

CONTRACT ROUTING SHEET

Date Prepared: 9/15/11

Need Date: ASAP

PROCESSING DEPARTMENT:

Department: District Attorney

Dept. Contact: Jodi Albin

Phone #: x 6421

Department: _____

Head Signature: _____

Vern Pierson, DA

CONTRACTOR:

Name: Department of Insurance

Address: _____

Phone: _____

CONTRACTING DEPARTMENT: District Attorney

Service Requested: FY 11/12 Resolution

Contract Term: 7/1/11-6/30/12 Contract Value: \$298,957

Compliance with Human Resources requirements? Yes: x No: _____

Compliance verified by: n/a

COUNTY COUNSEL: (Must approve all contracts and MOU's)

Approved: ✓ Disapproved: _____ Date: 9/20/11 By: [Signature]

Approved: _____ Disapproved: _____ Date: _____ By: _____

EL DORADO COUNTY COUNSEL
2011 SEP 16 PM 4:02

PLEASE HAND CARRY TO RISK MANAGEMENT.
THANKS!

RISK MANAGEMENT: (Must approve all contracts, MOU's and boilerplate grant agreements)

Approved: ✓ Disapproved: _____ Date: 9/22/11 By: [Signature]

Approved: _____ Disapproved: _____ Date: _____ By: _____

HUMAN RESOURCES DEPT.
RECEIVED
21 SEP 21 PM 12:00

OTHER APPROVAL: (Specify department(s) participating or directly affected by this contract).

Departments: _____

Approved: _____ Disapproved: _____ Date: _____ By: _____

Approved: _____ Disapproved: _____ Date: _____ By: _____



RESOLUTION NO.

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

WHEREAS, the El Dorado County Board of Supervisors desires to undertake a certain program designated Automobile Insurance Fraud to be funded in part from funds made available through the California Insurance Code Section 1872.83, California Code of Regulations Subchapter 9, Article 3 Section 2698.55 and administered by the California Department of Insurance:

NOW, THEREFORE, BE IT RESOLVED that the District Attorney of the El Dorado County District Attorney's Office is authorized to execute, on behalf of the Board Of Supervisors, the Grant Award Agreement including any extensions or amendments thereof which would be prompted by changes in funding levels from the State of California and would not increase net county costs:

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

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the ____ day of _____, 20__, by the following vote of said Board:

Attest: Ayes:
Suzanne Allen de Sanchez Noes:
Clerk of the Board of Supervisors Absent:

By: _____
Deputy Clerk Chair, Board of Supervisors

I CERTIFY THAT:
THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

Attest: Suzanne Allen de Sanchez, Clerk of the Board of Supervisors of the County of El Dorado, State of California.

By: _____ Date: _____
Deputy Clerk

**INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

GRANT AWARD AGREEMENT

Fiscal Year 2011-12

Automobile Insurance Fraud Program

The Insurance Commissioner of the State of California hereby makes an award of funds to **EI Dorado 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, 2011** through **June 30, 2012**.

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 **\$298,957**. 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 Subchapter 9, Article 4, Section 2698.65.

Official Authorized to Sign for Applicant/Grant Recipient	DAVE JONES Insurance Commissioner
Name: Vernon Pierson Title: District Attorney Address: 515 Main Street Placerville, CA 95667	Name: Rick Plein Title: Deputy Commissioner
Date:	Date:

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure.

Kerry Li, Fiscal Officer, CDI

Date

**CALIFORNIA DEPARTMENT OF INSURANCE
FRAUD DIVISION**

AUTOMOBILE INSURANCE FRAUD PROGRAM

REQUEST-FOR-APPLICATION

FISCAL YEAR 2011-2012

**SECTION III
APPLICATION AND INSTRUCTIONS**

Pursuant to Insurance Code Section 1872.8(b)(1)(D), the application for funding is a public document and may be subject to disclosure. However, information submitted to the California Department of Insurance concerning criminal investigations, whether active or inactive, is considered confidential.

**AUTOMOBILE INSURANCE FRAUD
INVESTIGATION/PROSECUTION PROGRAMS
FISCAL YEAR 2011-2012 GRANTS**

**Grant Application
Checklist and Sequence**

The Application MUST include the following:

	<u>YES</u>	<u>NO</u>
1. Is the Grant Application Transmittal sheet (Form 02) completed and signed by the district attorney?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Table of Contents	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Is the Program Contact Form (Form 03) completed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Is an original or certified copy of the Board Resolution (Form 04) included? If NOT, the cover letter must indicate the submission date.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. The County Plan includes:		
a) County Plan Qualifications (Form 05)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Staff Qualifications (Form 06(a))	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Organizational Chart (Form 06(b))	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Program Report (Form 07)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) County Plan Problem Statement (Form 08)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) County Plan Program Strategy (Form 09)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the projected Budget (Forms 10-12) included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a) Line-item totals are verified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Equipment Log (Form 13) completed and signed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Joint Plan (Attachment A)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Case Descriptions (Attachment B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

GRANT APPLICATION TRANSMITTAL

Instructions for Fiscal Year 2011-2012

GRANT APPLICATION TRANSMITTAL

The Grant Application Transmittal is the cover page for the application. The official signing the face sheet for the applicant must be the district attorney for the county. The Grant Application Transmittal must also name the contact person who is designated to answer any questions about the proposed program.

1. **Program Title:** Enter the complete title of the program.
2. **Grant Period:** Enter the beginning and ending dates of funding as specified in the grant application instructions.
3. **Grant Amount:** Enter the total amount of state funds requested.
4. **Estimated Carryover Funds:** Enter the estimated carryover funds from the previous fiscal year(s).
5. **Program Director:** Enter the name and title of the individual ultimately responsible for the program.
6. **Financial Officer:** Enter the name and title of the person who will be responsible for all fiscal matters relating to the program. This person must be someone other than the program director.
7. **Official Submitting Application:** Enter the name, title, county, address and telephone number of the district attorney submitting the application. The district attorney's original signature (not a stamped, photocopied or faxed version) must be on the Grant Application Transmittal.

**DEPARTMENT OF INSURANCE
GRANT APPLICATION TRANSMITTAL**

Office of the District Attorney, County of EL DORADO, hereby makes application for funds under the Automobile Insurance Fraud Program pursuant to Section 1872.8 of the California Insurance Code.

Contact: VICKI L. ASHWORTH

Address: 515 MAIN STREET, PLACERVILLE, CA 95667

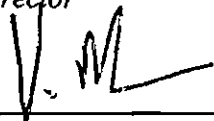
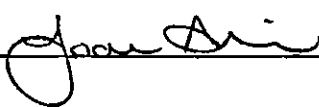
Telephone: (530) 621-6419

<u>AUTOMOBILE INSURANCE FRAUD</u>	<u>July 1, 2010 – June 30, 2011</u>
(1) <i>Program Title</i>	(2) <i>Grant Period</i>

(3) New Funds Being Requested: \$ 386,277

(4) Estimated Carryover Funds: \$ 15,000

<u>VERN R. PIERSON</u>	<u>JODI ALBIN</u>
(5) <i>Program Director</i>	(6) <i>Financial Officer</i>

	
(7) <i>District Attorney's Signature</i>	

Name: VERN R. PIERSON

Title: DISTRICT ATTORNEY

County: EL DORADO

Address: 515 MAIN STREET

PLACERVILLE, CA 95667

Telephone: (530) 621-6472

Date: June 30, 2011

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CALIFORNIA DEPARTMENT OF INSURANCE
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PROGRAM CONTACT FORM

FORM 03

1. Provide the name, title, address and telephone number of the person having day-to-day operational responsibility for the program, and who can be contacted with questions regarding the program.

Name: VICKI L. ASHWORTH

Title: DEPUTY DISTRICT ATTORNEY

Address: 515 MAIN STREET
PLACERVILLE, CA 95667

E-mail address: VICKI.ASHWORTH@EDCGOV.US

Telephone Number: (530) 621-6419 Fax Number: (530) 621-1280

2. Provide the name, title, address and telephone number of the District Attorney's Financial Officer.

Name: JODI ALBIN

Title: FISCAL ADMINISTRATIVE MANAGER

Address: 515 MAIN STREET
PLACERVILLE, CA 95667

E-mail address: JODI.ALBIN@EDCGOV.US

Telephone Number: (530) 621-6421 Fax Number: (530) 621-1280

3. Provide the name, title, address and telephone number of the person who may be contacted for questions regarding data collection/reporting for the applicant agency.

Name: SHANEEN A. MAY

Title: LEGAL SECRETARY

Address: 515 MAIN STREET
PLACERVILLE, CA 95667

E-mail address: SHANEEN.MAY@EDCGOV.US

Telephone Number: (530) 621-6701 Fax Number: (530) 295-2530

BOARD OF SUPERVISORS' RESOLUTION

Instructions for Fiscal Year 2011-2012

RESOLUTION

Commitment to funding shall be in the form of a Grant Award Agreement and shall require an enabling Resolution from the County Board of Supervisors approving and authorizing execution of the agreement. The County Board of Supervisors' Resolution must specify the Board's desire to participate in the program and should delegate authority to the district attorney (or other county official) to execute the Agreement and any modifications thereof.

A Resolution from the Board of Supervisors authorizing the applicant to enter into a Grant Award Agreement with the CDI is required. An original or a certified copy of the current Board Resolution for the new grant period must be submitted to receive funding for the 2011-2012 fiscal year. If the Resolution cannot be submitted with the application, a letter must be included which indicates when the CDI can expect to receive it (**no later than December 30, 2011**). Grant funds for that particular county will not be released until CDI receives the Resolution and properly executed Grant Award Agreement.

The Board Resolution must designate the official authorized by title to sign the Grant Award Agreement for the applicant. Additionally, the Resolution must include a statement accepting liability for the local program. A sample Resolution follows on page 9.

NOTE: The Resolution must include all of the elements contained in the sample.

