



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: District Attorney
Department No.: 021
For Agenda Of: December 12, 2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: John T. Savrnock, District Attorney, (805) 568-2308
Contact Info: Michael Soderman, Chief Financial & Administrative Officer, (805) 568-2303
SUBJECT: Renewal of Agreement with the California Department of Insurance for an Automobile Insurance Fraud Program in the District Attorney's Office, Fiscal Year 2023-2024

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Adopt and authorize the Chair to execute a Resolution approving, ratifying, and authorizing the District Attorney, or designee, to execute a Grant Award Agreement with the California Department of Insurance for the Automobile Insurance Fraud Program, for the award period of July 1, 2023 through June 30, 2024, in the amount of \$143,455;
- b) Approve and authorize the District Attorney, or designee, to execute any future amendments to extend the term of the Grant Award Agreement through December 31, 2024, or to increase the grant award in an amount not to exceed an additional \$50,000, with the concurrence of Risk Management, County Counsel, and Auditor-Controller; and
- c) Determine that the above recommendations are not the approval of a project that is subject to environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

The California Department of Insurance (DOI) Automobile Insurance Fraud Program is designed to prosecute automobile insurance fraud cases which are investigated by various law enforcement agencies.

Board approval is required to receive grant revenue and continue this program in Fiscal Year 2023-24. In order to meet state deadlines and properly receive the grant funding, the District Attorney preliminarily executed the grant agreement pending formal authority from the Board of Supervisors. The Resolution is due to the DOI by December 31, 2023.

Background:

The DOI Automobile Insurance Fraud Program is the primary law enforcement agency responsible for investigating automobile insurance fraud crimes and enforcing the provisions of California Penal Code Sections 548-550. Crimes include, but are not limited to medical mills, organized crime, staged collision rings, false and fraudulent claims, and organized economic automobile theft groups. As part of this Program, the DOI provides grant funding to counties to fund investigation and prosecution of automobile insurance fraud. Financial support to counties is based on county population, the number of suspected fraudulent claims reported, and the Insurance Commissioner's evaluation of the county's historical performance and plan description. Funding for the program comes from a quarterly fee assessed to each insurer, for each vehicle insured during the quarter.

This grant will continue to provide partial funds for two existing part-time Deputy District Attorneys (DDAs) and one part-time Legal Office Professional who will support the long-term goal of this initiative, which is to reduce automobile insurance fraud in Santa Barbara County through crime prevention and deterrence, to be accomplished by a combination of community education and criminal prosecution of fraud cases. In addition, training of local law enforcement regarding potential signs of auto insurance fraud continues to result in new cases being investigated.

Performance Measures:

Each district attorney receiving annual funds pursuant to Section 1872.8 of the California Insurance Code must submit an annual report to the Insurance Commissioner on the local program and its accomplishments. The District Attorney's Auto Insurance Fraud Unit has been steadily securing restitution for the cases which are submitted. The Office worked closely with private industry through the National Insurance Crime Bureau (NICB) as well as with the DOI, investigating and prosecuting a consistent stream of felonies. Restitution for the insurance carriers is a primary concern, and this year the Santa Barbara County District Attorney's Automobile Insurance Fraud Program secured and collected over \$13,875 in restitution ordered. During Fiscal Year 2022-23, the Program had 15 active cases. Of these 15 cases, six were carried over from Fiscal Year 2021-22, and nine were new investigations initiated during Fiscal Year 2022-23.

Fiscal and Facilities Impacts:

Budgeted: Yes. Revenues and expenditures are included in the Fiscal Year 2023-24 Adopted budget.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 143,455.00		
Federal			
Fees			
Other:			
Total	\$ 143,455.00	\$ -	\$ -

Grant funds from the DOI Automobile Insurance Fraud Program grant will partially fund one existing part-time DDA SR (0.15 FTE), one existing part-time DDA III (0.25 FTE), and one existing part-time Legal Office Professional SR (0.20 FTE) who will work part-time on automobile insurance fraud efforts Countywide.

Fiscal Year 2023-24 grant funding totals \$143,455. This includes \$129,699 in Salaries and Employee Benefits, and \$13,756 in operating costs associated with the program. Operating costs cover the program’s required audit and indirect costs. There is no match requirement for this award.

Key Contract Risks:

The District Attorney has been awarded this grant annually from the California Department of Insurance for multiple years. There is minimal risk to the County.

Staffing Impacts:

None. Grant funds from the DOI Automobile Insurance Fraud Program grant will continue to partially fund one existing part-time DDA SR (0.15 FTE), one existing part-time DDA III (0.25 FTE), and one existing part-time Legal Office Professional SR (0.20 FTE).

Special Instructions:

Please return one (1) Minute Order and one (1) copy of fully executed Resolution to John DeAlba, DA Department Business Specialist.

Attachments:

- Attachment A: Resolution
- Attachment B: Grant Award Agreement

Authored By:

John DeAlba, Department Business Specialist, (805-568-2434)