



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:** November 19, 2019  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director: Joyce E. Dudley, District Attorney, 568-2308  
Contact Info: Michael Soderman, Chief Financial & Administrative Officer, 568-2303  
**SUBJECT:** Agreement with the California Department of Insurance for an Automobile Insurance Fraud Program in the District Attorney's Office, Fiscal Year 2019 - 2020

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**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 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, 2019 through June 30, 2020 in the amount of \$100,150, plus carryover from Fiscal Year 2018-19 in the amount of \$65,722, for total funding in the amount of \$165,872; and
- b) Approve and authorize the District Attorney to execute any future amendments or extensions thereof through December 31, 2020, not to exceed \$75,000, with the concurrence of County Counsel and Auditor-Controller; and
- c) Determine that the above action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because it consists 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 2019-20. 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. Between 7/1/18 and 6/30/19, eight new auto insurance fraud cases were opened. Of the cases investigated during FY 18-19, two felony cases were filed and convictions obtained. One of the cases investigated was rejected, and the remaining investigations are ongoing. 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:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State	\$ 165,872.00		
Federal			
Fees			
Other:			
Total	\$ 165,872.00	\$ -	\$ -

One Deputy District Attorney (DDA) and one part-time District Attorney Investigator will work on automobile insurance fraud efforts Countywide. Fiscal Year 2019-20 funding includes the award of \$100,150, as well as prior year carryover of \$65,722, for a total allocation of \$165,872. This includes \$150,978 in Salaries and Employee Benefits to partially-fund one DDA and one Extra-Help DA Investigator, \$4,779 in operating costs, and \$10,115 in overhead associated with the program. There is no match requirement for this award.

**Staffing Impacts:**

<b><u>Legal Positions:</u></b>	<b><u>FTEs:</u></b>
Deputy District Attorney II	0.70 FTE
District Attorney Investigator I	0.16 FTE

**Special Instructions:**

Please return one (1) Minute Order and one (1) duplicate original Resolution to Nicole Lee-Rodriguez, DA Business Manager (x82413).

**Attachments:**

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

**Authored By:**

Danielle Spahn, EXH Team-Project Leader