1. Enter the full names of the County Board of Supervisors making the resolution.
2. Enter the proposed program. This should be the same as the title of the proposed program on the Grant Application Transmittal.
3. Enter the funding source (*Automobile-California Insurance Code Section 1872.8, California Code of Regulations, Title 10, Section 2698.60 et. seq.*).
4. Enter the full title of the administrator or executive (e.g., district attorney) that is authorized to submit the application, including any extensions or amendments. This person will sign the Grant Award Agreement.
5. Enter the full title of the organization that will submit the application.
6. Enter the same as item (1).
7. Enter the date of the meeting in which the Resolution was adopted.
8. Enter the votes of the members in the appropriate category.
9. Enter the signature of the person signing on behalf of the Board.
10. Enter the date of certification.
11. Enter the typed name and title of the person making the certification.
12. Enter the signature of the person attesting that this is a true copy of the Resolution. This must be a person other than the person who signed on behalf of the Board or Council (see item 9).
13. Enter the date attested.
14. Enter the typed name and title of the person attesting.

***SAMPLE
BOARD OF SUPERVISORS' RESOLUTION***

The Resolution will be sent to the Department of Insurance after it is received. The Board of Supervisors will not accept the Resolution without County Counsel approval/review of the Grant Application.

NOTE: The Department of Insurance does not require a Board Resolution for submittal of the application for funding. A Board Resolution, however, is required for a county to receive a distribution of funds.

COUNTY PLAN
Overall Instructions for Fiscal Year 2011-2012

COUNTY PLAN

The County Plan is the main body of information about the local program. It describes the need for funding to address investigation and prosecution of insurance fraud demands through appropriate and achievable objectives and activities. **Each district attorney's program award shall be based on the evaluation of the County Plan.**

The County Plan:

- **Shall include** elements describing the county's qualifications and the manner in which the district attorney will use grant funds to investigate and prosecute automobile insurance fraud.
- **Will address** the applicability of the Insurance Commissioner's strategic initiatives.
- **Shall contain the forms** included in the application forms package.

The County Plan consists of the following sections:

- **QUALIFICATIONS** (Forms 05, 06(a), 06(b) and 07)
- **PROBLEM STATEMENT** (Form 08)
- **PROGRAM STRATEGY** (Form 09)

In order to complete the County Plan, reference the definitions on pages 11 and 12.

Definitions

For purposes of program reporting and grant applications, terms and concepts are defined as follows:

- **Arrest**
For purposes of the grant application and reporting, arrests include surrenders and citations.
- **Capping**
Also known as “runners” and “steerers” means a person who for pecuniary benefit, procures or attempts to procure a client, patient or customer at the direction or request of, or in cooperation with, a provider that intends to obtain benefits under a contract of insurance, or file a claim against an insured or an insurer for providing services to the client, patient or customer.
- **Cases**
Multiple defendant cases should be counted as single cases, not a separate case for each defendant unless the number or names of the individual defendants are specified.
- **Cases in Court**
Filed cases, up to and including sentencing hearing, excluding warrants and appeals.
- **Chargeable Fraud**
The total amount of fraud that would result from all the counts actually charged or would be charged.
- **Documented Case Referral**
Cases received through specified dates that substantially comply with the documented case referral protocol. FD-1’s/SFC’s in and of themselves do not constitute a documented case referral.
- **Documented Case Referrals are classified as:**
Pending - cases awaiting review
Accepted - cases that are opened and assigned for investigation
Rejected - no further action will occur
- **Economic Car Theft**
Automobile theft perpetrated for financial gain, including, but not limited to the following: theft of a motor vehicle for financial gain; reporting that a motor vehicle has been stolen for the purpose of filing a false insurance claim; switching of vehicle identification numbers to obtain title to a stolen motor vehicle; engaging in any act prohibited by Chapter 3.5 (commencing with Section 10801) of Division 4 of the Vehicle Code (Chop Shops).
- **Fines**
Fines imposed by the court. Penalty assessments may be included. Do not include booking fees, probation or supervision fees or restitution.
- **Fraud Ring**
Also known as Organized Rings, these involve collisions orchestrated by organized criminal activity involving attorneys, doctors, other medical professionals, office administrators and/or cappers.

- **Insider Fraud**
Fraud committed by employees or agents of an insurance company, self-insured employer, third-party administrator as defined in California Insurance Code Section 1877.
- **Investigations**
Investigation opened means cases in which an investigator or DDA has been assigned. It does not include screening activities such as the initial review of SFC's or phone call referrals, initial California Insurance Code 1877.3 referrals, probation violations, or due diligence searches.
- **Medical Provider Fraud**
Medical provider inflates billing, knowingly submits bills with improper medical codes and misrepresents facts.
- **Provider Fraud**
A provider is defined as an individual or entity claiming to supply medical, legal, or other services in connection with a claim. Include in this category items such as capping, billing services, transportation, translation services.
- **Staged Accident**
An automobile accident purposefully orchestrated to involve one or an unknowing insured motorist for the purpose of collecting insurance payments made as a result of claims filed against the insured motorist's insurer. Staged accidents may be committed by multiple suspects or fraud rings.

THE DOCUMENTED REFERRAL

Summary	<p>This section covers the reporting of <i>substantiated</i> fraud cases. Once all four (4) elements of fraud are identified, a documented referral is warranted. The entire documented referral protocol is included below.</p>
When is a Documented Referral Necessary?	<p>As covered in the previous chapter, anytime there is suspected fraud within the automobile insurance arena, it is required by law that a Suspected Fraudulent Claims report (SFC/FD-1) be submitted to the authorities.</p> <p>After further investigation, more evidence to substantiate the suspicion may be found. In those cases, consider submitting a “documented referral” to law enforcement. A documented referral assists law enforcement and increases the chances of prosecution.</p>
What is a Documented Referral?	<p>A documented fraud referral entails much more information than allowed for on the SFC/FD-1. While each case of suspected fraud is unique, most experts in law enforcement have agreed that the items of information discussed below, in the documented referral protocol, cover the necessary items. However, be aware that individual district attorney offices may have other items that they will request based on the facts of the case.</p>
Documented Referral Outline	<p>Below is a suggested outline of the items and information that comprise of a documented referral. Note that all the items may not be applicable to each claim. However, the more developed the case, the greater the possibility that there will be enough information for law enforcement to open a criminal investigation.</p> <p>The California District Attorneys Association and the California Department of Insurance have approved the following protocol.</p>
Section I. General Identification Information	<p>Include the following general items in the report:</p> <ul style="list-style-type: none">• Case Synopsis: A short, one-paragraph summary of the case. Include general identification information, including all information available on the suspect and a short summary of the case.• Suspect's Information: Suspect's name, alias, address, telephone number, employer, employer's address, employer's telephone number, suspect's employment position, DOB, POB, sex, race, height, weight, hair color, eye color, social security number, DMV number and prior claim history.• Insurance Information: Insurance company name, address, adjuster's name and telephone number, SIU investigator's name and telephone number, insurance company file number.• If reporting a policy or premium fraud case, you may want to provide the name of the auditor, underwriter, etc., in lieu of, or in addition to, the adjuster name/address/phone number.• Other Agencies: Any other agencies working on the case, along with the contact name and telephone number.

- **Referral Form:** Include a copy of the previously submitted Suspected Fraudulent Claim (SFC/FD-1) form.

**Section II.
Narrative
Statement**

After the general identification section, complete a narrative statement of the facts of the case. Here are some tips for writing a complete narrative statement.

- The statement should be written in chronological order. Start with the beginning of the case, include the investigation conducted, and conclude with the current status of the fraudulent claim.
- When necessary, each statement should reference exhibits that support the statement.
- Make specific reference to relevant documents in the insurance company or claims files (i.e., reports, interviews, witnesses, medical files, depositions, videotapes, etc.). For every document described in the narrative statement, there should be an explanation of the document's origin (i.e., where it came from, where it was found). Specify which witnesses can testify to its authenticity.
- The narrative should include all the facts, both good and bad.
- If aware of any potential defenses the suspect might assert, those should be included in your narrative.
- Omit opinions; use only facts.
- If a timeline would be helpful to explain the chronological order of events, it should be included in the exhibit section and referenced in the narrative statement.

For every misrepresentation alleged, the following information should be provided:

- The exact statement (misrepresentation) made;
- The date the misrepresentation was made;
- Where it was made and to whom;
- Identification of the exhibit where the misrepresentation is contained (i.e., WC claim, letter from Dr. "A," report of interview of "B," computer printout, application for insurance, etc.);
- Evidence which proves the representation is untrue (e.g., deposition pg. 1, line 15; sub rosa videotape at 2349-3542; Dr. "C" letter, dated 4/3/92; report of interview with "D");
- An explanation of why the misrepresentation is important to the case; and
- Identification of witnesses who will testify to this conclusion.

**Section III.
Date of
Discovery of
Suspected Fraud**

In the documented referral, it is imperative that the earliest date the possible criminal activity was discovered be provided. Include specific statements about when and how the fraud was discovered, who discovered it, and why it was not discovered earlier.

**Section IV.
Exhibit List**

Every exhibit referenced in the narrative statement should have a number and be listed in the order the exhibits are referenced in the narrative statement. This list should be placed just following the narrative statement of the case. Audiotapes, videotapes, transcripts and any available photographs of the suspect should be included. If a statement is attributed to a witness in the narrative statement, there should be a report of interview for that witness in the exhibits. The report of interview should state who is being interviewed, the date, time and location of the interview. All persons present during the interview should be noted. If it is taped, this should be noted in the report or interview. For documents listed in the Exhibit List, there should be an indication of where each document came from.

Example: Exhibit 1 - Application for insurance policy on 1994 Toyota Tercel, contained in underwriting file for "X" Insurance Company for policy number 123456; Exhibit 2 - Faxed letter sent by Joe Suspect to "X" Insurance Company on March 5, 1993 and placed in "X" Insurance Company's claim file No. 654321 by adjuster Mary Jones.

**Section V.
Crimes
Requested
to be Charged**

For each crime sought to be charged, there should be a short statement explaining the basis for this request.

Example: Insurance Code 1871.4(a)(1) – Claimant stated there were no prior injuries to his back during an appointment with Dr. Jones. (See Exhibit 8 - Dr. Jones' report, dated January 15, 1996). In fact, claimant had seen Dr. Smith previously and told him that he had injured his back in an auto collision (See Exhibit 11 - Dr. Smith intake report, dated March 20, 1995).

