

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MARCH 24, 2026**

MINUTE ORDER NO. 19

SUBJECT: ESTABLISHING A COUNTY CONSUMER FAIRNESS & PUBLIC PROTECTION UNIT TO PROTECT RESIDENTS AND ENFORCE THE RULE OF LAW USING DEDICATED SETTLEMENT FUNDS (DISTRICTS: ALL)

OVERVIEW

San Diego County is facing an affordability crisis that goes beyond the cost of housing alone. Environmental contamination, bad-faith health insurance denials, and corporate practices that break the rules are compounding everyday costs for families and small businesses alike. Hidden fees, predatory financial practices, unlawful debt collection, deceptive business conduct, and unfair housing practices are quietly draining household budgets. Seniors lose fixed incomes to overdraft charges, service members are steered into abusive loans, families face mounting medical bills when insurers unlawfully deny care, and honest businesses are undercut by competitors who profit through deception.

Together, these practices function as an invisible “unfairness tax,” raising the cost of living without improving services, wages, or quality of life.

The federal government, particularly through the gutting of the Consumer Financial Protection Bureau, has given up on protecting the public, leaving a widening vacuum in consumer and civil law enforcement. And as national oversight has weakened, corporate misconduct has grown more sophisticated, with exploitative businesses not playing by the rules, including digital scams, AI-generated fraud, predatory fintech products, environmental contamination and Tijuana River pollution that harms public health, and bad-faith health insurance denials.

This enforcement gap allows harm to persist, despite the diligent and tireless work of local enforcement bodies, including the District Attorney’s Office. The volume and complexity of corporate misconduct today simply exceed the capacity of any single office. State agencies must focus on large statewide cases, and city attorneys, legal aid organizations, and community groups often lack the resources to take on complex corporate misconduct. Structural barriers such as mandatory arbitration clauses and opaque corporate ownership further limit private enforcement, allowing illegal practices to continue largely unchecked. This leaves many harms, especially among vulnerable communities and local small businesses, without an effective public enforcement response.

The County of San Diego (County) can step into this gap and make sure residents are not left to fight corporate abuse on their own.

The proposed **Consumer Fairness and Public Protection (CFPP) Unit**, housed within the Office of County Counsel, will strengthen the County’s ability to pursue proactive consumer protection, civil enforcement, and affirmative litigation against corporations and entities that harm residents through illegal, deceptive, or predatory practices. CFPP will help close enforcement gaps, coordinate with partner agencies, and act where no other entity can.

In addition, CFPP would include a mediation and early resolution function to help residents who are facing unlawful fees, deceptive charges, or unfair practices. This function would allow the County to

contact businesses directly, seek refunds or corrective action where appropriate, and stop ongoing harm quickly. When informal resolution is not sufficient or a broader pattern of misconduct is identified, CFPP would escalate the matter to formal civil enforcement.

CFPP will complement and amplify the work of existing enforcement partners across the region and state. Consumer and public protection today are shared among many entities, including the California Attorney General, the San Diego County District Attorney, City Attorneys, state and federal regulators, and legal aid and nonprofit organizations that represent harmed residents. Each plays a critical role, but each also operates within specific jurisdictional, legal, and resource constraints.

Within this ecosystem, the District Attorney's Office plays a vital role in protecting residents, especially through criminal and civil prosecution, and has shown leadership in combating fentanyl trafficking, protecting victims of domestic violence and human trafficking, prosecuting complex violent crimes, and pursuing financial crimes. Protecting San Diego County consumers from harm and unlawful business and environmental practices has been a priority for the District Attorney's Office who established its consumer protection unit in 1971 and is currently considered a leader in California in both civil and criminal consumer protection.

CFPP fills a complementary need by expanding the County's civil enforcement role to address corporate misconduct that may not be reached through criminal prosecution or that requires sustained civil litigation to stop ongoing harm. That is exactly what the State had in mind when it passed SB 461 (2021), recognizing a widening enforcement gap and authorizing large counties to bring civil actions on behalf of the People. Since then, Los Angeles County and Santa Clara County have used this authority to build dedicated civil enforcement capacity. San Diego alone has not yet taken advantage of this tool. Establishing CFPP would allow the County of San Diego to step into that role.

