NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors
FROM: Carol Strobel for Lieberstein, Gary - District Attorney
       District Attorney
REPORT BY: Carol Strobel, STAFF SERVICES MANAGER - 253-4215
SUBJECT: Execution of agreement between the Department of Insurance and the Napa District Attorney's Office

RECOMMENDATION
District Attorney requests approval of a resolution authorizing the District Attorney to apply for funds and enter into a revenue agreement with the California Department of Insurance for the term July 1, 2010 through June 30, 2011 for the investigation and prosecution of automobile insurance fraud.

EXECUTIVE SUMMARY
The District Attorney is requesting authorization to submit a grant application and sign any subsequent funding agreements with the State Department of Insurance to investigate and prosecute automobile insurance fraud. If funded, working relationships will be developed with the Department of Insurance, State Compensation Fund, Educational Development Department and the Department of Industrial Relations to develop countywide outreach and protocols for the reporting, investigation and prosecution of automobile insurance fraud.

FISCAL IMPACT
Is there a Fiscal Impact? Yes
Is it currently budgeted? No
What is the revenue source? The source of funding for this grant is through insurance premiums and settlements collected by insurance companies and held in trust by the California Department of Insurance. The funding is separate from the State General Fund. The grant being submitted is based on a formula calculation.
from the Department of Insurance and Napa County is eligible for approximately $34,974. There is no prohibition against using existing staff for these activities as long as funds typically dedicated to this purpose will not face supplantation. The District Attorney is not currently prosecuting automobile insurance fraud and no additional resources are needed. This grant will offset General Fund costs if approved.

Is it Mandatory or Discretionary? Discretionary

Discretionary Justification: This item is discretionary in that there is no mandate to accept these funds. The District Attorney recently learned of a breakdown in the referral system to our office regarding automobile insurance fraud cases and the ability to fully fund investigation and prosecution of these cases with no impact on the County General Fund. This grant funding will be used to develop a better, more efficient relationship and protocol to investigate and prosecute these cases.

Is the general fund affected? No

Future fiscal impact: Appropriations will be budgeted accordingly in future fiscal years.

Consequences if not approved: If this item is not approved, the District Attorney will lack the resources to properly investigate and prosecute the enhanced number of cases anticipated to be referred for investigation and prosecution. The District Attorney will either need to develop an alternative funding plan or not accept these cases from the California Department of Insurance.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The District Attorney was contacted by the California Department of Insurance and State Comprehensive Insurance Fund in regards to enhancing enforcement of automobile insurance fraud. Funding is available for investigation and prosecution through a competitive grant process. This grant is under the jurisdiction of the Department of Insurance and is not part of the State General Fund. The District Attorney was advised that there is a significant problem with automobile insurance fraud. These cases are initially investigated by the Department of Insurance and will then be referred to the District Attorney for review and further investigation for potential criminal prosecution. It is estimated that the loss from these improper claims can reach a significant amount annually.

This grant will serve as a basis for the District Attorney's Office to work with the Department of Insurance to provide training for investigators to develop an automobile insurance fraud case for potential prosecution and to provide expertise for prosecutors to successfully prosecute automobile insurance fraud cases. The District Attorney is eligible for $34,974 in funding and will be able to use existing resources to provide services.
SUPPORTING DOCUMENTS
A. Resolution

CEO Recommendation: Approve
Reviewed By: Molly Rattigan