



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

August 25, 2023

The Honorable Vern R. Pierson  
District Attorney  
El Dorado County District Attorney's Office  
778 Pacific Street  
Placerville, CA 95667

**RE: Grant Award for Automobile Insurance Fraud Program Fiscal Year 2023-2024**

Dear District Attorney Pierson:

I am very pleased to report that, for Fiscal Year 2023-2024, \$15,259,000 is available in Automobile Insurance Fraud Program grant funds to distribute to 35 District Attorney Offices, of which **El Dorado County** has been awarded **\$187,683** for this important Program. This grant award is to be used for the investigation and prosecution of automobile insurance fraud.

The appropriation for this Program is based on projected revenues, including the amount of restitution collected. Grant disbursements are contingent on actual revenues; therefore, if the amount of revenue collected is less than the projected amount, grant disbursements to counties will be adjusted accordingly.

It is my continuing intent that these funds be used effectively to pursue and investigate automobile insurance fraud across California. It is also important to focus these finite resources on combating fraud committed by individuals, businesses, providers, and others who prey upon the system. Additionally, a coordinated and aggressive outreach program to all communities by your office, including to diverse and underserved communities, with measurable outcomes remains a priority of mine.

Please feel free to contact Felicia Lieb, CDI Deputy Chief, Fraud Division, at (916) 854-5766 should you have any questions regarding your award. The Local Assistance Unit will reach out to you regarding your budget approvals in the new post award system.

Thank you for submitting your application for grant funding and, moreover, congratulations on your award. I look forward to working together with you in our continuing pursuit against automobile insurance fraud.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ricardo Lara", is written over a horizontal line.

**RICARDO LARA**  
Insurance Commissioner

cc: James Clinchard, Assistant District Attorney

**PROTECT • PREVENT • PRESERVE**  
300 CAPITOL MALL, 17TH FLOOR  
SACRAMENTO, CALIFORNIA 95814  
TEL: (916) 492-3500 • FAX: (916) 445-5280  
COMMISSIONERLARA@INSURANCE.CA.GOV



# Application Report



**Applicant Organization:**

El Dorado

**Project Name:** FY 23-24 AUTO El Dorado

**Application ID:** App-23-195

**Funding Announcement:** FY 23-24 Automobile Insurance Fraud Program

**Requested Amount:** \$237,104.00

---

**Section Name:** Overview Questions

**Sub Section Name:** General Information

---

**1. Applicant Question:** Multi-County Grant

**Is this a multi-county grant application request? If Yes, select the additional counties.**

**Applicant Response:**

No

---

**2. Applicant Question:** FY 21-22 Audited Unexpended Funds

**Excluding interest, what was the amount of your FY 21-22 Audited Unexpended Funds? If none, enter "0".**

**Applicant Response:**

\$53,727.00

---

**3. Applicant Question:** FY 21-22 Audited Unexpended Funds Percentage of FY 21-22 Award

**Your FY 21-22 Audited Unexpended Funds are what percentage of your FY 21-22 total award? If none, enter "0".**

Total Award excludes interest earned and incoming carryover. To calculate percentage, divide your audited unexpended funds by your total award. Round to the nearest whole number.

Example:

FY 21-22 Total Award: \$100,000

FY 21-22 Audited Unexpended Funds: \$23,750

FY 21-22 Audited Unexpended Funds Percentage: 24%

**Applicant Response:**

25.00%

---

**4. Applicant Question:** Contact Updates

**Have you updated the Contacts and Users for your Program? Did you verify the Contact Record for your County's District Attorney?**

- **Contacts** are those, such as your elected District Attorney, who need to be identified but do not need access to GMS.
- **Users** are those individuals who will be entering information/uploading into GMS for the application. **Confidential Users** have access to everything in all your grant applications. **Standard Users** do not have access to the Confidential Sections where Investigation Activity is reported. Typical Standard Users are budget personnel.

**Applicant Response:**

Yes

---

**5. Applicant Question:** Program Contacts

**Identify the individuals who will serve as the Program Contacts. These individuals shall be entered as a User or Contact in GMS.**

*On the final submission page, you will link these individuals' contact records to the application.*

**Project Director/Manager** is the individual ultimately responsible for the program. This person must be a Confidential User.

**Case Statistics/Data Reporter** is the individual responsible for entering the statistics into the DAR (District Attorney Program Report). This person should be a Confidential User.