CFPP will focus on high-impact areas where unlawful practices are driving up costs and harming residents, including environmental pollution affecting the Tijuana River Valley, deceptive and bad-faith health insurance practices, predatory lending and debt collection schemes, PFAS and other toxic contamination, dangerous or defective consumer products sold in violation of safety and consumer protection laws, and housing- and tenant-related fraud. In these areas, the CFPP Unit would use existing civil enforcement tools to stop ongoing harm, secure restitution, and deter repeat misconduct. This effort builds on the County Counsel's existing work, which has already resulted in significant victories from opioid litigation, tobacco cases, ghost gun litigation, and other matters. The unit will enforce existing state and federal laws, will not create new regulatory requirements, and will not assume criminal prosecutorial functions.

The CFPP unit will not rely on taxpayer funding. Experience from similar units shows they can generate public dollars through enforcement fines and settlements. It will be launched using existing, restricted consumer protection settlement dollars and structured over time as a revolving enforcement and recovery fund, allowing penalties and settlements secured through enforcement to sustain and expand the work without competing with other County budget priorities.

Strong enforcement is a strategic use of public resources. When families are drained by illegal fees, fraudulent schemes, or unlawful housing practices, the costs often show up later in County systems, from emergency housing and public assistance to legal aid and healthcare. Preventing harm reduces those downstream pressures and protects honest businesses that play by the rules but are undercut by bad actors.

Together, these actions help stop the practices that quietly make life more expensive for working families, protect honest businesses, and make sure the rules are enforced fairly and consistently.

RECOMMENDATION(S)

CHAIR TERRA LAWSON-REMER

1. Direct County Counsel, in coordination with the Chief Administrative Officer, to establish a Consumer Fairness and Public Protection (CFPP) Unit, to serve as a permanent, enterprise-level civil enforcement and affirmative litigation function of the County, focused on consumer protection, consumer product safety, financial abuse, unfair competition, environmental justice, and economic fairness. The CFPP unit shall be housed within the Office of County Counsel, with authority to investigate, initiate, and litigate affirmative civil enforcement actions under local, state and federal law, including but not limited to mass torts, unfair competition, false advertising, consumer financial protection, and related statutes.

Administrative Code 142 shall be amended to provide standing authority for the County Counsel and the CFPP to bring lawsuits on behalf of the County.

The unit shall be led by a CFPP Director, who shall serve as a senior Assistant County Counsel or equivalent classification, reporting directly to the County Counsel. The Director shall possess significant demonstrated expertise in consumer protection, complex civil litigation, and public enforcement.

The unit shall be staffed with up to 30 FTEs within two years of Board authorization.

The unit shall work collaboratively to develop coordination protocols with other enforcement agencies, such as the San Diego County District Attorney, City Attorneys, the California Attorney General and California Department of Justice to ensure deconfliction, referral of potential criminal matters, and alignment of enforcement priorities where appropriate.

2. Direct County Counsel, in coordination with the Chief Administrative Officer, to establish within the CFPP Unit an intake and early-resolution function for consumer and financial protection complaints.

This intake system shall be designed primarily to identify systemic patterns of unlawful conduct, repeat actors, and high-impact enforcement opportunities.

This function shall be carefully limited and shall not operate as a general consumer mediation program, dispute-resolution service, or substitute for private legal representation. Individual complaints that do not present evidence of systemic or repeat harm may be referred to appropriate agencies, nonprofit legal aid providers, or dispute-resolution resources.

3. County Counsel may create a CFPP Community Advisory Working Group, composed of local litigation technical experts and community members grounded in lived experience who will advise the CFPP Unit on emerging local patterns and issues of consumer and civil harm. This Working Group will meet to help the CFPP Unit stay responsive to real-world conditions.

Furthermore, the working group will help advise county counsel on the hiring process for the CFPP Director, each time the position is filled, that includes meaningful stakeholder input and is designed to ensure strong technical expertise, sound judgment, and community credibility. In developing and carrying out that process, County Counsel may consult with individuals or groups with experience in consumer protection, complex civil litigation, and issues affecting impacted communities.