**Section VI.
Loss and
Restitution**

There should be a summary of the monetary loss to all victims (i.e., insurance company, employer, etc.) and the basis for the computation of the loss. The total loss should also be contained in the narrative, but the computation should appear in more detail in this section. In addition to the total losses, also include the costs incurred by your company to investigate the claim.

If you have information regarding assets of the suspect, place that information here. This is particularly important if the loss exceeds \$100,000.00.

**Section VII.
Witness List**

There should be a section that lists the names of all witnesses, their addresses, phone numbers, and any identification information available to the investigator (e.g., date of birth, social security number, driver's license information) in case the witness moves. This section should also reveal the importance of the witness by explaining, in one or two sentences, what he/she will be able to testify to.

**Example:
Claimant Fraud**

An example of a typical claimant automobile insurance documented case referral should include, but is not limited to, the following information:

- Suspected Fraudulent Claim Report (SFC/FD-1)
- Employee Claim Form (DWC-1)
- Employers First Report of Injury (DSL5020)
- Doctors First Report of Injury (DSL5021)
- Medical reports that focus on the claimant's current disabling condition and/or past medical history
- Documentation in support of the claim submitted by the claimant (e.g., letters, affidavits, medical bills, etc.)
- Copies of deposition transcription
- Copies of reports of interviews and/or recorded statements
- Photographs and/or videotapes along with investigative reports
- All claims database information
- Substantiation of employment while disabled
- Substantiation of prior claims from other insurers
- DO NOT send attorney-client privileged communications

**Example:
Premium Fraud**

An example of a typical premium fraud documented referral should include, but is not limited to, the following information:

- Suspected Fraudulent Claim Report (SFC/FD-1)
- Application
- Payroll Reports
- Audits
- Certificate of Insurance
- Claims Information
- Secretary of State Information
- Department of Corporations
- Contractors State License Board
- Quarterly Employee Tax Statements
- Employee Wage Reports
- Prevailing Wage Statements
- Policy Information
- DO NOT send attorney-client privileged communications

**Other Types of
Suspected Fraud**

For other types of suspected fraud (e.g., medical, legal, pharmacy, employer, agent/broker, embezzlement), use the guidelines contained in this protocol.

**Sending the
Documented
Referral**

These documented referrals should be simultaneously submitted to the California Department of Insurance, Enforcement Branch, Fraud Division and the local district attorney's office.

Include complete addresses of all agencies/entities referral information is sent to.

Do not send original documents or a copy of the entire investigative file until requested to do so.

Questions?

For questions regarding this process, please contact the local California Department of Insurance, Fraud Division Regional office or the local district attorney.

*** CASE CATEGORIES

Standard Case:

- One defendant
 - Loss under \$10,000
 - One employer victim
- Loss = Amount of chargeable fraud

Medium Case:

- Loss from \$10,000 up to \$49,999

Complex Case:

- Loss from \$50,000 up to \$250,000

Very Complex Case:

- Loss greater than \$250,000

The above-stated loss amounts are only guidelines for each category. Notwithstanding the guidelines, a case shall be elevated from one category to any other higher category if the necessary number of aggravating factors, as stated below, exist:

A Standard case + at least 2 Aggravating factors = A Medium case

A Medium case + at least 2 Aggravating factors = A Complex case

A Complex case + at least 2 Aggravating factors = A Very Complex case

e.g., A Standard case with at least 6 Aggravating factors becomes a Very Complex case.

AGGRAVATING FACTORS:

1. Multiple defendants or suspects
2. Multiple claims by a single defendant or suspect
3. More than 2,000 pages of reviewable material
4. More than 20 witnesses (excluding non-suspect medical providers)
5. More than 6 no-suspect medical providers or other experts
6. A case involving a suspect legal provider(s) or a suspect medical provider(s)
7. More than 2 insurance carriers/self-insureds involved
8. Search warrant(s) involving 2 or more search locations
9. Special Master Warrant involved
10. Search warrant which requires assistance of an expert in its execution (e.g., computer expert, auditor, etc.). This does not refer to the typical expertise of the searching police officer(s).
11. More than 2 public agencies (excluding D.A.) involved
12. Undercover operation by law enforcement
13. Grand Jury Proceedings
14. One or more Motions (other than a P.C. 995 motion) requiring a filed response
15. More than 2 contested Court hearings, not including arraignment and preliminary hearings

QUALIFICATIONS COUNTY PLAN
Instructions for Fiscal Year 2011-2012

In accordance with the California Code of Regulations, Title 10, Section 2698.63, the county must submit a county plan. Please complete forms 05-09.

In answering the questions on Forms 05, 06, and 07, be sure to include the following information:

QUALIFICATIONS

The Qualifications Section consists of these forms:

- *Form 05*
- *Form 06(a)*
- *Form 06(b)*
- *Form 07*

Complete and submit the Qualifications forms, providing updated information according to the instructions in the form section. **Please complete Attachment B, which is a confidential document.**

If the county has received a grant award from the CDI in prior years, the outcomes reported in this section shall represent activities funded by the grant award. Outcomes achieved through county or other funding sources shall be designated separately.

**AUTOMOBILE INSURANCE FRAUD
QUALIFICATIONS**

Answer the following questions to describe your experience in investigating and prosecuting automobile insurance fraud cases during the last two (2) fiscal years as specified in the California Code of Regulations, Title 10, Section 2698.65.

1. What areas of your automobile insurance fraud operation were successful and why?
2. Specify what unfunded contributions (i.e., financial, equipment, personnel and technology) and support your county provided to the automobile insurance fraud program.
3. Detail and explain the turnover or continuity of personnel assigned to your automobile insurance fraud program. Include any rotational policies your county may have.
4. List the governmental agencies you have worked with to develop potential automobile insurance fraud cases.
5. Was there a distribution of frozen assets in the current reporting period? If yes, please describe. If no, state none.

EL DORADO COUNTY

El Dorado County is contiguous to Sacramento County on the west, Placer County to the north, Amador and Alpine Counties to the south, and the Nevada Stateline to the east. Despite some population growth in recent years, El Dorado County remains a very rural county with only two incorporated cities: Placerville and South Lake Tahoe. El Dorado County has a population of 180,185 with the majority of the population residing in Western Slope communities of Placerville, Shingle Springs, Cameron Park, and El Dorado Hills. Geographically, the county is comprised of 1805 square miles and is divided into two distinct areas, the West Slope and the Tahoe Basin.

The El Dorado County District Attorney's Office remains extremely active in the arena of consumer fraud protection, generally, and fighting insurance fraud specifically. This office continues to expand our Fraud Unit to initiate and prosecute more fraud cases. We also continue to look for new ways to educate our citizens and law enforcement on insurance fraud type cases and the resources available to victims. This office allows citizens of the county access to the office for protection of their rights, as well as a forum to report situations of potentially illegal conduct. As a significant part of this goal, enforcement of the laws relating to Automobile Insurance Fraud has become a cornerstone of our consumer protection effort. With the limited resources available, El Dorado County has, and is maintaining, a very aggressive program, as evidence by our accomplishments over the last year.

INTRODUCTION

Our elected District Attorney, Vern Pierson, has expanded El Dorado District Attorney's Office proactive and aggressive Insurance Fraud Program. Vicki Ashworth, a Senior Deputy District Attorney, was assigned last year to oversee the Automobile Insurance Fraud Program. Additionally, deputy district attorney Mike Pizzuti has remained with the program in order to expand our program and increase the number of cases that are prosecuted. This has allowed our Fraud Unit to improve and maintain consistency in case filings and dispositions, as well as handle a greater number of cases. Finally, our program continues with a full-time experienced criminal investigator, Bill Dillard, as well as an additional investigator to assist in case investigations.

1. What areas of your operation were successful and why?

As a result of the personnel changes discussed above, our automobile insurance fraud operation has again been successful. In making personnel changes, our goal was threefold: 1) increase the number of cases investigated and prosecuted; 2) gain greater consistency in case filings and dispositions, and 3) vertically prosecute all cases countywide, including the Tahoe Basin.

First, as indicated by the current statistics, our program was successful in increasing the number of cases investigated and prosecuted. In fiscal year 2010/11, our program initiated an increased number of new investigations. Additionally, we increased our felony filings and more than doubled both our felony and misdemeanor convictions over last fiscal year. Our unit has worked diligently with other agencies, as well as each other, to achieve this goal.

Next, with the addition/change of personnel and ongoing communication with each other, we were able to achieve greater consistency in our case filings, as well as case dispositions. As noted in our statistics, we had an increased number of felony filings that also resulted in felony convictions. In essence, we had fewer cases that were initially filed as felonies but resolved for a misdemeanor plea. This is a direct result of the unit discussing cases, stronger case investigations, and greater control over program cases.

Third, with the addition of experienced deputy district attorneys, to the unit, we have accomplished vertical handling of all cases countywide. This includes filing, appearing, and handling cases in the Tahoe Basin, with few exceptions. This has been an important goal of ours over the past couple of years because our office recognizes that in order to build a stronger program, we need to accomplish greater control over cases and consistency in case handling. Vertically prosecuting cases in the Tahoe Basin has always proved to be a difficult accomplishment because of the mere location of our office and courts in that area. The Tahoe Basin is an hour and a half drive from our main Placerville office and court cases are handled on days that conflict with our regular calendars in the Placerville area. Through the diligent work of our attorneys assigned to the unit, we are now notified when the Tahoe office receives a new auto fraud case for a filing decision and we are able to access the case file/reports through our internal computer program as all cases are now scanned into that system and available for us to review. This has

enabled us to review Tahoe cases from the Placerville office, make a filing decision, and have the case filed in South Lake Tahoe. All of this is accomplished without our program attorneys having to leave the Placerville office. Additionally, to the extent possible, appearances on auto fraud program cases are scheduled for the same day so that when the attorneys have to drive to South Lake Tahoe, they are able to appear on multiple cases, thus being more efficient in how we manage our cases.

Another important area that was successful in our program this year was the number of Applicant/Insured Fraud (Penal Code Section 550) investigations. As a small county, the majority of our prosecutions are economic car theft related. However, our office has continued working diligently over the last couple of years to steadily increase investigations of applicant/insured fraud. The applicant/insured fraud cases require more time and resources, however, our investigator(s) have maintained a close working relationship with investigators at CDI and other agencies. These relationships have enabled our investigator(s) to work applicant/insured fraud cases with other, more experienced, investigators and continue learning how to build a solid case. This has resulted in, not only, an increased number of investigations, but a more quality investigation as well. All of these efforts have resulted in a marked increase in the number of applicant/insured fraud cases our office handles, thus creating a more balanced caseload.

We continue to maintain our active involvement with the El Dorado County Arson Task Force in an ongoing effort to unify and coordinate investigations of fire losses with a specific emphasis on arson fires. Investigator Dillard and Deputy District Attorney Vicki Ashworth continue to be notified by the fire agencies anytime there is a suspicious loss, enabling our immediate and direct involvement in the case investigation. Our involvement with the Arson Task Force has led to an investigation involving a substantial monetary loss. As the case is still under investigation, and therefore confidential, we are unable to discuss the facts in detail at this time.

Finally, our office reached a resolution on a complex prosecution which Investigator Dillard worked on with the cooperation of the Department of Motor Vehicles. This case involved an automobile dealer and two employees running a dealership who were double flooring vehicles, selling new vehicles out of trust and failing to pay off customer loans on trade-ins after the dealership received funds for the payoffs. The case involved financial losses in the hundreds of thousands of dollars and resulted in a state prison sentence for the main defendant, significant jail time for another, and orders to pay restitution for all involved.

2. Specify what unfunded contributions, i.e. financial, equipment, personnel, technology and support your county provided to the automobile insurance fraud program.

As our caseload continues to grow, there are rare occasions when conflicts arise as to the scheduling of cases in various departments. We are fortunate to have the ability to ask the Deputy District Attorney assigned to the court to appear on a case if necessary.

Support from the County also includes the following:

Police radios, vests, firearms, safety equipment, the District Attorney's time to promote the program, secure funding from the Board of Supervisors, meet with fellow District Attorneys to apprise them of the program, use of computers, investigative and attorney staff time to assist the Automobile Fraud Investigator in the approval and service of search warrants, arrest warrants and investigations.

3. Detail and explain the turnover or continuity of personnel assigned to your insurance fraud program.

As discussed above, the past year brought some personnel changes to our insurance fraud program. These changes were made because: 1) the former lead attorney, Richard Jones, retired; which led to Ms. Ashworth being assigned to the program as the new lead attorney; and 2) attorney staff increases were necessary to achieve our goals of complete vertical prosecution to include in the Tahoe Basin, greater efficiency, and greater consistency in case filings and dispositions.

Although these changes were made, it remains the position of our elected District Attorney, Vern Pierson, to not change staff assignments for this program just for the sake of change or unless it is absolutely necessary. Mr. Pierson is aware of the Department's desire to maintain consistency within the program and remains dedicated to this premise. With a strong and dedicated team in place, at this time we do not anticipate any further personnel changes.

4. List the governmental agencies you have worked with to develop potential automobile insurance fraud cases.

Over time, our office has been able to establish and maintain strong working relationships with a number of agencies. These agencies include our local law enforcement agencies as well the California Department of Insurance (CDI), the Department of Motor Vehicles, local fire agencies, and other law enforcement agencies outside our county. Additionally, Investigator Dillard establishes working relationships with insurance company investigators as he increases the number of applicant/insured fraud cases our office is investigating.

An outreach program with the El Dorado County Sheriff's Department, the Placerville Police Department, the California Highway Patrol, and the South Lake Tahoe Police Department was created a couple of years ago by Mr. Pierson. That program assigns two Deputy District Attorneys to each agency and continues today. Deputy District Attorneys go to the agencies and meet with officers at briefings throughout the year to discuss cases or particular issues. Additionally, the Deputy District Attorneys assigned to each agency give periodic trainings to the officers on a variety of topics, including how to better investigate economic auto theft and automobile insurance fraud. As previously discussed, our office continues to play a pivotal role in the County's Arson Task Force as well. Our involvement in and implementation of these programs allows us to continue strengthening our close working relationships with county law enforcement and fire districts.

Also of significant importance is the relationship fostered with the Department of Motor Vehicles and their investigative staff. The working relationship grew over the past year or two as we jointly investigated the complex case involving an auto dealer and two employees who were committing fraud and cheating customers and third parties out of money and services. Although this case has resolved, we expect to maintain our strong working relationship with the Department of Motor Vehicles.

5. Was there a distribution of frozen assets during the current reporting period?

None.

QUALIFICATIONS

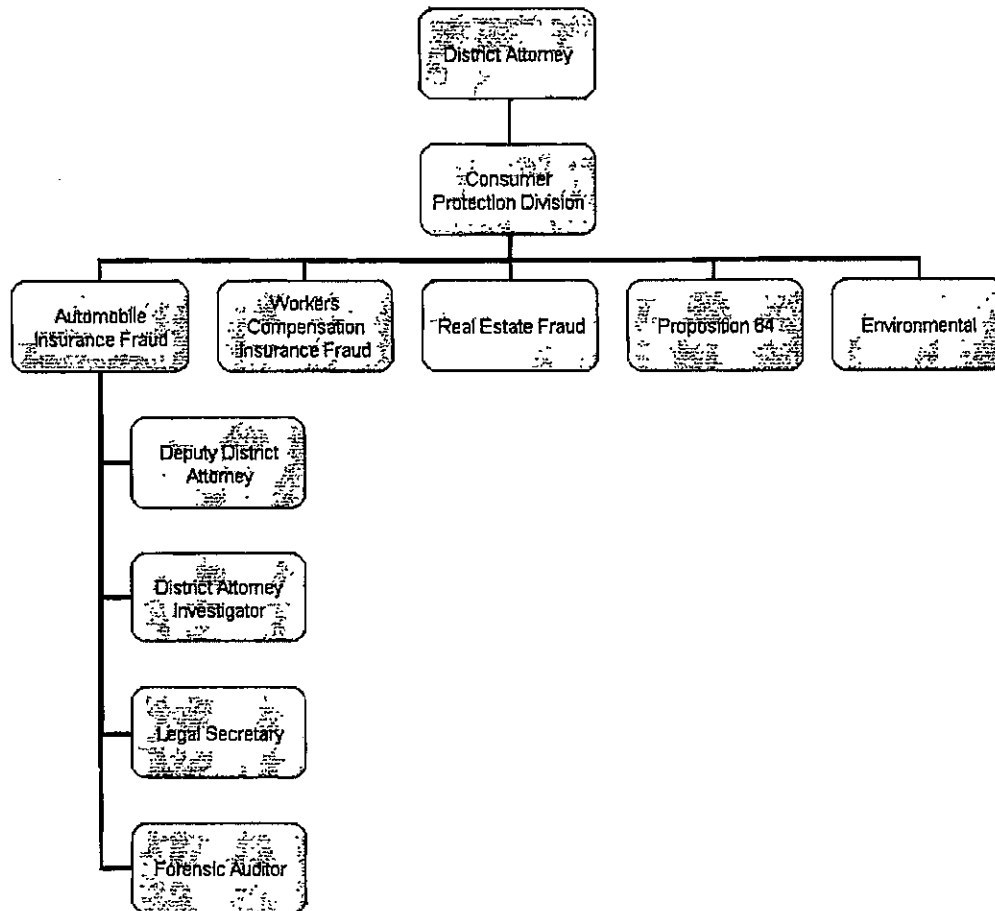
List the name of the program's prosecutor(s) and investigator(s). Include position titles and percentages for any vacant positions to be filled. For each, list:

1. The percentage of time devoted to the program
2. How long the prosecutor(s)/investigator(s) have been with the program

Prosecutors	% Time	Time With Program Start date/End date
MICHAEL P. PIZZUTI	36%	JANUARY, 2010
VICKI ASHWORTH	10%	JULY, 2010

Investigators	% Time	Time With Program Start date/End date
WILLIAM N. DILLARD	100%	JUNE, 2008
TIMOTHY MULLIN	25%	DECEMBER, 2009

ORGANIZATIONAL CHART



PROGRAM REPORT
Fiscal Year 2010-2011

In order to complete the Program Report, use the Report in Excel format located on the CD. The Report in this application is only a picture, and you will not be able to enter information onto it. For this application, statistical information will be captured from July 1, 2010 to June 15, 2011.

Some of the fields have been formulated so that the totals are automatically calculated. There are also "pop-up" boxes that explain which sections should match up with each other. Use these "pop-up" box tips to help complete the Program Report.

FORM 07

DAR submitted electronically.

PROBLEM STATEMENT
Instructions for Fiscal Year 2011-2012

In answering the questions on Form 08, be sure to include the following information:

PROBLEM STATEMENT

Describe the nature and extent of the problem in the county. Include in your responses, the following:

- Its sources and causes
- Its economic and social impacts
- Its unique aspects, if any
- What is needed to resolve the problem

Supporting data and evidence, or indicators of fraudulent activity, related to automobile insurance may include data and information derived from these sources:

- Other local law enforcement entities
- Insurers
- The Fraud Division, and/or the Investigation Division of the California Department of Insurance
- Other interested parties

COUNTY PLAN PROBLEM STATEMENT

Please describe the types and magnitude of automobile insurance fraud (e.g., applicant, medical/legal provider, staged collisions, insider fraud, insurer fraud, economic vehicle theft, fraud ring, and capping) relative to the extent of the problem specific to your county. Please use local data or other evidence to support your description.

From a review of cases received in our office, it is clear that El Dorado County has a significant economic vehicle theft problem and a growing applicant/insured fraud problem. As previously discussed in our Introduction, El Dorado County, while larger geographically, remains a relatively rural county with only two incorporated cities. El Dorado County lies between Sacramento County and the Nevada state line with Highway 50 running through the middle of the county. Highway 50 is a main travel artery for many people and as such, El Dorado County is quite transitory in nature. Additionally, just over two years ago Red Hawk Casino, the first casino in our county, opened which draws in additional out-of-county visitors. All of these factors contribute to the fraud that is present within our county.

