

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 unit (less an administrative fee) to offset the cost of staff assigned to investigate/prosecute real estate fraud.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$8,883,729
Total Sources (Incl. Reimb.)	\$8,496,509
Use of/ (Contribution to) Fund Balance	\$387,220
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 Insurance 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 grant funds to the District Attorney's Office for this purpose. 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 established to ensure safe and healthy working conditions for California workers. Sources are transferred to the District Attorney's Criminal Prosecution budget unit to offset the cost of staff associated with these specialized prosecutions.

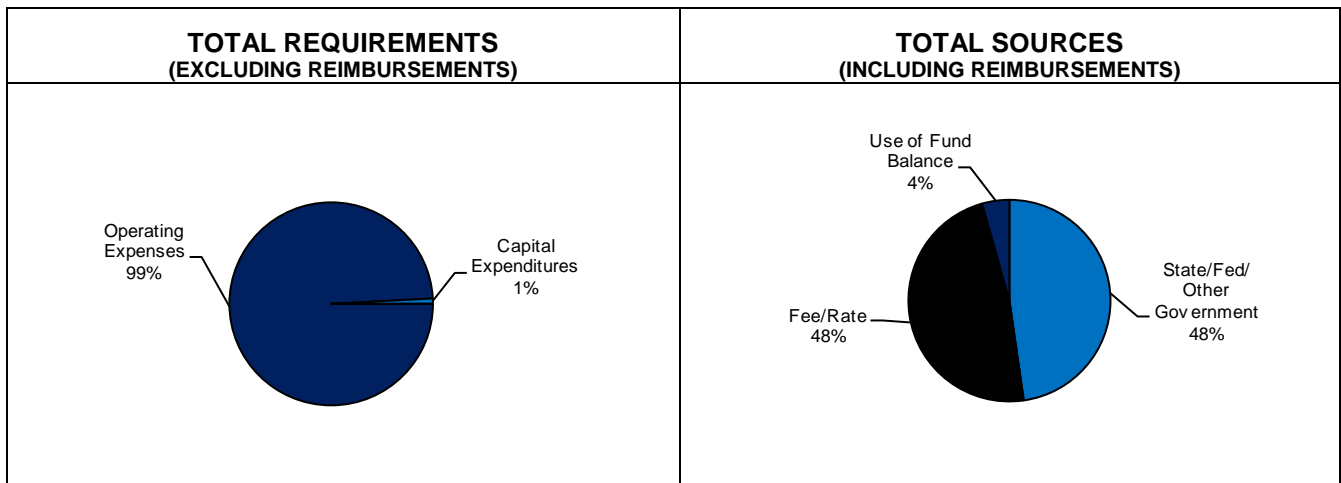
Vehicle Fees – Auto Theft Prosecution accounts for the receipt of assessments on vehicles registered in San Bernardino County. On May 2, 1995, the Board adopted a resolution, pursuant to Vehicle Code 9250.14, to impose a \$1.00 fee on each San Bernardino County new and renewal vehicle registration. The 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 seizure 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 forfeitures 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 in 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 Forfeiture unit and other eligible public safety expenses pursuant to established guidelines set forth by the U.S. Department of Justice.

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

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

BUDGET UNIT: Various
 FUNCTION: Public Protection
 ACTIVITY: Judicial

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	6,731,791	6,168,581	6,932,225	8,345,031	8,116,500	8,808,729	463,698
Capital Expenditures	0	0	0	0	0	75,000	75,000
Total Exp Authority	6,731,791	6,168,581	6,932,225	8,345,031	8,116,500	8,883,729	538,698
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	6,731,791	6,168,581	6,932,225	8,345,031	8,116,500	8,883,729	538,698
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	6,731,791	6,168,581	6,932,225	8,345,031	8,116,500	8,883,729	538,698
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	3,650,341	3,716,057	3,548,113	3,356,458	3,548,250	4,240,943	884,485
Fee/Rate	3,778,175	2,182,897	4,130,274	3,648,000	4,269,121	4,240,000	592,000
Other Revenue	17,361	8,577	18,071	10,912	17,348	15,566	4,654
Total Revenue	7,445,877	5,907,531	7,696,458	7,015,370	7,834,719	8,496,509	1,481,139
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	7,445,877	5,907,531	7,696,458	7,015,370	7,834,719	8,496,509	1,481,139
Fund Balance							
Use of / (Contribution to) Fund Balance	(714,086)	261,050	(764,233)	1,329,661	281,781	387,220	(942,441)
Available Reserves				3,890,551	4,938,431	4,551,211	660,660
Total Fund Balance				5,220,212	5,220,212	4,938,431	(281,781)
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

