



# THE STATE BAR OF CALIFORNIA

OFFICE OF THE CHIEF TRIAL COUNSEL

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Report title: Annual Report to the Legislature by The State Bar of California  
Complaints Investigated

Statutory citation: In compliance with AB 1050 (Wright), Chapter 885, Statutes of 1999.

Date of report: March 2012

The State Bar of California has submitted a report to the Legislature in compliance with AB 1050 (Wright), Chapter 885, Statutes of 1999. Pursuant to Insurance Code Section 1872.95 the State Bar shall report annually to the Legislature on the number of complaints investigated against California attorneys alleging possible fraudulent activities relating to workers' compensation, motor vehicle insurance, or disability insurance.

The following summary of the report is provided per the requirements of Insurance Code section 1872.95

This annual report addresses "the number of cases investigated, the number of cases forwarded to the Fraud Division or other law enforcement agencies, the outcome of all cases listed in the report, and any other relevant information concerning those cases or general activities...for the previous year..."

In 2011, the State Bar investigated a total of five (5) cases alleging fraudulent activities related to motor vehicle insurance.

The dispositions of the five (5) cases are as follows:

- Two cases are still pending in the Office of the Chief Trial Counsel.
- One case went forward and resulted in discipline, however the allegation of fraud in connection with vehicle insurance was dismissed by the Office of the Chief Trial Counsel due to insufficient evidence.
- One case was closed at the investigation stage due to matter being resolved between Respondent and Complaining Witness.
- One case went forward but was subsequently dismissed by the State Bar Court due to the attorney being disbarred in an unrelated matter.

The full report is available for download on the State Bar's web site at <http://www.calbar.ca.gov/AboutUS/Publications/Reports.aspx>.

A printed copy of the report can be ordered by calling 916-442-8018.

**Annual Report to the Legislature by  
The State Bar of California**

**Complaints Investigated by the State Bar in 2011  
Alleging Possible Fraudulent Activities by Attorneys  
Relating to Workers' Compensation, Motor Vehicle  
Insurance, or Disability Insurance**

**[In compliance with AB 1050 (Wright),  
Chapter 885, Statutes of 1999]**

**March 2012**

**Summary**

Insurance Code section 1872.95 requires the State Bar to annually report to the committees of the Legislature having jurisdiction over insurance concerning all complaints received alleging that attorneys have engaged in possible fraudulent activities relating to workers' compensation, motor vehicle insurance or disability insurance. The State Bar investigated five (5) such cases in 2011.

**Background**

In 1999, the Legislature enacted AB 1050 (Wright), which requires the Medical Board of California, the Board of Chiropractic Examiners, and the State Bar, to report annually to the committees of the Legislature having jurisdiction over insurance about complaints alleging possible fraudulent activities relating to workers' compensation, motor vehicle insurance, or disability insurance, by licensees of the board or the bar.

The statute in question (section 1872.95 of the Insurance Code) outlines the information to be reported annually by the State Bar to the Legislature on complaints alleging possible fraudulent activities in these areas. Specifically, the State Bar's report must address "the number of cases investigated, the number of cases forwarded to the Fraud Division or other law enforcement agencies, the outcome of all cases listed in the report, and any other relevant information concerning those cases or general activities... for the previous year..."<sup>a</sup>

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<sup>a</sup> Section 1872.95 of the Insurance Code reads:

1872.95. (a) Within existing resources, the Medical Board of California, the Board of Chiropractic Examiners, and the State Bar shall each designate employees to investigate and report on possible fraudulent activities relating to workers' compensation, motor vehicle insurance, or disability insurance by licensees of the board or the bar. Those employees shall actively cooperate with the Fraud Division in the investigation of those activities.

(b) The Medical Board of California, the Board of Chiropractic Examiners, and the State Bar shall each report annually, on or before March 1, to the committees of the Senate and Assembly having jurisdiction over insurance on their activities established pursuant to subdivision (a) for the previous

## Results for 2011

Last year the Office of the Chief Trial Counsel reported one complaint related to motor vehicle insurance fraud which was pending investigation at the end of 2010. That matter went forward and resulted in discipline, however, the allegation of fraud in connection with vehicle insurance was dismissed by the Office of the Chief Trial Counsel due to insufficient evidence.

During 2011, the Office of the Chief Trial Counsel investigated four additional cases alleging fraudulent activities related to motor vehicle insurance. Two of the cases are pending in the Office of the Chief Trial Counsel; one of the cases was closed at the investigation stage, due to the matter being resolved between Respondent and the Complaining Witness; and one of the cases went forward but was subsequently dismissed by the State Bar Court due to the attorney being disbarred in an unrelated matter.

A law enforcement referral was made to the Department of Insurance in connection with the two cases that are pending with the Office of the Chief Trial Counsel. The Office of the Chief Trial Counsel is cooperating with the investigation of the Department of Insurance.

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year. That report shall specify, at a minimum, the number of cases investigated, the number of cases forwarded to the Fraud Division or other law enforcement agencies, the outcome of all cases listed in the report, and any other relevant information concerning those cases or general activities conducted under subdivision (a) for the previous year. The report shall include information regarding activities conducted in connection with cases of suspected automobile insurance fraud.