As to economic vehicle theft, Red Hawk Casino has definitely had an impact in the number of economic vehicle theft cases we have seen. The casino is located directly off Highway 50 and provides a quick and easy exit route back down to Sacramento County and other outlying areas. The parking garage at the casino provides an easy spot for criminals to select and steal unattended vehicles and quickly leave the county. Additionally, we have also seen that vehicles that are stolen in another area, typically Sacramento County, are driven to and left at the casino in the parking garage. We have also had cases where the criminal drives the stolen vehicle to the casino, stays to gamble, and is caught while still at the casino. To address some of these issues, our office has been working with the El Dorado County Sheriff and other agencies to randomly check license plate numbers on vehicles bring driven in the immediate area around the casino to see if it returns as a stolen vehicle.

Other trends we have seen from our economic vehicle theft cases are economically related. As with other counties, El Dorado County was hit hard by the economic downturn and is still suffering. As of May 2011, the unemployment rate in El Dorado County was 12.6% which is above the statewide unemployment rate of 11.7%. The ongoing economic issues within our county have resulted in an increase of economic vehicle theft for various reasons, such as: 1) people cannot afford a vehicle, yet need a vehicle to get around; 2) vehicles are stolen, used, and then abandoned; and 3) vehicles are stolen with plans to sell it in whole or in parts for financial gain. We predominantly have cases involving individuals acting randomly and responding to circumstances or opportunities as they arise. We rarely find evidence of a fraud ring being operated within our county, but it is something our investigators are aware of and look for in appropriate cases.

In addition to economic vehicle theft, we have also experienced an increase in the number of applicant/insured fraud investigations. A review of these cases shows similar sources and causes as economic vehicle theft type crimes. Again, the ongoing economic troubles in El Dorado County have contributed to the offenses themselves as well as the increase in number of investigations. We have found that, generally, this type of fraud is perpetuated by a person in need of money. Typically, a legitimate accident occurs and one of the parties will initially report minor or no injuries and later claim extensive injuries in order to receive a large insurance settlement. The majority of the cases we have seen involve suspects that are traveling through El Dorado County and live in other counties. The suspects typically do not commit the actual fraud in El Dorado County, but instead, the fraud is committed when the person returns home and reports extensive injuries to a doctor and set up a claim from their own county of residence. Again, this is a unique circumstance to El Dorado County because we are so "transitory" in nature.

Another type of applicant fraud that we encounter involves individuals who are uninsured and are involved in a legitimate vehicle accident. After the accident, the driver secures automobile insurance, waits some time and then fraudulently reports the accident to the insurer. This is accomplished when the suspect fraudulently reports that the accident occurred after the date he/she actually got insurance on the vehicle. This is done to either receive an illegal settlement, avoid having to pay money to the other party, or have their vehicle repaired at the expense of the insurance company. Our office typically receives referrals for this type of case from CDI or insurance companies directly. As in other counties, this type of crime affects not only citizens of El Dorado County, but also statewide in that this type of fraudulent activity results in higher insurance premiums for everyone to cover the cost of the fraud and related expenses.

Finally, with the economic downturn, El Dorado County has also seen arson related offenses. These offenses typically involve an individual who can no longer afford to make payments on their vehicle or need quick cash for other purposes. The individual then reports that the vehicle has caught fire for unknown reasons and by the time fire agencies are notified, the vehicle is a total loss. The individual is usually properly insured and stands to receive a pay-out for the loss of their vehicle. With the assistance of local fire agencies, investigations reveal that the individual is responsible for the vehicle being burned and has made a fraudulent claim.

To combat and resolve both types of automobile insurance fraud crimes that are most prevalent in El Dorado County, we simply need additional funding to invest in increased investigator time and resources. Additionally, it is necessary for our office to continue our strong working relationships with law enforcement, fire agencies, CDI, insurance companies and other outside agencies.

PROGRAM STRATEGY
Instructions for Fiscal Year 2011-2012

In answering the questions on Form 09, be sure to include the following information:

PROGRAM STRATEGY

This section **shall specify** how the district attorney will address the problem, defined in the Problem Statement, through the use of program funds.

The discussion **should include** the steps that will be taken to address the problem, as well as the estimated time frame(s) to achieve program objectives and activities. Specifically, this section **should describe**:

- the manner in which the district attorney will develop his or her caseload;
- the sources for referrals of cases; and
- a description of how the district attorney will coordinate various sectors involved, including insurers, medical and legal providers, the Fraud Division, public agencies such as the California Highway Patrol, Bureau of Automotive Repairs, U.S. Customs, and local law enforcement agencies.

Required: A current District Attorney/Fraud Division Joint Plan for the use of investigative resources is required and included with the application (Attachment A).

COUNTY PLAN PROGRAM STRATEGY

- 1. Explain how your county plans to resolve the problem stated in your problem statement. Include improvements in your program.**

Of utmost importance in resolving our ongoing automobile insurance fraud problems is to procure additional funding for increased investigator time and resources to focus on the investigation of these cases. It is through this increased time that our office can become more proactive in the fight against automobile insurance fraud. Additional investigator time would allow us to have more of a presence in the South Lake Tahoe region and discover what fraud trends may exist in that area. Also, two investigators working together are able to investigate cases more efficiently and thoroughly, building a stronger prosecution.

As discussed in our Problem Statement, Red Hawk Casino is a hot spot for economic auto theft cases and needs to be more fully addressed. Additional investigator time would also enable us to work together with the casino and develop a more cooperative working relationship to fight fraud in that location. We foresee an additional investigator, if funded, to be a point person the casino could contact with issues and vice versa. Through a cooperative working relationship, we anticipate being able to access the casino parking garage to continue with random license checks of vehicles to ascertain if they are stolen. Working with casino personnel may build a more united front in the fight against fraud and getting the word out into the community, and beyond, may serve as a deterrent to would-be criminals.

As to other cases of economic vehicle theft and those involving applicant/insured fraud, simply having more of a presence in the community may help resolve the problems El Dorado County experiences. As stated in our Problem Statement, El Dorado County is still suffering significantly from the economic downturn, as evidenced by our unemployment rates and the number of economic auto theft cases. Although our office can not fix the county's economic issues, with an additional investigator position we can be more proactive in our community with outreach, training, and mere presence. These actions would communicate to our citizens and businesses that the El Dorado County District Attorney's office is active in the fight against automobile insurance fraud.

Additionally, our office recognizes the need for strong working relationships with other agencies, including CDI, DMV, SIUs, law enforcement and fire districts. We have worked over the past couple of years to establish and build on these relationships and will continue to do so. It is our belief that working together and involving more resources leads to an increased caseload and more quality investigations. To that end, we will continue with training law enforcement agencies, fire agencies and others regarding proper case investigation, report writing and fraud

in general. We will also continue sending our own staff to appropriate trainings so that we stay abreast of new trends, resources and changes in the fight against fraud.

As discussed elsewhere, we made personnel changes to our Fraud Unit which has improved our program. Through these changes, we were able to achieve complete vertical prosecution to include the South Lake Tahoe Basin, greater efficiency, and greater consistency in case filings and dispositions. Additional improvements include: increased cooperation with fire agencies and others in case investigations; increased the number of investigations, case filings, and dispositions; and a significant increase in the number of felony dispositions. With a program in place to track restitution and fine payments, we will seek to increase the amount that is actually collected over the next fiscal year.

2. What are your plans to meet any announced goals of the Insurance Commissioner? If these goals are not realistic for your county, please state why they are not, and what goals you can achieve? What is your strategic plan to accomplish the goals?

- **Balanced Caseload**

Although we are a small, rural county, our Automobile Insurance Fraud Unit is dedicated to achieving a balanced caseload. To that end, we have worked diligently on our own as well as with other agencies to increase the number of applicant/insured fraud cases we handle. Due to the transitory nature of El Dorado County and a small fraud investigative unit, it has been a challenge to increase the number of these types of cases. However, we believe that we have shown a strong effort in meeting this stated goal of the Insurance Commissioner. Additionally, while we are aware of other types of automobile insurance fraud and continue watching for other violations, our county simply has not seen types of fraud such as staged collisions, insider fraud, and insurer fraud.

To accomplish a balanced caseload, our Fraud Unit will continue working closely with law enforcement and other agencies to develop and investigate cases. Our office will continue sending staff to appropriate trainings and look to others for information, guidance, and expertise as needed.

- **Performance and Continuity within the Program**

As discussed above, the past year brought some personnel changes to our insurance fraud program. These necessary changes were made for various reasons, but primarily for the benefit of our program. Although these changes were made, it remains the position of our elected District Attorney, Vern Pierson, to not change staff assignments for this program just for the sake of change or unless it is absolutely necessary. Mr. Pierson is aware of the Commissioner's desire to maintain consistency within the program and remains dedicated to this premise. With a strong and dedicated team in place, at this time we do not anticipate any further personnel changes. Further, as indicated by our statistics, our Fraud Unit continues to grow as funds are made available for an increase in personnel.

- **Outreach**

In the coming fiscal year, a concerted effort will be made to reach out to more insurance SIUs to strengthen our working relationship with those units. We plan to discuss with those units what is needed for a successful prosecution and how we can work together to apprehend more offenders. Our Fraud Unit will continue with our training and liaison program with local law enforcement agencies as well so as to improve the quality and quantity of investigations and make the agencies aware of the District Attorney's ongoing fight against auto fraud. Our Fraud Unit personnel will also maintain its strong relationship with investigators at CDI so that we may work cooperatively together in furtherance of more quality investigations. As with the recent resolution of a major fraud case involving three defendants operating a car dealership, our office will prepare press releases in significant case to get the message out to the community. We have found that such releases of information serve as a deterrent to others in the community and raise awareness regarding the existence of our Automobile Insurance Fraud Program.

3. What goals do you have that require more than a single year to accomplish?

One goal of our office is to continue working towards a balanced caseload and increase the number of applicant/insured fraud cases. This may take more than a single year to accomplish as we continue learning how best to uncover and investigate this type of case. As El Dorado is still a small county, we do not have the same issues or resources as a more populated county. We have shown great strides in increasing these types of case investigations over the past two years and expect to continue doing so, particularly if awarded the full amount being requested in this grant.