**Compliance/Fiscal Officer** is the individual responsible for all fiscal matters relating to the program. This must be someone other than the Project Director/Manager. This person is usually a Standard User.

**Applicant Response:**

Program Contacts	Name
Project Director / Manager	James Clinchard
Case Statistics / Data Reporter	Andrea Luckenbach
Compliance / Fiscal Officer	Kerri Williams-Horn

---

**6. Applicant Question:** Statistical Reporting Requirements

**Do you acknowledge the County is responsible for separately submitting a Program Report using the CDI**

## website, DA Portal?

To access the DAR webpage on the CDI website: right click on the following link to open a new tab, or copy the URL into your browser.

<http://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/10-anti-fraud-prog/dareporting.cfm>

As a reminder, Vertical Prosecutions should not be counted as an Investigation, a Joint Investigation, or an Assist in the DAR.

### Applicant Response:

Yes

---

## 7. Applicant Question: Required Documents Upload

**Have you reviewed the Application Upload List and properly named and uploaded the documents into your Document Library?**

To view/download the Application Upload List: go the Announcement, click View, and at the top of the page select Attachments. Items must be uploaded into the Document Library before you can attach them to the upcoming questions.

### Applicant Response:

Yes

---

## 8. Applicant Question: Grant Indirect Cost Plan

**If your application budget includes indirect costs, you must upload your Grant Indirect Cost Plan here and label it "23-24 Auto (county name) Grant Indirect Cost Plan".**

Your Grant Indirect Cost Plan needs to include a list of category expenses for which you are utilizing the indirect cost funds. Make sure no line items in the budget are duplicated in your Grant Indirect Cost Plan.

**If your application budget does not include any Indirect Costs, mark the N/A response.**

### Applicant Response:

[23-24 Auto El Dorado Grant Indirect Cost Plan.docx](#) - WORD DOCUMENT

---

**Sub Section Name:** BOS Resolution

---

## 1. Applicant Question: BOS Resolution

**Have you uploaded a Board of Supervisors (BOS) Resolution to the Document Library and attached it to this question?**

A BOS Resolution for the new grant period must be uploaded to GMS to receive funding for the 2023-2024 Fiscal Year. If the resolution cannot be submitted with the application, it must be uploaded no later than January 2, 2024. There is a sample with instructions located in the Announcement Attachments, 3b.

**Applicant Response:**

No

---

**2. Applicant Question:** Delegated Authority Designation

**Choose from the selection who will be the person submitting this application, signing the Grant Award Agreement (GAA) in GMS, and approving any amendments thereof.**

*The person selected must be a Confidential User, who will attest their authority and link their contact record on the submission page of this application. A sample Designated Authority Letter is located in the Announcement Attachments, 3a. CDI encourages the contact named as Project Director/Manger be the designated authority, should that be your selection.*

**Applicant Response:**

Designated Person named in Attached Letter

**Attachment:**

[23-24 AUTO El Dorado County Designated Authority Designation Letter.pdf](#) - PDF FILE

---

**Section Name:** County Plan

**Sub Section Name:** Qualifications and Successes

---

**1. Applicant Question:** Successes

**What areas of your automobile insurance insurance fraud program were successful and why?**

*Detail your program's successes for ONLY the 21-22 and 22-23 Fiscal Years. It is not necessary to list every case. If a case is being reported in more than one insurance fraud grant program, clearly identify the component(s) that apply to this program. If you are including any task force cases in your caseload, name the task force and your county personnel's specific involvement/role in the case(s). Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).*

## Applicant Response:

The El Dorado County District Attorney's Office has been operating under this grant for several years under the direction of the elected District Attorney, Vern Pierson. Automobile insurance fraud cases are a part of the Special Prosecutions Unit, which handles various forms of fraud, financial abuse, and public corruption. Communication and collaboration at an early stage between the Unit Supervisor, Assigned Prosecutor, and Investigator has proven to be essential to the successful prosecution of automobile insurance fraud crimes. For the vast majority of cases the office receives, the Assigned Prosecutor and Investigator meet to discuss the case before a complaint is filed with the Superior Court. These meetings will sometimes include the Unit Supervisor to take advantage of his expertise. During these meetings, the Deputy District Attorney (DDA) and District Attorney Investigator (DAI) will discuss the case and necessary investigation will be undertaken before the case is filed with the Superior Court. This allows for a streamlined prosecution once the case is filed with the Court.