4. Refer to the Fiscal Year 2026-27 CAO Recommended Operational Plan the appropriation of \$2,400,000 in the Office of County Counsel for the Consumer Fairness and Public Protection (CFPP) Unit based on available settlement funds held in the Consumer Fraud Trust Fund.
5. Direct the Auditor & Controller to establish a trust fund under the administration of the Office of County Counsel and transfer \$30.0 million in available settlement funds from the Prop64 Consumer Fraud-County Trust Fund #46618 (Consumer Fraud Trust Fund) to support the first five years of initial operations estimated for the CFPP, consistent with the consumer protection purposes of those funds and with the same legal and financial restrictions as the Consumer Fraud Trust Fund.
6. Direct the County Counsel, in coordination with the Chief Administrative Officer and Chief Financial Officer, to ensure that all funds are used in accordance with federal and state laws, and any settlement restrictions.
7. Direct County Counsel to establish a Law and Policy Research and Development Project for the CFPP Unit and to develop formal partnerships with accredited law schools. This may include models such as the San Francisco Affirmative Litigation Project in partnership with Yale Law School, which has successfully supported complex public enforcement work for more than two decades. These partnerships will allow for students to support the unit's work, including through legal research, factual development, and strategic case development. Authorize County Counsel to design and modify these partnerships over time, including through clinics, externships, independent study projects, or collaborations with academic institutes or nonprofit entities, consistent with the Board's policy direction, ethical and legal requirements, and the operational needs of the CFPP.
8. Direct County Counsel to present an annual public report to the Board detailing enforcement activity, restitution secured, injunctive relief obtained, early-resolution outcomes, intake trends, and coordination efforts.

EQUITY IMPACT STATEMENT

The collapse of federal consumer protection enforcement disproportionately harms low-income families, communities of color, immigrants, seniors, active-duty military families and veterans, and individuals with limited English proficiency-groups historically targeted by predatory and deceptive financial practices. A dedicated Consumer Fairness and Public Protection (CFPP) unit will promote equity by strengthening local enforcement capacity, restoring protections lost at the federal level, and ensuring that vulnerable residents have access to restitution, legal recourse, and meaningful remedies. The unit will also protect small businesses that are harmed when competitors break the law, supporting a fair and equitable marketplace.

SUSTAINABILITY IMPACT STATEMENT

Strengthening consumer protections will improve long-term economic stability for San Diego residents by preventing fraud, debt traps, and financial exploitation that push families into crisis and reliance on public services. Recoveries from enforcement actions will be reinvested into the unit, creating a sustainable model that supports a resilient local economy and reduces strain on County safety-net systems.

FISCAL IMPACT

There is no fiscal impact for Fiscal Year (FY) 2025-26. If approved, there will be costs and revenue of approximately \$2,400,000 that will be referred for consideration to the FY 2026-27 CAO Recommended Operational Plan, in the Office of County Counsel based on available settlement funds held in the Consumer Fraud Trust Fund for the initial implementation and staffing of the CFPP unit, including the addition of 8 staff years and associated services and supplies (approximately \$1,880,000), and the one-time implementation cost of the consumer portal and intake system (approximately \$520,000).

Beginning in FY 2027-28, there would be ongoing costs of approximately \$6.2 million - 7.4 million per year for the full implementation and staffing of the CFPP Unit, including 30 staff years and associated services and supplies (approximately \$6.1 million - \$7.3 million per year), and the ongoing licensing and maintenance for the consumer portal and intake system (approximately \$65,000 per year). The funding source is anticipated to be settlement funds held in the Consumer Fraud Trust Fund. Beyond FY 2030-31, the CFPP Unit is expected to bring in new settlement funds as an ongoing funding source to be self-sustaining.

There is no anticipated change in net General Fund cost. There may be future costs which staff would return to the Board for consideration and approval and/or inclusion in future Operational Plans.

BUSINESS IMPACT STATEMENT

Stronger enforcement levels the playing field for honest businesses that follow the rules but struggle to compete against bad actors who profit from deception or exploitation. In this way, CFPP is not only a consumer protection initiative, but pro-competition, pro-integrity, and essential to a functioning local economy. By tackling consumer and community harms that drain household resources and destabilize neighborhoods, CFPP also supports a healthier local workforce, strengthens small business conditions, and promotes more stable, sustainable economic growth across the region.

ACTION 19.1:

A motion was made by Supervisor Lawson-Remer, seconded by Supervisor Montgomery Steppe, for the Board of Supervisors to amend take action as recommended, revising Recommendation No. 3 to read: County Counsel may engage with external stakeholders, including those with relevant expertise and community perspectives, to inform the work of the CFPP unit.

(A substitute motion was introduced.)