Another goal of our office is to investigate more cases in the South Lake Tahoe region. As previously discussed, we have been able to accomplish our goal of vertically prosecuting cases in our South Lake Tahoe office with the increased number of attorneys. Now, our goal is to procure additional investigator time so that the investigators can travel to the South Lake Tahoe area more frequently. This would allow them to build and strengthen a relationship with the local CHP and South Lake Tahoe Police Department. This would foster greater cooperation by those agencies and expand our fraud program. This goal would take more than a year to accomplish as it will be an ongoing effort to make contacts and learn the area more fully.

Finally, an ongoing goal of ours is to continue studying our cases and trends to identify the extent and nature of the automobile insurance fraud problem in the county. As discussed, we have identified areas of concern, but recognize that more effort is needed. As the office has demonstrated our commitment to fighting fraud, we will continue to build and strengthen relationships with insurance professionals. We also recognize the importance of outreach and training and will continue with our efforts to identify those entities that we need to meet with and train, as well as continue to meet with those agencies with whom we have already established a strong working relationship.

4. Training and Outreach

- List the training **received** by each county staff member in the automobile fraud unit during fiscal years 2009-2010 and 2010-2011.
- Describe what kind of training/outreach **you provided** in Fiscal Year 2010-2011 to local Special Investigative Units, public and private sectors to enhance the investigation and prosecution of automobile insurance fraud; and/or coordination with the Fraud Division, insurers, or other entities.
- Describe what kind of training/outreach **you plan to provide** in Fiscal Year 2011-2012 to local Special Investigation and prosecution of automobile insurance fraud; and/or coordination with the Fraud Division, insurers or other entities.

Over the past two years, the lead attorney, Attorney Mike Pizutti, and Investigator William Dillard attended the Insurance Fraud Seminar presented by CDAA. Investigator Dillard also attended the “Advanced Interviews and Investigations” presented by Interviews and Interrogations Institute. Supervising Investigator Robert Cosley attended the “2010 CDAIA management Update Seminar”, presented by CDAIA.

In the last fiscal year, we provided a number of trainings to law enforcement and fire district representatives. We attended briefings for law enforcement to discuss deficiencies in their reports regarding auto fraud and explained to them the information we needed in order to strengthen our prosecutions. Additionally, we provided training to the California Highway Patrol during a training day specifically on economic auto theft investigations. This included information that was important to include in their report, what contacts need to be made, and how to testify in court. All of this training strengthens an officer’s report and makes prosecution less troublesome. Finally, we also spoke to numerous fire agencies during Arson Task Force meetings and trained them on proper investigation techniques. There was a particular emphasis on arson investigations resulting in auto fraud. As a result of our involvement in the Arson Task Force and training we have provided, Investigator Dillard has a very strong working relationship with fire district personnel and is notified anytime there is a suspicious fire involving a vehicle. Our immediate involvement increases the likelihood of a successful prosecution in these types of cases.

In the coming fiscal year, a concerted effort will be made to reach out to more insurance SIUs to strengthen our working relationship with those units. We plan to discuss with those units what is needed for a successful prosecution and how we can work together to apprehend more offenders. Our Fraud Unit will continue reaching out to law enforcement agencies as well so as to strengthen, as well as increase, the number of investigations and make the agencies aware of the District Attorney’s ongoing fight against auto fraud. Our Fraud Unit personnel will also continue its strong relationship with investigators at CDI so that we make work cooperatively together in furtherance of more quality investigations.

Our office recognizes that these continued trainings and outreach are fundamental to the success of our program. It is through these meetings with various agencies that attention is drawn to information which is helpful in the identification of potential fraud and how issues need to be addressed in written reports.

5. Describe the county's efforts and the district attorney's plan to obtain restitution and fines imposed by the court to the Automobile Fraud Account.

Over the last two fiscal years, restitution has been a primary goal of our unit. A program has been implemented to enhance the collections of fines and restitution that have been ordered by the court in each case. Our Fraud Unit Administrative Assistant is able to access court records (in a read only mode) and follow the payments of each defendant. The Administrative Assistant begins monitoring a defendant's progress forty-five days post-conviction or plea to determine if payments have been received per the court's order. Additionally, in El Dorado County, the Probation Department is responsible for determining and collecting restitution. Arrangements are in place for our Fraud Unit to be kept apprised of the status of restitution payments in relevant cases. If and when our Administrative Assistant determines, or the Probation Department notifies us, that a defendant has not made regular court-ordered payments towards fines and restitution, the matter is researched and a violation of probation is filed if appropriate.

Additionally, to the extent possible, restitution is ordered in fraud cases at the time of plea/sentencing so that it becomes part of the plea agreement and the defendant cannot contest the amount. At times this is not possible due to an early plea by the defendant and/or non-receipt of restitution information from the victim. However, our unit works diligently to determine the amount of restitution owed to victims and has the court order the amount when it is known.

In the next fiscal year, we will continue with our program of having restitution ordered at the time of plea, where possible, and tracking payments by defendants to ensure timely and accurate payments to victims.

6. Identify the performance objectives that the county would consider attainable and would have a significant impact in reducing automobile insurance fraud.

Project:

- a. 45 new investigations will be initiated during FY 2011-2012.
- b. 30 new prosecutions will be initiated during FY 2011-2012.

7. If you are asking for an increase over the amount of grant funds received last fiscal year, please provide a brief description of how you plan to utilize the additional funds?

The El Dorado County District Attorney's Office continues building a comprehensive and viable program to fulfill not only the needs of our county, but also to meet the goals and standards of the Commissioner and CDI. The requested increase in funds will be

used to staff the program with investigators who will continue to work closely with the Deputy District Attorneys assigned to the unit. The increased funds would also provide funding for additional Deputy District Attorney time to prosecute the increased number of cases. As state previously, we have achieved our goal of vertically prosecuting cases not only in our Placerville office, but also in the South Lake Tahoe office. The funds for additional investigator time would allow us to initiate and investigate more offenses in the South Lake Tahoe region, as well as the West Slope area of El Dorado County. As shown by our statistics over the past couple of years, increased time by both investigators and deputy district attorneys has resulted in an increase number of cases investigated, filed, and prosecuted.

We have shown a need for the requested funds in just the last fiscal year alone. Last year, we had a carry-over amount of \$25,000 on our grant. Additionally, with the passing of the Governor's budget and availability of additional funds, El Dorado County was awarded nearly \$50,000 in a mid-year, mini-grant process. Due to an increasing caseload, our office utilized nearly all \$75,000 of the increased funds. Specifically, the funds were used for additional investigator and attorney time to strengthen our program, achieve a county-wide Fraud Unit with vertical prosecution, and increase the number of cases and investigations. El Dorado County has demonstrated a strong need for the additional funds we are requesting. We expect case diversity (more balanced caseload), number of investigations, and number of prosecutions to continue increasing if we are awarded the additional funds we seek.

BUDGET
Instructions for Fiscal Year 2011-2012

In preparing to provide the information requested on Forms 10-13, be sure to consider the information provided below, as well as follow the detailed instructions provided:

BUDGET

General:

The budget is the basis for management, fiscal review, and audit. Funding Formula planning levels are included with this package.

Counties may supplement grant funds with funds from other sources such as those discussed in Form 05, question #2. However, applicants should not include any funds or expenses from these sources in the program budget.

BUDGET CATEGORY INSTRUCTIONS

PROGRAM BUDGET

The purpose of the Program Budget is to demonstrate implementation of the proposed plan with the funds available through this program. Program costs must be directly related to the objectives and activities of the program. The budget must cover the entire grant period. In the budget, include only those items covered by grant funds. All budgets are subject to the CDI's modification and approval.

The CDI requires the applicant to develop a cost-effective line-item budget that will enable them to meet the intent and requirements of the program, and ensure the successful implementation of the program. Applicants should prepare a realistic and prudent budget that avoids unnecessary or unusual expenditures that would detract from the achievement of the objectives and activities of the program. The following information is provided to assist in the preparation of the budget. Strict adherence to all required and prohibited items is expected. Failure by the applicant to include required items in the budget does not excuse responsibility to comply with those requirements.

Program funds must be used to support enhanced investigation and prosecution of insurance fraud and shall not be used to supplant funds that, in the absence of program funds, would be made available for any portion of the local insurance fraud program.

Budget modifications are allowable as long as they do not change the grant award amount. Budget modifications across budget categories (i.e., personal services, operations and equipment) require CDI approval. **Each budget modification request shall be made in writing before it can be approved.**

1. Non-Allowable Budget Items

- Real property purchases and improvements
- Aircraft or motor vehicle, except the purchase of motor vehicles specifically requested/justified to, and approved in advance by, the Commissioner
- Interest payments
- Food and beverages, except as purchased in connection with program-related travel. Food and beverage costs shall not exceed the applicants' per diem schedule.
- Weapons or ammunition unless included as part of a benefit package

2. Allowable Budget Items

Allowable costs are those costs incurred in direct support of local program activities, including program personnel, program-related travel, equipment costs proportional to their program-related use, facilities cost, expert witness fees and audits.

Specific Budget Categories

There is a separate form for each of the following three budget categories:

- A. Personnel Services - Salaries/Employee Benefits – Form 10
- B. Operating Expenses – Form 11
- C. Equipment – Form 12

Each budget category requires line-item detail that addresses the method of calculation and justification for the expense. Enter the amount of each line-item in the right-hand column of the Budget Category form. All charges must be clearly documented **and rounded off to the nearest whole dollar**. Enter the total amount of the budget category at the bottom of the form. **If additional pages are needed, total only the last page of each budget category.**

The bottom of the Equipment Category form contains a format for identifying the program total and other revenue items. **This section must be completed and submitted even if there were no line-items identified in the Equipment Category.**

A. Personnel Services - Salaries/Employee Benefits:

1. **Salaries:** Personnel services include all services performed by staff that are directly employed by the applicant and must be identified by position and percentage of salaries. All other persons are to be shown as consultants in the Operating Expenses Category supported by a memorandum of understanding, contract, or operational agreement, which must be kept on file by the grantee and made available for review during a CDI site visit, monitoring visit, or audit. Sick leave, vacation, holidays, overtime, and shift differentials must be budgeted as salaries.
2. **Benefits:** Employee benefits must be identified by type and percentage of salaries. Applicants may use fixed percentages of salaries to calculate benefits. Budgeted benefits cannot exceed those already established by the applicant.

Employer contributions or expenses for social security, employee life and health insurance plans, unemployment insurance, and/or pension plans are allowable budget items. Other benefits, such as uniforms or California Bar Association dues, are allowable budget items if negotiated as part of an employee benefit package.

A line-item is required for each different position/classification, but not for each individual employee. If several people will be employed full-time or part-time in the same position/classification, provide the number of full-time equivalents (e.g., three half-time clerical personnel should be itemized as 1 ½ clerical positions).

B. Operating Expenses:

Operating expenses are defined as necessary expenditures exclusive of personnel salaries, benefits and equipment. Such expenses may include specific items directly charged to the program, and in some cases, an indirect cost allowance. The expenses must be grant-related (e.g., to further the program objectives as defined in the grant award) and be encumbered during the grant period.

The following items fall within this category: consultant services such as subcontractors who are not employed by the applicant, travel, office supplies, training materials, research forms, equipment maintenance, software equipment rental/lease, telephone, postage, printing, facility rental, vehicle maintenance, answering service fees, audit, administrative costs, and other consumable items. Furniture and office equipment costing less than \$1,000 per unit (including tax, installation, and freight) or with a useful life of less than one-year fall within this category.

1. **Travel Budget** for all anticipated travel related to the program is based on the travel policy established by the county. If a county does not have a travel policy, the state mileage rate can be used, which is a maximum of **51 cents per mile**, unless a higher rate is justified. When program employees are authorized by program department heads or designees to operate a privately owned vehicle on program-related business and no local travel policy exists, the employee will be allowed to claim 51 cents per mile without certification.
2. **Facility Rental** up to \$18 per square foot annually (\$1.48 per square foot per month) with maintenance is allowable. If the rental costs for office space exceed these rates, it must be consistent with the prevailing rate in the local area.
3. **Rented or Leased Equipment:** If equipment is to be rented or leased, an explanation and cost analysis will be required if the application is selected for funding.
4. **Confidential Fund Expenditures** are costs that will be incurred by grant-funded personnel working undercover or in another investigative capacity. It may include the purchase of information, physical evidence, or services.
5. **Indirect Costs/Administrative Overhead:** Applicants may set aside grant funds for indirect costs/administrative overhead. Indirect costs are those not readily itemized or assignable to a particular program, but necessary to the operation of the organization and the performance of the program. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of indirect costs. Flat rates not exceeding 10 percent (10%) of personnel salaries (excluding benefits and overtime), or 5 percent (5%) of total direct program costs (excluding equipment) may be budgeted by applicants for indirect/administrative costs. You must specify the amount and the method of calculation for these costs.

Applicants must have on file an indirect cost allocation plan, which demonstrates how the rate was established. This plan must clearly indicate that line-items charged to a direct cost category (i.e., postage) are *not* included in the indirect cost category. All costs included in the plan must be supported by formal accounting records that substantiate the propriety of eventual charges.

6. **Audits:** The budget may include a line-item for the cost of obtaining an independent financial audit. The financial audit is to be prepared by either an independent auditor who is a qualified state or local government auditor, an independent public accountant licensed by the State of California, or the County Auditor/Controller. The audit shall indicate that local expenditures were made for the purposes of the program as specified in Section 1872.8 of the California Insurance Code as adopted guidelines, in the Application and County Plan.

C. Equipment:

Equipment is defined as non-expendable tangible personal property having a useful life of more than one-year and costing \$1,000 or more per unit (including tax, installation, and freight).

A line-item is required for each different type of equipment, but not for each specific piece of equipment (e.g., three laser jet printers must be one line-item, not three).

Rented or leased equipment must be budgeted as an Operating Expense. "Lease to Purchase" agreements are generally not allowable. If a "Lease to Purchase" is requested, prior approval is required.

An equipment log must be completed listing all equipment purchases made with the prior fiscal year CDI grant.

Automobiles: The purchase of automobiles must be justified to and approved by the Commissioner. A separate justification must be submitted. If approved, county procurement policies must be followed.

PROGRAM TOTAL

Place the total amount for the entire budget in the space provided at the bottom right corner of the Budget Category and Line-Item Detail form. This amount must match the amount requested for the program.

OTHER PROGRAM FUNDS

Interest Income: Include the amount of interest accrued to the base program funds. Interest income shall be used to further local program purposes.

ADDITIONAL GUIDANCE

Counties are also referred to the California State Controller's office (SCO) and its Accounting Standards and Procedures for Counties manual (Government Code Section 30200 and California Code of Regulations, Title 2, Division 2, Chapter 2) that, along with minimal required accounting practices, includes basic guidance regarding grant program budgets. Counties may download a copy of this manual at the SCO website <http://www.sco.ca.gov/ard/manual/cntyman/pdf> or request copies by completed and submitting the SCO request form at http://www.sco.ca.gov/Files-ARD/manual_manualrequest.pdf.

BUDGET CATEGORY AND LINE-ITEM DETAIL		COST
A. Personnel Services - Salaries/Employee Benefits		
Salaries (Including Tahoe differential, bi-lingual, standby, longevity, overtime and deferred comp)		
		167,261
DA Investigator	1.50 FTE	59,023
Deputy District Attorney	.50 FTE	8,356
Legal Secretary	.20 FTE	6,274
Forensic Auditor	.10 FTE	
Benefits		
Medicare:		2,336
DA Investigator	1.50 FTE	835
Deputy District Attorney	.50 FTE	122
Legal Secretary	.20 FTE	91
Forensic Auditor	.10 FTE	
Health/Flex:		22,323
DA Investigator	1.50 FTE	10,780
Deputy District Attorney	.50 FTE	1,755
Legal Secretary	.20 FTE	1,635
Forensic Auditor	.10 FTE	
Retirement/PERS:		49,796
DA Investigator	1.50 FTE	10,573
Deputy District Attorney	.50 FTE	1,534
Legal Secretary	.20 FTE	1,152
Forensic Auditor	.10 FTE	
Disability Insurance:		549
DA Investigator	1.50 FTE	75
Deputy District Attorney	.50 FTE	30
Legal Secretary	.20 FTE	23
Forensic Auditor	.10 FTE	
Unemployment Insurance:		1,208
DA Investigator	1.50 FTE	403
Deputy District Attorney	.50 FTE	161
Legal Secretary	.20 FTE	81
Forensic Auditor	.10 FTE	
TOTAL		346,376

BUDGET CATEGORY AND LINE-ITEM DETAIL	
B. Operating Expenses	COST
Memberships:	
California District Attorney's Association	55
State Bar of California	200
California District Attorney Investigator's Association	45
Northern California Fraud Investigators Association	60
Law Books:	
California Insurance Code	28
Audit Fee:	
El Dorado County Auditor/Controller (required)	10,700
Training:	
NCFIA- (1.50) Investigators	413
Insurance Fraud Seminar- .50 FTE DDA	18
Insurance Fraud Seminar- 1.50 FTE Investigator	525
Travel:	
Meals	500
Lodging	2,500
Office Supplies:	500
Critical Reach Software:	265
Indirect/Administrative Cost Allocation:	24,092
TOTAL	39,901

BUDGET CATEGORY AND LINE-ITEM DETAIL	
C. Equipment	COST
CATEGORY TOTAL	
PROGRAM TOTAL	386,277
INTEREST TOTAL	

EQUIPMENT LOG


Equipment Log for FY 2010-2011
County of EL DORADO

Equipment Ordered	Equipment Cost	Date Ordered	Date Received	Serial Number	Equipment Tag Number

Rows can be inserted as needed.

No equipment purchased.

I certify this report is accurate and in accordance with the approved Grant Award Agreement.

Name: VERN R. PIERSON
Signature: 

Title: DISTRICT ATTORNEY
Date: June 30, 2011

ATTACHMENT A

JOINT PLAN

GUIDELINES FOR PREPARING A JOINT PLAN

Purpose of the Joint Plan

A Joint Plan helps achieve some very important goals for both county district attorney's and the Fraud Division. The joint plan, when properly developed and agreed upon, creates the framework for effective communication and resource management in the investigation and prosecution of insurance fraud.

Additionally, a joint plan assists the Insurance Commissioner in assessing the effectiveness of shared fraud program funding in the automobile insurance fraud program.

Some of the benefits of achieving these goals are:

- Reduction or elimination of duplication of effort
- Enhanced investigative support
- An increase in the number of arrests and prosecutions.

ELEMENTS OF THE PLAN

Based upon review of past and current joint plans by county prosecutors and the Fraud Division, the following elements should be covered within the plan, but should not be considered all-inclusive:

1. **Statement of Goals**

Include what is expected to be achieved by the joint plan. The joint plan will reflect the Insurance Commissioner's objectives.

2. **Receipt and Assignment of Cases**

Discuss the procedures to deal with fraud complaints and referrals that are received by only the Fraud Division or district attorney. What if both offices receive the same complaint? What arrangements will be made to avoid duplication of effort? How often will the two agencies meet/confer to share information on case referrals?

3. **Investigations**

When the district attorney first receives a case, discuss the criteria for when/if the Fraud Division's resources will be requested. Identify the plans and methods to develop cases between the two agencies and with allied agencies. Identify how the parties will avoid any duplication of investigative efforts. Define the manner in which the case investigative plan is in concurrence to investigate and prosecute if the fact expectation is met.

Discuss the time frames for initial and follow-up meetings between the assigned Fraud Division investigator(s) and the assigned prosecutor(s) for a case. Discuss how soon after a joint investigation is opened, the named prosecutor(s) and investigator(s) will be expected to meet.

4. **Undercover Operations**

Discuss the expectations and roles of both offices with respect to undercover operations conducted by the Fraud Division or jointly with district attorney investigators.

5. **Case Filing Requirements**

Discuss the filing requirements for cases presented to the county prosecutor. Set forth the guidelines that are generally expected for case filings.

6. **Training**

Discuss plans for any joint training between the District Attorney's office and the Fraud Division. Indicate any plans to conduct joint training and outreach to insurance companies (and Special Investigative Units), other law enforcement agencies, self-insurers and others.

7. **Problem Resolution**

Discuss the procedures and methods to resolve issues that may surface during the investigative/prosecutorial stages. At what level are they to be resolved? Include a discussion of the process to be used in resolving any conflict in the direction or scope of the investigation.

