Legislation Text

File #: 21-0913, **Version:** 1

DATE: October 19, 2021

TO: Board of Supervisors

SUBMITTED BY: Lisa A. Smittcamp, District Attorney

SUBJECT: Retroactive Automobile Insurance Fraud Program Grant Application and Agreement

RECOMMENDED ACTION(S):

1. **Retroactively approve and authorize the District Attorney'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, 2021 through June 30, 2022 ($572,605); and**
2. **Adopt Resolution approving and authorizing the District Attorney to execute retroactive Grant Award Agreement, including any extensions or amendments, for continued funding of the Automobile Insurance Fraud Program with the CDI, for the period July 1, 2021 through June 30, 2022 ($387,390).**

There is no additional increase in Net County Cost associated with these actions, which will allow for the continuation of the Automobile Insurance Fraud Program through June 30, 2022. The Automobile Insurance Fraud Program application was submitted to meet the State's deadline, contingent on your Board's approval. The CDI requires the District Attorney to be the designated official authorized to sign the recommended Grant Award Agreement, including any extensions or amendments, so the second recommended action adopts a resolution authorizing the District Attorney to execute the recommended grant 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 2021-22. 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 did not receive the recommended Automobile Insurance Fraud grant award agreement until September 16, 2021, after the effective date of the grant. This precluded placement of the 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 a proposed budget in the amount of $572,605 to the CDI and was awarded $387,390 for the Fresno County FY 2021-22 Automobile Insurance Fraud Program. This grant award amount, when combined with Net County Cost of $88,606, provides $475,996 for the FY 2021-22 Automobile Insurance Fraud Program. This amount is $19,316 less revenue than the $495,312 that is included in the FY 2021-22 Adopted Budget for the District Attorney-Grants Org 2862. The Department will absorb the difference

with salary savings.

DISCUSSION:

Senate Bill 1103, implemented in 1989, provided 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 Insurance Code Section 1872.8, and Fresno County's Auto Insurance Fraud Program has been in place since 1991.

The District Attorney uses the funds received from this program to prosecute automobile insurance fraud by employing one Deputy District Attorney to prosecute 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 continues to establish 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 #24, November 3, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Auto Grant Application / Agreement with CDI
On file with Clerk - Resolution

CAO ANALYST:

Yussel Zalapa