

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: DISTRICT ATTORNEY

BOARD AGENDA # *B-3

Urgent

Routine

AGENDA DATE December 9, 2014

CEO Concur with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Accept the Fiscal Year 2014-2015 Grant from the California Department of Insurance for the District Attorney's Office Auto Insurance Fraud Program

STAFF RECOMMENDATIONS:

1. Approve the grant from the California Department of Insurance for the District Attorney's Office Automobile Insurance Fraud Program in the amount of \$162,111 for the period of July 1, 2014 through June 30, 2015.
2. Authorize the District Attorney to sign the grant award agreement including any extension, or amendments upon receipt from the California Department of Insurance.
3. Approve a formal resolution to be submitted to the California Department of Insurance accepting the grant award.

FISCAL IMPACT:

Estimated revenues and appropriations of \$202,639 for this grant were projected in the Fiscal Year 2014-2015 Recommended Final Budget. The award amount of \$162,111 is \$40,528 less than anticipated. However, the California Department of Insurance has authorized to roll forward unexpended funds of \$50,425 from Fiscal Year 2013-2014, available as a result of a Criminal Investigator vacancy for one quarter. This roll forward eliminates the 2014-2015 budget shortfall of \$40,528 with the remainder of the 2013-2014 funds of \$9,897 to be paid back to the California Department of Insurance against the Auto
(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-594

On motion of Supervisor Chiesa, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Accept the Fiscal Year 2014-2015 Grant from the Department of Insurance for the District Attorney's Office Auto Insurance Fraud Program

FISCAL IMPACT: (Continued)

Insurance Fraud Program fund budget. The District Attorney signed the grant agreement on August 27, 2014 pending Board of Supervisors approval and a formal Board of Supervisors resolution. The grant will fund salaries and benefits for a Criminal Investigator at 100% and a Deputy District Attorney at 42%. The grant will also fund operating expenditures to include wireless communications, audit expenditures, training for the Auto Insurance Fraud staff and equipment. Retirements in the department's paralegal division continue to cause under-staffing. The paralegal that was assigned to the Auto Insurance Fraud Unit now works outside of the grant. The District Attorney's General Fund will fund the remaining 58% of the Deputy District Attorney position for whom this is a collateral assignment.

DISCUSSION:

In Fiscal Year 1996-1997, the District Attorney's Office was awarded funding for the Automobile Insurance Fraud Grant. This will make Fiscal Year 2014-2015 the eighteenth consecutive year that the District Attorney's Office will have received funding from the California Department of Insurance for the Automobile Insurance Fraud Grant.

Insurance fraud affects the citizens of Stanislaus County through increased insurance rates. The District Attorney's Office is committed to the investigation and prosecution of those who commit insurance fraud; the acceptance of the California Department of Insurance's Automobile Insurance Fraud Prosecution grant has allowed this investigation and prosecution to occur. This agenda item is being submitted for Board approval in order to authorize acceptance of the grant and to authorize the District Attorney to sign the final grant award. A formal resolution is attached.

In Fiscal Year 2014-2015, the objectives of the grant will continue to focus on economic vehicle theft and its relation to auto insurance fraud. The Criminal Investigator will continue to work with the Stanislaus County Auto Theft Task Force.

POLICY ISSUES:

Acceptance of this grant will assist the District Attorney's Office continue to meet the Board's goal of A Safe Community by investigating and prosecuting those who commit auto insurance fraud.

STAFFING IMPACTS:

The grant funds 100% of an Investigator and 42% of a Deputy District Attorney. These staffing levels are able to sustain the reporting requirements of the grant.

CONTACT INFO:

Dave Harris, Chief Deputy District Attorney (209) 525-5550

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: December 9, 2014

No. No. 2014-594

On motion of Supervisor Chiesa Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

THE FOLLOWING RESOLUTION WAS ADOPTED:

Item # *B-3

RESOLUTION

STANISLAUS COUNTY BOARD OF SUPERVISORS
FY 2014/15 AUTOMOBILE INSURANCE FRAUD PROGRAM

WHEREAS, the Stanislaus County Board of Supervisors desires to continue a certain project designated AUTOMOBILE INSURANCE FRAUD PROGRAM to be funded from funds made available through the CALIFORNIA INSURANCE CODE Section 1872.8, California Code of Regulations Subchapter 9, Article 4, Section 2698.65, administered by the DEPARTMENT OF INSURANCE (hereafter referred to as DOI).

NOW, THEREFORE, BE IT RESOLVED that the District Attorney of Stanislaus County is hereby authorized on its behalf to accept this grant award from DOI and is authorized to sign and approve on behalf of the Stanislaus County Board of Supervisors the Grant Award Agreements including any extension, augmentation or amendments thereof.

IT IS AGREED that any liability arising out of the performance of these Grant Award Agreements, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The State of California and the DOI disclaim responsibility for any such liability.

BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California





DAVE JONES
Insurance Commissioner

August 13, 2014

The Honorable Birgit Fladager
Stanislaus County District Attorney's Office
832 12th Street, Room 300
Modesto, CA 95354

RE: Grant Award for the Automobile Insurance Fraud Program, Fiscal Year 2014-15

Dear District Attorney Fladager:

I am pleased to inform you that Stanislaus County has been awarded \$162,111 under the Automobile Insurance Fraud Program for Fiscal Year 2014-15. This grant award is to be used for the investigation and prosecution of automobile insurance fraud pursuant to Section 1872.8 of the California Insurance Code.

For Fiscal Year 2014-15, the available funding for local assistance was appropriated at \$15,259,000. This grant award is contingent on the total amount collected and it is possible that the total collection could fall short of the projected amount. Therefore, the final disbursement to your county could be adjusted accordingly.

Thank you for your efforts in submitting the Request for Application. I look forward to working with you in the battle against automobile insurance fraud.

If you have any questions regarding your participation in the Automobile Insurance Fraud Program, please contact Mary Spaid, Manager of the Local Assistance Unit, at (916) 854-5774 or at mary.spaid@insurance.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Dave Jones".

DAVE JONES
Insurance Commissioner

cc: Dave Harris, Chief Deputy District Attorney

DEPARTMENT OF INSURANCE

ENFORCEMENT BRANCH HEADQUARTERS
9342 TECH CENTER DRIVE, SUITE 100
SACRAMENTO, CA 95826
(916) 854-5760
(916) 255-3202 (FAX)
www.insurance.ca.gov



October 9, 2014

Sent via e-mail

Lori Denego, Accountant
Stanislaus County District Attorney's Office
832 12th Street
Modesto, CA 95354

RE: Carry-over Approval and Modified Budget Request for the Automobile Insurance Fraud Program, Fiscal Year 2014/15

Dear Ms. Denego:

Stanislaus County's request for the use of projected carry-over funds from Fiscal Year 2013/14 has been reviewed. Based upon your justification, the Department of Insurance has approved Stanislaus County's request to carry-over \$40,528 of the \$50,425 projected carry-over into Fiscal Year 2014/15.

The spending authority for this carry-over is contingent on the submission and approval of a 2014/15 modified budget that totals to \$202,639. This total incorporates the following amounts:

- \$162,111 Grant Award for Fiscal Year 2014/15
- \$40,528 in projected carry-over from Fiscal Year 2013/14 for use into Fiscal Year 2014/15

Please submit this modified budget by October 29, 2014. Keep in mind that if the county's Independent Audit Report reveals a different carry-over amount, the county will be required to submit an amended modified budget. In addition, please remit the balance of \$9,897 payable to the Department of Insurance (please see attached contact sheet) by December 3, 2014.

Please note: Please be aware that if the carry-over funds are not expended or the amount is not reduced, the county may be asked to return any carry-over funds not expended in FY 2014-15.

If you have any questions regarding the content of this letter, please don't hesitate to contact Marita Kwiatkowski, Program Analyst, at (916) 854-5818 or at marita.kwiatkowski@insurance.ca.gov.

Sincerely,

Handwritten signature of Eric Weirich in black ink.

Eric Weirich, Deputy Commissioner
California Department of Insurance

cc: Dave Harris, Chief Deputy District Attorney

Attachment

**INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

GRANT AWARD AGREEMENT

Fiscal Year 2014-15

Automobile Insurance Fraud Program

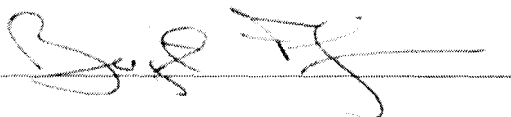

The Insurance Commissioner of the State of California hereby makes an award of funds to **Stanislaus County**, Office of the District Attorney, in the amount and for the purpose and duration set forth in this grant award.

This grant award consists of this agreement and the application for the grant and made a part hereof. By acceptance of the grant award, the grant award recipient agrees to administer the grant project in accordance with all applicable statutes, regulations and Request-for-Application (RFA).

Duration of Grant: The grant award is for the program period, **July 1, 2014** through **June 30, 2015**.

Purpose of Grant: This grant award is made pursuant to the provisions of California Insurance Code Section 1872.8 and shall be used solely for the purposes of enhanced investigation and prosecution of automobile insurance fraud and economic car theft cases.

Amount of Grant: The grant award agreed to herein is in the amount of **\$162,111**. This amount has been determined by the Insurance Commissioner. However, the actual total award amount for the county is contingent on the collection and the authorization for expenditure pursuant to the Government Code Section 13000 et seq. The grant award shall be distributed pursuant to Section 1872.8 of the Insurance Code and to the California Code of Regulations Sub-Chapter 9, Article 4, Section 2698.65.

<p>Official Authorized to Sign for Applicant/Grant Recipient</p>  <p>Name: Birgit Fladager Title: District Attorney</p> <p>Address: 832 12th Street, Room 300 Modesto, CA 95354</p> <p>Date: <u>8-21-14</u></p>	<p>DAVE JONES Insurance Commissioner</p>  <p>Name: Eric Weirich Title: Deputy Commissioner</p> <p>Date: <u>11/3/14</u></p>
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I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure.


Crista Hill, Budget Officer, CDI


Date