8. **Joint Acceptance of Plan, Required Signatures and Date**

Both the county prosecutor, in charge of the insurance fraud program, and the Captain of each Fraud Division Regional Office, responsible for that county and program, must agree upon the plan. **Both parties must sign and date the Joint Plan.** Copies of all Joint Plans will be maintained at the Fraud Division Headquarters in Sacramento for review by the Insurance Commissioner.

**AUTOMOBILE INSURANCE FRAUD
JOINT INVESTIGATIVE PLAN
FISCAL YEAR 2011-2012**

Memorandum of Understanding

Introduction

The "parties" to this Joint Plan are the California Department of Insurance Fraud Division, and the El Dorado County District Attorney's Insurance Fraud Unit.

The parties to this Joint Investigative Plan recognize that the California Department of Insurance, Fraud Division was established to investigate allegations of insurance fraud throughout the State of California, and is the primary investigative agency in this field. However, while the headquarters for the Fraud Division in Central Northern California is based in Sacramento, its investigative responsibilities encompass twenty-five (25) central and northern counties. Due to this considerable geographical territory, the number of referrals/cases, and the finite number of investigators available, the fraud division cannot reasonably be expected to devote its efforts in any one county. Thus, there exists a critical need for an effective joint plan to address the problem of insurance fraud in each jurisdictional territory.

1. Statement of Goals

- a) To promote a close working relationship between the District Attorney's Insurance Fraud Unit and the Fraud Division, based on dedication to the common goal of fighting insurance fraud, commitment to the highest professional and ethical standards, and mutual respect as law enforcement officers devoted to the pursuit of justice and protection of the citizens of El Dorado County and the State of California.
- b) To investigate in a timely manner, using professional standards and procedures, and prosecute, when appropriate, as many identifiable cases of suspected insurance fraud as we can.
- c) To achieve the best possible anti-insurance fraud program through the efficient and effective use of the limited resources provided, and to promote awareness in this community that the serious problem of insurance fraud is being addressed in a meaningful way by law enforcement.
- d) The Fraud Division and the District Attorney Fraud Unit will work together to identify common areas of fraud that tend to drive up the cost of automobile insurance. This would also include identifying those who commit auto fraud. Once the entities or individuals involved in this area of fraud have been identified, the parties agree to work together to arrive at a plan as to how best to reduce or minimize these fraudulent activities.

2. Receipt and Assignment of Cases

Present law requires that an insurer who knows or reasonably believes that an act of insurance fraud has been committed, report this information to the Department of Insurance - Fraud Division and/or the local District Attorney (Insurance Code Section 1877.3).

- a) When a suspected fraudulent claim (SFC) or a case referral package is received from an insurer, it will be entered into a database, available for future reference. Both parties will maintain a case tracking system to monitor all SFC's and case referral packages received.
- b) Both parties will communicate on a regular, scheduled basis to discuss SFC's and case referral packages received, with the objective being to avoid duplication of investigative efforts, and to insure that all referrals are being appropriately addressed. When a case is assigned for investigation, the assigning party will notify the other within five (5) working days. A monthly report regarding intake of SFC's and assigned cases will be generated by both parties and mailed to one another by the fifth working day of each month.
- c) If the SFC or case referral package is sent only to the fraud division, the fraud division will address the matter, exercising its best discretion on how to proceed, with appropriate notice to the district attorney's insurance fraud unit of the action taken. If the SFC or case referral package is sent only to the District Attorney's Insurance Fraud Unit, it will notify the fraud division the action it desires to take, as indicated in paragraphs (d),(e) and (f) below. The information shall include the suspect's name, carrier or administrator and the claim number.
- d) If the fraud division elects to pursue an investigation of an SFC or case referral sent by an insurer, the District Attorney's Office insurance fraud unit will suspend any further action on the case, pending the outcome of the fraud division's investigation, and will notify the insurer of the fact in writing.
- e) If the fraud division elects not to pursue an investigation of an SFC or case referral sent by an insurer, because of excessive caseloads, resource limitations, or any other reason, or chooses to defer any matter referred, the district attorney's insurance fraud unit will review the referral for investigation. The referring insurer will be notified on this fact in writing and a copy of the referral will be submitted to the District Attorney's Insurance Fraud Unit.
- f) If the District Attorney's Insurance Fraud Unit receives a referral that would be more appropriately handled in another county's jurisdiction, the District Attorney's Office will forward the referral to the appropriate county and notify the fraud division.

3. Investigations

- a) Pursuant to the above provision, and to maximize the utilization of resources, it is understood and agreed that either party will provide assistance to the other, upon request, in any investigation where such assistance is needed, this could include serving search warrants, interviewing witnesses, making arrests, etc.
- b) Joint investigations may be undertaken in cases where the parties determine it is beneficial to combine resources to achieve the most efficient and effective results. This will be determined on a case-by-case basis.
- c) It is expected that cases will be developed from referrals by insurers, other law enforcement/governmental agencies (California Highway Patrol, Placerville Police Department, South Lake Tahoe Police Department, El Dorado County Sheriff's Office, California Fire Department) informants, and other responsible sources of information. Outreach programs are encouraged to promote this aspect of the plan.
- d) It is the intent of the joint investigative plan to avoid duplication of investigative efforts by maintaining regular communication to discuss case loads and share information concerning current investigations. The fraud division regional supervisors will meet at a minimum of twice a year with the District Attorneys Fraud Unit lead attorney to review the working relationship between both agencies.
- e) The Deputy District Attorney of the District Attorney's Fraud Unit, or his/her designee, will be available to meet with the fraud division investigator at any time during the investigation of a case when requested by the investigator to discuss any aspect of the case.
- f) It is the intent of the parties that by maintaining regular communication and adhering to agreed upon plans and procedures, the completed investigation will result in the filing of criminal charges and a successful prosecution. At the same time, however, it is understood that not every case that is investigated will result in prosecution. This can occur when evidence does not develop as expected, material witnesses are no longer available, the case lacks jury appeal, the reasonable likelihood of conviction is minimal, or other unforeseen circumstances develop. The parties will take all possible steps to avoid such situations, as it is not desirable to expend investigative resources that not will lead to a prosecutable case.
- g) Any investigative costs associated with a fraud division investigation prior to the complaint being filed shall be incurred by the fraud division. Any costs

associated with the investigation after the complaint is filed, shall be incurred by the District Attorney's Office. Responsibility for costs incurred during a "joint" undercover operation will be determined by the Memorandum of Understanding – see section 4(c).

4. Undercover Operations

- a) Both parties recognize the importance of undercover investigations in those cases where it is felt this technique is a viable means of developing evidence to prove a suspected insurance fraud. The parties agree that undercover operations need to be highly organized and may be carefully monitored by supervisor level personnel to insure the efficiency and integrity of the investigation. It is understood that undercover operations can be very labor intensive and time consuming, and don't always produce the desired result.
- b) Either party may decide to conduct an undercover operation in a particular case using its own personnel and resources. In a situation where the fraud division conducts its own independent undercover investigation in El Dorado County, the District Attorney's Insurance Fraud Unit will be available to provide advice or other assistance required.
- c) In a case where there will be "joint" undercover investigation, there will be a memorandum of understanding (M.O.U.) prepared prior to the start of the investigation, which outlines and specifies the goals and the objectives of the investigation, as well as the duties and responsibilities including personnel and financial responsibilities, of each of the parties in the investigation.

5. Case Filing Requirements

- a) The initiation of suspected insurance fraud cases will focus not only on the development of probable cause to make an arrest, but also on the obtaining of sufficient evidence to the charge beyond a reasonable doubt in a criminal court. It is understood that each case is unique, and certain actions may need to be taken in one case that would not be taken in another.
- b) When submitting a case for prosecution, the investigator will present as complete a package as possible, including a detailed report, outlining the offenses alleged to have been committed, the details of the investigation and the evidence available to prove the charges, including identification of available witnesses and supporting documentation. In cases involving alleged false statements or misrepresentations, there must also be identified evidence to show the materiality of the alleged false statement or misrepresentation relating to the claim.

- c) To promote efficiency in this area, fraud division investigators are encouraged to contact the El Dorado County District Attorney early in the investigation of a case to share ideas and develop strategies that will lead to a prosecutable case.
- d) The District Attorney will ensure that all formal case presentations made by the fraud division will be reviewed within ten (10) working days of the presentation or delivery. If additional investigation is needed by the reviewing District Attorney, he/she will notify the case investigator immediately. The case investigator will complete the additional investigation as soon as reasonably possible and provide the district attorney with status updates at a minimum of every ten (10) working days until the investigation is completed. The District Attorney will further ensure that decisions on complaint filings shall be done in a timely fashion but not longer than thirty (3) days from the date of receipt. If a formal case is rejected for prosecution, the District Attorney will prepare a statement in writing stating the reasons for the rejection and provide the statement to the case investigator within ten (10) working days following the rejection.

6. Training

- a) Parties have been, and will continue to be active participants in the annual CDAA/CDI insurance fraud training seminar. This will provide a significant portion of the ongoing training of both parties in the area of insurance fraud.
- b) The parties will participate in joint informal training sessions as necessary, on issues important to the investigation and prosecution of insurance fraud cases. The parties will assist each other, when requested, in training sessions, for insurance carriers and administrators, or issues important to the detecting, investigation and prosecution of insurance fraud cases. Both parties will notify each other when there is a request for training by an insurance carrier and administrator.

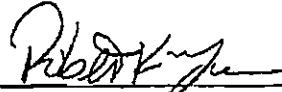
7. Problem Resolution

- a) It is the intent of this joint plan that any problems or differences that may arise between the parties be resolved quickly through early, direct and open communication by those personnel directly involved in the dispute. If necessary, the Chief Investigator of the Fraud Division and the prosecutor in charge of the

District Attorney's Office Insurance Fraud Program, or the Chief Investigator in the District Attorney's Office may be called upon to resolve any dispute, concentrating on the best interests of the overall insurance program.



VERN R. PIERSON
District Attorney
County of El Dorado



ROBERT YEE
Captain, Department of Insurance
State of California

Date: 5/27/2011

Date: 6/1/11