ACTION 19.2:

A motion was made by Supervisor Desmond, seconded by Supervisor Anderson, for the Board of Supervisors to direct County Counsel to work with the District Attorney to study the potential creation of the Consumer Fairness and Public Protection (CFPP) Unit within County Counsel and identify what, if any, gaps can be addressed and how they can work collaboratively; and return to the Board within 90 days.

AYES: Anderson, Desmond

NOES: Aguirre, Lawson-Remer, Montgomery Steppe

(This motion failed due to lack of majority vote.)

ACTION 19.3:

ON MOTION of Supervisor Lawson-Remer, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took the following actions:

1. Direct County Counsel, in coordination with the Chief Administrative Officer, to establish a Consumer Fairness and Public Protection (CFPP) Unit, to serve as a permanent, enterprise-level civil enforcement and affirmative litigation function of the County, focused on consumer protection, consumer product safety, financial abuse, unfair competition, environmental justice, and economic fairness. The CFPP unit shall be housed within the Office of County Counsel, with authority to investigate, initiate, and litigate affirmative civil enforcement actions under local, state and federal law, including but not limited to mass torts, unfair competition, false advertising, consumer financial protection, and related statutes.

Administrative Code 142 shall be amended to provide standing authority for the County Counsel and the CFPP to bring lawsuits on behalf of the County.

The unit shall be led by a CFPP Director, who shall serve as a senior Assistant County Counsel or equivalent classification, reporting directly to the County Counsel. The Director shall possess significant demonstrated expertise in consumer protection, complex civil litigation, and public enforcement.

The unit shall be staffed with up to 30 FTEs within two years of Board authorization.

The unit shall work collaboratively to develop coordination protocols with other enforcement agencies, such as the San Diego County District Attorney, City Attorneys, the California Attorney General and California Department of Justice to ensure deconfliction, referral of potential criminal matters, and alignment of enforcement priorities where appropriate.

2. Direct County Counsel, in coordination with the Chief Administrative Officer, to establish within the CFPP Unit an intake and early-resolution function for consumer and financial protection complaints.

This intake system shall be designed primarily to identify systemic patterns of unlawful conduct, repeat actors, and high-impact enforcement opportunities.

This function shall be carefully limited and shall not operate as a general consumer mediation program, dispute-resolution service, or substitute for private legal representation. Individual complaints that do not present evidence of systemic or repeat harm may be referred to appropriate agencies, nonprofit legal aid providers, or dispute-resolution resources.

3. County Counsel may engage with external stakeholders, including those with relevant expertise and community perspectives, to inform the work of the CFPP unit. County Counsel shall report back with any updates on this consultation within 30 days.
4. Refer to the Fiscal Year 2026-27 CAO Recommended Operational Plan the appropriation of \$2,400,000 in the Office of County Counsel for the Consumer Fairness and Public Protection (CFPP) Unit based on available settlement funds held in the Consumer Fraud Trust Fund.
5. Direct the Auditor & Controller to establish a trust fund under the administration of the Office of County Counsel and transfer \$30.0 million in available settlement funds from the Prop64 Consumer Fraud-County Trust Fund #46618 (Consumer Fraud Trust Fund) to support the first five years of initial operations estimated for the CFPP, consistent with the consumer protection purposes of those funds and with the same legal and financial restrictions as the Consumer Fraud Trust Fund.
6. Direct the County Counsel, in coordination with the Chief Administrative Officer and Chief Financial Officer, to ensure that all funds are used in accordance with federal and state laws, and any settlement restrictions.
7. Direct County Counsel to establish a Law and Policy Research and Development Project for the CFPP Unit and to develop formal partnerships with accredited law schools. This may include models such as the San Francisco Affirmative Litigation Project in partnership with Yale Law School, which has successfully supported complex public enforcement work for more than two decades. These partnerships will allow for students to support the unit's work, including through legal research, factual development, and strategic case development. Authorize County Counsel to design and modify these partnerships over time, including through clinics, externships, independent study projects, or collaborations with academic institutes or nonprofit entities, consistent with the Board's policy direction, ethical and legal requirements, and the operational needs of the CFPP.
8. Direct County Counsel to present an annual public report to the Board detailing enforcement activity, restitution secured, injunctive relief obtained, early-resolution outcomes, intake trends, and coordination efforts.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe

NOES: Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter