

**COUNTY OF SAN DIEGO  
BOARD OF SUPERVISORS  
TUESDAY, SEPTEMBER 24, 2024**

**MINUTE ORDER NO. 2**

**SUBJECT: DISTRICT ATTORNEY - REQUEST APPROVAL FOR A SINGLE SOURCE PROCUREMENT OF A SOFTWARE LICENSE TO DETECT FRAUDULENT INSURANCE ACTIVITY (DISTRICTS: ALL)**

**OVERVIEW**

The San Diego County District Attorney's Insurance Fraud and Workplace Justice Division (Division) proactively investigates and prosecutes complex insurance fraud prosecutions and brings awareness and education throughout San Diego County. In California, insurance fraud costs consumers approximately \$15 billion a year, and is the second-largest economic crime in the United States, exceeded only by tax evasion. The Division's multiple, reinforcing strategies seek to reduce insurance premiums for consumers, lower workers' compensation premium rates for employers, ensure injured workers receive the benefits they are entitled to collect, and ultimately protect all San Diego communities by deterring this form of criminal behavior.

The District Attorney's Office (DAO) is seeking to procure Verisk Analytics Inc.'s Anti-Fraud One - Government (AF1- Gov) software license, with access to the *ISO ClaimSearch* proprietary database containing claims information from 97% of all property and casualty carriers and third-party administrators throughout the United States. The software aggregates, in real-time, key information from questionable claims, including: the loss history for each party involved in a claim, investigation details and outcomes for the parties' prior claims, patterns of previous losses, network analytics, and evaluation of suspected fraud. Insurance fraud activity has far-reaching implications, and leveraging comprehensive industry data and analytics would enhance the DAO's ability to assess and mitigate emerging fraud risks, as well as increase effectiveness and efficiency in the identification, prioritization, and investigation of fraud. An AF1- Gov software license will grant the DAO automated access to the largest claims database and insights to triage investigations - a unique combination not available from other sources where competition is also precluded because of the existence of proprietary information, pursuant to Board Policy A-87, Competitive Procurement: A-87 (D.3) and (D.1).

This is a request to authorize the Director of Purchasing and Contracting to enter into a single source procurement and contract with Verisk Analytics Inc. (Verisk) for an AF1- Gov software license and user training for investigations of insurance fraud and related criminal activities.

**RECOMMENDATION(S)**

**DISTRICT ATTORNEY**

In accordance with Board Policy A-87, Competitive Procurement, approve and authorize the Director of the Department of Purchasing and Contracting to enter into negotiations with Verisk, and subject to successful negotiations and a determination of a fair and reasonable price, award a contract for an AF1- Gov software license and user training for up to three years, and an additional six months if needed, and to amend the contract as needed to reflect changes to service needs or funding requirements subject to the approval of the District Attorney.

## **EQUITY IMPACT STATEMENT**

The District Attorney's Office is constitutionally responsible for the investigation and prosecution of all criminal violations of state law and county ordinances. The District Attorney's Insurance Fraud and Workplace Justice Programs specialize in prosecuting fraudulent activity - activity that affects all San Diego communities regardless of zip code. As part of the District Attorney's ongoing dedication to public safety, the DAO anticipates that the implementation of the Verisk AF1- Gov software license will enhance local law enforcement operations, resulting in strategic allocation of resources, and ultimately equitable outcomes throughout San Diego communities.

## **SUSTAINABILITY IMPACT STATEMENT**

Reducing the instances of insurance fraud will reduce the cost for consumers and employers, directly contributing to the County of San Diego's Sustainability Goals by creating sustainable enhancements for the economy. In addition, investments in robust investigative techniques and the overall prosecutorial process not only increases organizational capacity but leads to social and economic enhancements - contributing to overall regional sustainability.

## **FISCAL IMPACT**

Funds for this request are included in the Fiscal Year 2024-26 Operational Plan for the District Attorney's Office. If approved, this request will result in costs and revenue of approximately \$405,000. The funding source is the California Department of Insurance. Subsequent year costs and revenues will be included in future Operational Plans. There will be no change in net General Fund cost and no additional staff years.

## **BUSINESS IMPACT STATEMENT**

N/A

## **ACTION:**

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Desmond, the Board of Supervisors took action as recommended, on Consent.

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

ABSENT: Vargas

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



SEPTEMBER 24, 2024