 56% is retained by the state for fraud investigation and 44% is distributed statewide to District Attorney Offices through a grant program. The funds received by San Bernardino County are administered through this budget unit. The insurance grant revenue is transferred to the District Attorney's Criminal Prosecution budget unit to offset the cost of staff assigned to prosecute workers' compensation insurance fraud.

Specialized Prosecutions was established in 1990-91 with funding from various fines and forfeitures for the District Attorney's Office to prosecute crimes such as hazardous waste dumping, consumer fraud and violations of Cal/OSHA laws. Sources are transferred to the District Attorney's Criminal Prosecution budget unit to offset the cost of staff associated with these specialized prosecutions.

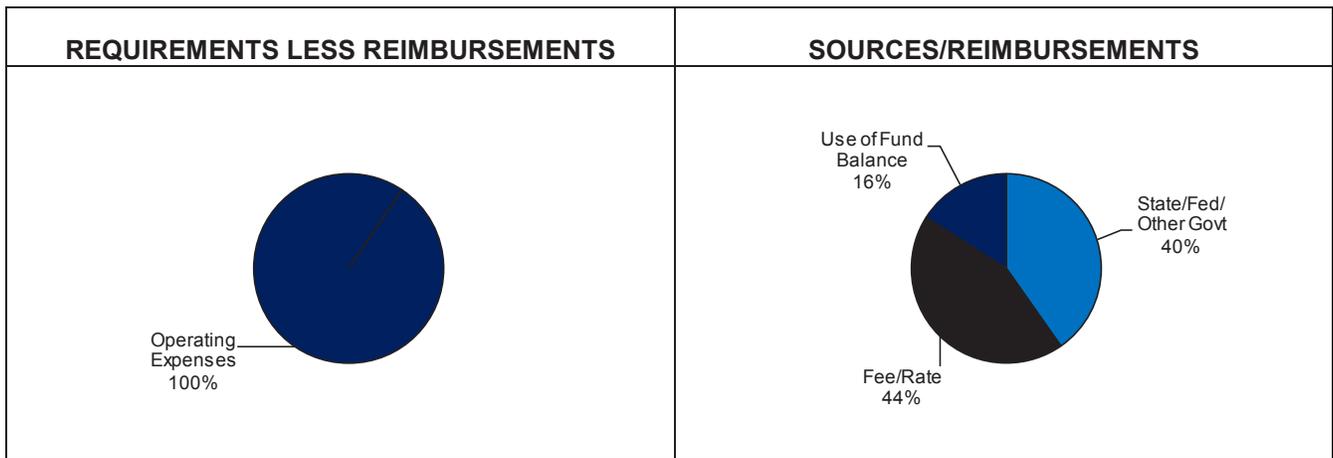
Vehicle fees – Auto Theft accounts for the receipt of assessments on vehicles registered in San Bernardino County. On May 2, 1995, the Board adopted a resolution, pursuant to Vehicle Code 9250.14, to impose a \$1.00 fee on each San Bernardino County new and renewal vehicle registration. The Board adopted a subsequent resolution on June 16, 2015 to increase this fee from \$1.00 to \$2.00 per vehicle. The revenue from this fee is used to enhance the capacity of local law enforcement and prosecutors to deter, investigate and prosecute vehicle theft crimes. This budget unit receives the District Attorney's share of the registration assessment on vehicles registered in San Bernardino County. Sources are transferred to the District Attorney's Criminal Prosecution budget unit to offset the costs of prosecuting and investigating automobile theft crimes.

State Asset Forfeitures represent receipt of the District Attorney's share of state asset forfeiture funds. The goal of asset forfeiture is to remove the profits from those who benefit from illegal activities. While seizures and arrests present a temporary setback for criminals, asset forfeiture is effective in permanently removing the proceeds from the criminals while diminishing their ability to continue the illegal enterprise. The law permits law enforcement agencies to use the proceeds of forfeitures to offset public safety expenses. Thus, law enforcement is able to convert criminal profits into supplemental funding to inhibit illegal activities. Sources are transferred to the District Attorney's Criminal Prosecution budget unit to help offset the cost of processing asset forfeiture cases.



Federal Asset Forfeitures account for the share of federal asset forfeitures processed by the District Attorney's Office. In 1982, Congress enacted the comprehensive Crime Control act that gave federal prosecutors new forfeiture provisions to combat crime. Also created by this legislation was the Department of Justice Assets Forfeiture Fund. Proceeds from the sale of forfeited assets such as real property, vehicles, businesses, financial instruments, vessels, aircraft and jewelry are deposited into this fund and are subsequently used to further law enforcement initiatives. Under the Equitable Sharing program, proceeds from the sale of these seized assets are often shared with participating state and local law enforcement agencies. The County's share of these funds are ultimately transferred to the District Attorney's Criminal Prosecution budget unit to assist with operating costs of the Department's Asset Forfeitures unit and other eligible public safety expenses pursuant to established guidelines set forth by the U.S. Department of Justice.

2015-16 ADOPTED BUDGET



ANALYSIS OF 2015-16 ADOPTED BUDGET

GROUP: Law and Justice
 DEPARTMENT: District Attorney
 FUND: Special Revenue Funds - Consolidated

BUDGET UNIT: Various
 FUNCTION: Public Protection
 ACTIVITY: Judicial

	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2014-15 Final Budget	2015-16 Adopted Budget	Change From 2014-15 Final Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	6,399,296	6,731,791	6,168,581	6,932,225	8,095,677	8,345,031	249,354
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	6,399,296	6,731,791	6,168,581	6,932,225	8,095,677	8,345,031	249,354
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	6,399,296	6,731,791	6,168,581	6,932,225	8,095,677	8,345,031	249,354
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	6,399,296	6,731,791	6,168,581	6,932,225	8,095,677	8,345,031	249,354
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	3,616,819	3,650,341	3,716,057	3,548,113	3,676,741	3,356,458	(320,283)
Fee/Rate	2,027,195	3,778,175	2,182,897	4,130,274	2,803,901	3,648,000	844,099
Other Revenue	23,495	17,361	8,577	18,071	13,475	10,912	(2,563)
Total Revenue	5,667,509	7,445,877	5,907,531	7,696,458	6,494,117	7,015,370	521,253
Operating Transfers In	780,606	0	0	0	0	0	0
Total Financing Sources	6,448,115	7,445,877	5,907,531	7,696,458	6,494,117	7,015,370	521,253
Fund Balance							
Use of / (Contribution to) Fund Balance	(48,819)	(714,086)	261,050	(764,233)	1,601,560	1,329,661	(271,899)
Available Reserves					2,854,419	3,890,551	1,036,132
Total Fund Balance					4,455,979	5,220,212	764,233
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents final budgeted staffing

DETAIL OF 2015-16 ADOPTED BUDGET

	2015-16				
	Requirements	Sources	Use of / (Contribution to) Fund Balance	Available Reserves	Staffing
Special Revenue Funds					
Real Estate Fraud Prosecution (Fund REB)	2,784,878	2,250,000	534,878	501,973	0
Auto Insurance Fraud Prosecution (Fund RIP)	644,921	580,000	64,921	259,587	0
Workers' Comp Insurance Fraud (Fund ROB)	2,123,512	2,103,324	20,188	527,327	0
Specialized Prosecutions (Fund SBI)	1,571,423	1,055,000	516,423	789,582	0
Vehicle Fees - Auto Theft (Fund SDM)	798,165	675,419	122,746	61,087	0
State Asset Forfeitures (Fund SBH)	210,311	150,000	60,311	23,650	0
Federal Asset Forfeitures (Fund SDN)	211,821	201,627	10,194	1,727,345	0
Total Special Revenue Funds	8,345,031	7,015,370	1,329,661	3,890,551	0

MAJOR EXPENDITURES AND REVENUE IN 2015-16 ADOPTED BUDGET

Real Estate Fraud Prosecution: Requirements of \$2.8 million are for transfers to the Department's Criminal Prosecution budget unit for the cost of staff assigned to real estate fraud prosecution. Sources of \$2.3 million represent the amount anticipated from the \$10.00 fee collected on recording documents for real estate fraud prosecution. The use of fund balance of \$534,878 is for staffing costs in the Department's general fund budget unit.



Auto Insurance Fraud Prosecution: Requirements of \$644,921 are for transfers to the Department's Criminal Prosecution budget unit for the cost of staff assigned to auto insurance fraud prosecution. Sources of \$580,000 represent projected grant funds from the California Department of Insurance. The use of fund balance of \$64,921 is for staffing costs in the department's general fund budget unit.

Workers' Compensation Insurance Fraud Prosecution: Requirements of \$2.1 million are for transfers to the Department's Criminal Prosecution budget unit for the cost of staff assigned to workers' compensation insurance fraud prosecution. Sources of \$2.1 million reflect projected grant funds from the California Department of Insurance. The use of fund balance of \$20,188 is for staffing costs in the department's general fund budget unit.

Specialized Prosecutions: Requirements of \$1.6 million are for transfers to the Department's Criminal Prosecution budget unit for staffing and other costs related to specialized prosecution. Sources of \$1.1 million reflect the Department's estimated revenue from anticipated case settlements during 2015-16. The use of fund balance of \$516,423 is for the costs to prosecute crimes such as hazardous waste dumping, consumer fraud, and violations of Cal OSHA laws.

Vehicle Fees – Auto Theft Prosecution: Requirements of \$798,165 are for transfers to the Department's Criminal Prosecution budget unit for costs associated with prosecuting and investigating automobile theft crimes. Sources of \$675,419 primarily represent new and renewal registration assessments on vehicles registered in San Bernardino County. The use of fund balance of \$122,746 is for staffing costs in the department's general fund budget unit.

State Asset Forfeitures: Requirements of \$210,311 are primarily for transfers to the Department's Criminal Prosecution budget unit to help offset the costs of processing asset forfeiture cases. Sources of \$150,000 reflect the anticipated proceeds from asset forfeitures. The use of fund balance of \$60,311 is to assist with the costs of processing asset forfeiture claims.

Federal Asset Forfeitures: Requirements of \$211,821 are for transfers to the Department's Criminal Prosecution budget unit to assist with operating expenses of the Asset Forfeiture Unit. Sources of \$201,627 represent proceeds from federal asset forfeiture funds (\$198,000) and interest earnings (\$3,627). The use of fund balance of \$10,194 funds various costs in the department's general fund budget unit considered eligible under U.S. Department of Justice guidelines.

BUDGET CHANGES AND OPERATIONAL IMPACT

The only significant budget change for 2015-16 is an increase in fee/rate revenue of \$844,099 due to additional case settlements anticipated from specialized prosecutions and the July 22, 2014 Board action (Item #60) authorizing an increase to the recording fee for real estate documents.

ANALYSIS OF FUND BALANCE

Real Estate Fraud Prosecution: Although the 2015-16 budget is using fund balance of \$534,878 for staffing costs, the Department expects additional fee revenue to be generated in future years through increased activity in the real estate market.

Auto Insurance Fraud Prosecution: Although the 2015-16 budget is using fund balance of \$64,921 for staffing costs, the Department expects to receive additional grant funds to mitigate the use of fund balance in the future.

Workers' Compensation Insurance Fraud Prosecution: The \$20,188 use of fund balance for 2015-16 is a nominal amount in contrast to the \$527,327 of available reserves.



Specialized Prosecutions: For 2015-16, this budget unit is utilizing \$516,423 of fund balance to prosecute such crimes as hazardous waste dumping, consumer fraud, and violations of Cal OSHA laws. These types of cases often continue for several months or possibly years. When these cases eventually conclude, the Department receives funding for cost reimbursement and this fund balance is ultimately replenished.

Vehicle Fees – Auto Theft Prosecution: Although the 2015-16 budget is using fund balance of \$122,746 for staffing costs, expectation is that these funds will be recouped via future revenues related to this program. On June 16, 2015 (Item #36), the Board approved an increase in the registration assessment on motor vehicles registered in San Bernardino County. The additional \$850,000 of fee revenue projected annually from this increase, which is not included in the 2015-16 budget, will be used to provide enhanced investigation and prosecution of vehicle theft crime.

State Asset Forfeitures: The 2015-16 budget includes the use of fund balance of \$60,311 to assist with the cost of processing asset forfeiture cases. When these cases conclude, the Department will receive funding pursuant to California law and the fund balance will be replenished at that time.

Federal Asset Forfeitures: The \$10,194 use of fund balance for 2015-16 is a nominal amount in contrast to the \$1.7 million of available reserves.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with these consolidated special revenue budget units.

