



Board Agenda Item 19

DATE: December 6, 2016

TO: Board of Supervisors

SUBMITTED BY: Lisa A. Smittcamp, District Attorney-Public Administrator

SUBJECT: Retroactive Automobile Insurance Fraud Program Grant Application and Agreement

RECOMMENDED ACTION(S):

1. **Retroactively approve and authorize the District Attorney-Public Administrator's previous submittal of a grant application to the State of California, Department of Insurance (DOI) for continuation of the Automobile Insurance Fraud program for the period July 1, 2016 through June 30, 2017 (\$540,222);**
2. **Adopt Resolution approving and authorizing the District Attorney to execute retroactive Grant Award Agreement for continued funding of the Automobile Insurance Fraud program with the State of California, DOI for the period July 1, 2016 through June 30, 2017 (\$360,000);**
3. **Adopt Budget Resolution increasing FY 2016-17 appropriations and estimated revenues in the amount of \$40,296 in the District Attorney's Special Revenue Fund 0060, DOI Auto Ins Fraud Program Org 1104 (4/5 vote); and**
4. **Adopt Budget Resolution increasing FY 2016-17 appropriations and estimated revenues in the amount of \$40,296 in the District Attorney-Grants Org 2862 (4/5 vote).**

There is no increase in Net County Cost associated with these actions which will allow for the continuation of the Automobile Insurance Fraud program through June 30, 2017. The Automobile Insurance Fraud application was submitted to meet the State's deadline, contingent on your Board's approval. It should be noted that the DOI requires the District Attorney to be the designated official authorized to sign the Grant Award Agreement.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the Automobile Insurance Fraud program will not be funded for FY 2016-17. The loss of this grant will result in the elimination of the following positions: one Deputy District Attorney and one Senior District Attorney Investigator.

RETROACTIVE AGREEMENT:

The request to approve and accept the DOI grant award is retroactive because the District Attorney-Public Administrator (DA-PA) received the Automobile Insurance Fraud grant award on September 22, 2016 and was not able to meet the County's processing deadline for placement on an earlier Board date.

FISCAL IMPACT:

There is no increase in Net County Cost associated with these actions. There is no match requirement for the receipt of funds. The department submitted an application in the amount of \$540,222. The DOI awarded \$360,000 to Fresno County for the Automobile Insurance Fraud program for FY 2016-17 which is \$40,296 more revenue than the \$319,704 included in the adopted program budget of the Auto Insurance Fraud Org 28628000

and the DOI Auto Ins Fraud Program Org 1104. Budget resolutions are required to increase FY 2016-17 appropriations and estimated revenues in the amount of \$40,296 in the District Attorney's Special Revenue Fund 0060, DOI Auto Ins Fraud Program Org 1104 and District Attorney-Grants Org 28628000 to receive the additional grant funding in the Special Revenue Fund and facilitate the transfer of funds from the Special Revenue Fund to the General Fund.

DISCUSSION:

Senate Bill 1103, implemented in 1989, allowed for distribution of funds to District Attorney's Offices in California to enhance the efforts directed toward prosecution and incarceration of individuals committing auto insurance fraud. In 1991, Chapter 1222 added statutes relating to false and fraudulent claims; revised maximum fines for insurance fraud violations; and provided a two-year sentence enhancement for each prior violation. The DOI approved Fresno County to receive funds pursuant to Section 1872.8 of the California Insurance Code. Fresno County's Auto Insurance Fraud program has been in place since 1991.

The District Attorney of Fresno County uses the funds received from this program to prosecute automobile insurance fraud by employing one Deputy District Attorney to prosecute any and all auto insurance fraud cases filed in the County and serve as the designated individual for law enforcement and insurance industry representatives to contact regarding auto insurance fraud claims. Furthermore, the program funds one Senior District Attorney Investigator to investigate program related cases. Additionally, the District Attorney's Office is establishing new contacts for the program within the local legal, medical and insurance communities. This outreach facilitates the successful prosecution of complex investigations. The proposed resolution in the second recommended action is required by the DOI for acceptance of grant funds. The remainder of the budget resolutions are required to increase appropriations and estimated revenues to align with the increased funding level.

If grant funding for this program is discontinued, all associated positions will be deleted.

REFERENCE MATERIAL:

BAI# 25, November 17, 2015

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Auto Grant Application / Agreement with DOI

On file with Clerk - Resolution

On file with Clerk - Budget Resolution Org 1104

On file with Clerk - Budget Resolution Org 2862

CAO ANALYST:

Jeannie Z. Figueroa