DETAIL OF 2016-17 RECOMMENDED BUDGET

2016-17

	Requirements	Sources	Use of / (Contribution to) Fund Balance	Available Reserves	Staffing
Special Revenue Funds					
Real Estate Fraud Prosecution (Fund REB)	2,728,385	2,900,000	(171,615)	1,345,888	0
Auto Insurance Fraud Prosecution (Fund RIP)	689,455	577,000	112,455	147,132	0
Workers' Comp Ins Fraud Prosecution (Fund ROB)	2,371,769	2,115,809	255,960	283,550	0
Specialized Prosecutions (Fund SBI)	1,543,485	1,155,000	388,485	509,210	0
Vehicle Fees - Auto Theft Prosecution (Fund SDM)	1,296,941	1,551,200	(254,259)	495,474	0
State Asset Forfeitures (Fund SBH)	210,321	150,000	60,321	23,449	0
Federal Asset Forfeitures (Fund SDN)	43,373	47,500	(4,127)	1,746,508	0
Total Special Revenue Funds	8,883,729	8,496,509	387,220	4,551,211	0

Real Estate Fraud Prosecution: Requirements of \$2.7 million are for transfers to the department's Criminal Prosecution budget unit for costs related to prosecuting real estate fraud. Sources of \$2.9 million represent the amount anticipated from the \$10.00 fee collected on recorded documents for real estate fraud prosecution.



Auto Insurance Fraud Prosecution: Requirements of \$689,455 are for transfers to the department's Criminal Prosecution budget unit for costs related to prosecuting auto insurance fraud cases. Sources of \$577,000 represent projected grant funds from the California Department of Insurance. The Use of Fund Balance of \$112,455 is for the program's staffing and other operating costs. If grant funds are not increased in the future, program costs will need to be reduced.

Workers' Compensation Insurance Fraud Prosecution: Requirements of \$2.4 million are for transfers to the department's Criminal Prosecution budget unit for costs related to prosecuting workers' compensation insurance fraud cases. Sources of \$2.1 million reflect projected grant funds from the California Department of Insurance. The Use of Fund Balance of \$255,960 is for the program's staffing and other operating costs. If grant funds are not increased in the future, program costs will need to be reduced.

Specialized Prosecutions: Requirements of \$1.5 million are for transfers to the department's Criminal Prosecution budget unit for staffing and other costs related to specialized prosecution. Sources of \$1.2 million reflect the department's estimated revenue from anticipated case settlements during 2016-17. The Use of Fund Balance of \$388,485 is for the costs to prosecute crimes such as hazardous waste dumping, consumer fraud, and violations of Cal OSHA laws. These types of cases often continue for many months or possibly years in some instances. When these cases eventually conclude, the department receives funding for cost reimbursement and this Fund Balance is replenished at that time.

Vehicle Fees – Auto Theft Prosecution: Requirements of \$1.3 million are for transfers to the department's Criminal Prosecution budget unit for costs associated with prosecuting and investigating automobile theft crimes. Sources of \$1.6 million represent new and renewal registration assessments on vehicles registered in San Bernardino County.

State Asset Forfeitures: Requirements of \$210,321 are primarily for transfers to the department's Criminal Prosecution budget unit to help offset costs related to asset forfeiture cases. Sources of \$150,000 reflect the anticipated proceeds from asset forfeitures. The Use of Fund Balance of \$60,321 is to assist with the costs of processing asset forfeiture claims. Proceeds from these asset forfeitures tend to fluctuate on an annual basis. When these cases conclude, the department receives funding pursuant to California law and the Fund Balance is replenished at that time.

Federal Asset Forfeitures: Requirements of \$43,373 are for transfers to the department's Criminal Prosecution budget unit to assist with operating expenses of the Asset Forfeiture Unit. Sources of \$47,500 represent proceeds from federal asset forfeitures (\$40,000) and interest earnings (\$7,500).

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$538,698 primarily due to a \$498,775 increase in transfers to the department's Criminal Prosecution budget unit for the cost of 3 additional Investigator positions, as approved by the Board in the first quarter of 2015-16, to enhance the department's capacity to investigate and prosecute automobile theft crimes.

Sources are increasing by \$1.5 million due to additional revenue generated from Board-approved fee increases for vehicle registration (\$875,000) and recorded real estate documents (\$650,000).



ANALYSIS OF FUND BALANCE

The following Special Revenue Funds have budgeted the Use of Fund Balance for 2016-17:

- Auto Insurance Fraud Prosecution: \$112,455 for the program's staffing and other operating costs. If grant funds are not increased in the future, program costs will need to be reduced.
- Worker' Compensation Insurance Fraud Prosecution: \$255,960 for the program's staffing and other operating costs. If grant funds are not increased in the future, program costs will need to be reduced.
- Specialized Prosecutions: \$388,485 for the costs to prosecute crimes such as hazardous waste dumping, consumer fraud, and violations of Cal OSHA laws. These types of cases often continue for many months or possibly years in some instances. When these cases eventually conclude, the Department receives funding for cost reimbursement and this fund balance is replenished at that time.
- State Asset Forfeitures: \$60,321 to assist with the costs of asset forfeiture cases. Proceeds from these asset forfeitures tend to fluctuate on an annual basis. When these cases conclude, the Department receives funding pursuant to California law and the fund balance is replenished at that time.

The following Special Revenue Funds have budgeted a Contribution to Fund Balance that will increase the amount of Available Reserves:

- Real Estate Fraud Prosecution (\$171,615)
- Vehicle Fees – Auto Theft Prosecution (\$254,259)
- Federal Asset Forfeitures (\$4,127)

STAFFING CHANGES AND OPERATIONAL IMPACT

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

