



Legislation Text

File #: 18-863, **Version:** 1

Adopt a resolution authorizing the Solano County District Attorney's prior submission of a recurring grant proposal to the California Department of Insurance for the investigation and prosecution of automobile insurance fraud; Authorize the District Attorney to accept the award in the amount of \$137,665 for the period ending June 30, 2019; and Approve an Appropriation Transfer Request recognizing \$34,805 in unanticipated grant revenue offset by program expenditures (4/5 vote required)

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The District Attorney recommends that the Board of Supervisors:

1. Adopt a resolution authorizing the Solano County District Attorney's prior submission of a recurring grant proposal to the California Department of Insurance for the investigation and prosecution of automobile insurance fraud;
2. Authorize the District Attorney to accept the award in the amount of \$137,665 for the period ending June 30, 2019; and
3. Approve an Appropriation Transfer Request recognizing \$34,805 in unanticipated grant revenue offset by program expenditures (4/5 vote required).

SUMMARY/DISCUSSION:

The District Attorney has operated the Insurance Fraud Program for the past twenty-four years. The dedicated unit is assigned exclusively to the prosecution of automobile insurance fraud and consists of a Deputy District Attorney and an Investigator. Each year the District Attorney submits and receives grant funding from the California Department of Insurance to partially offset program costs.

On December 6, 2016, the Board of Supervisors approved a resolution allowing the District Attorney to execute any grant award agreement, including any amendments or extensions thereof, and for each Fiscal Year thereafter as funding continues to be available for this Program. On June 18, 2018, the District Attorney submitted the grant application for FY 2018/19. A complete copy of the grant application is attached. This is a recurring grant, and revenue and appropriations were included in the Department's FY 2018/19 budget as instructed in the County Financial Administration of Grants handbook. Approval of this recurring grant will allow the District Attorney's Office to continue to investigate and prosecute crimes involving automobile insurance fraud.

On September 13, 2018, the District Attorney was notified by the Insurance Commissioner that the grant was awarded to Solano County in the amount of \$112,917 for the period ending June 30, 2019. On October 26, 2018, the District Attorney was notified by the Insurance Commissioner that a carryover of \$24,748 in unexpended funds from FY 2017/18 funding was approved for use in FY 2018/19.

FINANCIAL IMPACT:

The financing for this program is derived from monies collected by insurance companies as a surcharge on automobile insurance premiums. These funds are distributed pursuant to Insurance Code Section 1872.8 by the State of California Department of Insurance.

The District Attorney's FY2018/19 grant application requested \$145,031 in funding from the California Department of Insurance. Separately, the District Attorney budgeted \$102,860 for FY2018/19 for the grant, as this amount is in-line with prior year awards. On September 13, 2018, the District Attorney was notified by the Insurance Commissioner that the grant was awarded to Solano County in the amount of \$112,917 for the period ending June 30, 2019. Including the \$24,748 of unspent funding from FY 2017/18, this award is \$34,805 beyond the amount included in the FY2018/19 Adopted Budget.

The District Attorney is therefore recommending approval of an Appropriation Transfer Request recognizing \$34,805 in unanticipated grant revenue offset by program expenditures. The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget. There is no anticipated impact to the General Fund.

ALTERNATIVES:

The Board can choose not to adopt the resolution; however, this action is not recommended. Failure to adopt the resolution would result in the loss of approximately \$137,665 in grant funds and a significant impact in the District Attorney's ability to investigate and prosecute automobile insurance fraud.

OTHER AGENCY INVOLVEMENT:

None.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION