



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: January 24, 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, x82308
Contact Info: Michael Soderman, Chief Financial & Administrative Officer, x82303
SUBJECT: **Renewal of Agreement with the California Department of Insurance for an Automobile Insurance Fraud Program in the District Attorney's Office, Fiscal Year 2022 - 2023**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

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 to execute a Grant Award Agreement with the California Department of Insurance for an Automobile Insurance Fraud Program to provide services for the period of July 1, 2022 through June 30, 2023 in the amount of \$137,711; and
- 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, 2023, 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 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 2022-23. 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.

Background:

The California Department of Insurance (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, 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.

The long-term goal of this initiative 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. As of October 2022, we have received 4 more auto insurance fraud cases. We are following up on two, and two are pending review. In addition, training of local law enforcement regarding potential signs of auto insurance fraud continues to result in new cases being investigated.

Fiscal and Facilities Impacts:

Budgeted: Yes. Revenues and appropriations are included in current and future budgets.

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	\$ 137,711.00		
Federal			
Fees			
Other:			
Total	\$ 137,711.00	\$ -	\$ -

Two Deputy District Attorneys (DDA) and one Legal Office Professional will work part-time on automobile insurance fraud efforts Countywide. Fiscal Year 2022-23 funding of \$137,711 includes \$126,277 in Salaries and Employee Benefits to partially-fund two DDAs and one Legal Office Professional, and \$11,434 in Operating Costs associated with the program. 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:

<u>Legal Positions:</u>	<u>FTEs:</u>
Deputy District Attorney SR	0.20 FTE
Deputy District Attorney III	0.15 FTE
Legal Office Professional SR	0.20 FTE

Special Instructions:

Please return one (1) Minute Order and one (1) duplicate certified original Resolution to John DeAlba, DA Department Business Specialist (x82434).

Attachments:

- A. Resolution
- B. Grant Award Agreement
- C. Grant Budget

Authored By:

John DeAlba, Department Business Specialist