



Board Agenda Item 23

DATE: October 23, 2018

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 (CDI) for continuation of the Automobile Insurance Fraud program for the period July 1, 2018 through June 30, 2019 (\$551,512);**
2. **Adopt Resolution approving and authorizing the District Attorney-Public Administrator to execute retroactive Grant Award Agreement for continued funding of the Automobile Insurance Fraud program with the State of California, CDI for the period July 1, 2018 through June 30, 2019 (\$410,608);**
3. **Adopt Budget Resolution increasing FY 2018-19 appropriations and estimated revenues in the amount of \$15,608 in the District Attorney's Special Revenue Fund 0060, CDI Auto Ins Fraud Program Org 1104 (4/5 vote); and**
4. **Adopt Budget Resolution increasing FY 2018-19 appropriations and estimated revenues in the amount of \$15,608 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, 2019. 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 CDI requires the District Attorney to be the designated official authorized to sign the Grant Award Agreement. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the Automobile Insurance Fraud program will not be funded for FY 2018-19. The loss of this grant will result in the elimination of one Deputy District Attorney and one Senior District Attorney Investigator positions.

RETROACTIVE AGREEMENT:

The request to approve and accept the CDI grant award is retroactive because the District Attorney-Public Administrator did not receive the Automobile Insurance Fraud grant award until September 17, 2018 precluding placement of this item 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 \$551,512 to the CDI. The

CDI awarded \$410,608 to Fresno County for the Automobile Insurance Fraud program for FY 2018-19 which is \$15,608 more revenue than the \$395,000 included in the FY 2018-19 Adopted Budget for the District Attorney-Grants Org 2862. The third and fourth recommended actions are required to increase the FY 2018-19 appropriations and estimated revenues in the amount of \$15,608 in the District Attorney's Special Revenue Fund 0060, CDI Auto Ins Fraud Program Org 1104 and the District Attorney-Grants Org 28628000. Increases to both Orgs are necessary to facilitate the transfer of funds from the Special Revenue Fund to the General Fund. Approval of the recommended actions will align appropriations and revenues with the increased funding received from the CDI this fiscal year.

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 CDI 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. The program also funds one Senior District Attorney Investigator to investigate program related cases. The District Attorney's Office is establishing new contacts for the program within the local legal, medical and insurance communities. This outreach will facilitate the successful prosecution of complex investigations.

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

REFERENCE MATERIAL:

BAI #27, October 17, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Auto Grant Application / Agreement with CDI
On file with Clerk - Resolution
On file with Clerk - Budget Resolutions (Orgs 1104 and 2862)

CAO ANALYST:

Jeannie Z. Figueroa