This unit has also successfully increased the number of prison sentences imposed for automobile insurance fraud crimes, economic auto theft crimes, and the length of those sentences. While our number of cases of economic auto theft has gone down, the investigation of the cases, the collaboration between our DDA and DAI on the investigation of these potential cases, and the review of potential economic auto fraud cases are essential for us to ensure we are able to help eliminate insurance fraud and economic auto fraud in El Dorado County. Convincing both defense attorneys and judges that these are serious crimes that have a widespread impact on the system has been an ongoing and arduous process. The results of these efforts have become more apparent over the course of the past several years as the assigned DDA has obtained more significant sentences and argued that those who are committing these crimes on a regular basis should remain in custody.

Before creating the Special Prosecutions Unit, automobile insurance fraud cases were assigned via alphabetical split to a number of Deputy District Attorneys within the office. Additionally, a District Attorney Investigator would only become involved if a follow-up investigation was deemed necessary by the filing DDA. With a specially assigned Deputy District Attorney and District Attorney Investigator working closely together from the start of a case, they have familiarity with all of the cases in the unit. This allows both to have the knowledge necessary to successfully investigate and prosecute the case, in addition to advocating on behalf of the victim. Additionally, law enforcement has a known point of contact within the District Attorney's Office when a question arises during the course of the investigation in these types of cases. Examples of successful investigations and prosecutions include:

In *People v. Robert Edward Lee*, Docket #P19CRF0482, the District Attorney's Office auto fraud Deputy District Attorney Miles Perry along with assigned District Attorney Investigator Andrea Luckenbach worked closely with investigators from the California Highway Patrol Investigative Services Unit (ISU) to file a 10-count chop shop, stolen vehicle, and VIN switch case that spanned three different search warrant locations including two properties in a neighboring county. Investigators discovered approximately 10 stolen vehicles and numerous stolen vehicle parts including engines and evidence of VIN switching. The assigned District Attorney Investigator conducted follow-up with several victims of the stolen vehicles and the District Attorney's Office was able to file additional charges and increase the maximum sentence for this Defendant. Moreover, Deputy District Attorney Ryan Whyte continues to coordinate with detectives from ISU regarding court preparation for the jury trial in this case. This case is a good example of this office's close interaction and collaboration with other allied agencies that investigate auto fraud and chop shop/VIN switch cases.

In *People v. Robert William Douglas*, Docket #23CR0742, the District Attorney's Office auto fraud Deputy District Attorney Ryan Whyte along with assigned District Attorney Investigator Andrea Luckenbach collaborated with the California Department of Insurance Fraud Division Investigator Christina Yee to file a 3-count felony automobile insurance fraud case pursuant to Penal Code sections 550(a)(1), 550(b)(1), and 550(b)(2). Investigator Yee and partners from the insurance company's investigative unit conducted a thorough investigation into the facts and circumstances of the defendant's elaborate fraud scheme related to a fabricated motor vehicle accident. Deputy District Attorney Ryan Whyte filed this felony case on April 20, 2023, and it is currently set for arraignment on June 12, 2023. This case is a further example of this office's diverse caseload and ability to effectively investigate and prosecute all different kinds of auto fraud cases.

The majority of our caseload continues to be economic auto theft given we are a smaller county. However, the District Attorney Investigator continues to collaborate with the investigative units at insurance companies at an early stage to assist in the investigation of these cases. Once a case is received by our office, the Deputy District Attorney and District Attorney Investigator will collaborate to determine what additional steps need to be taken to ensure a successful prosecution of the case.

The DA's office is continuing to see more economic auto thefts in El Dorado County which we believe is related to the continuing increase in pro-defendant / anti-punishment laws. These laws include AB109, allowing offenders to serve their prison time locally rather than in state prison; Proposition 47, reducing the felony status of certain theft and drug-related offenses; and Proposition 57, allowing early release for prisoners convicted of any offense but the most violent felonies back into society. The effect of these laws is that habitual offenders are allowed back into the community at a much faster rate. The DA's Office continues to battle against these pro-defendant laws through the aggressive investigation and prosecution of cases.

---

## 2. Applicant Question: Task Forces and Agencies

**List the governmental agencies and task forces you have worked with to develop potential automobile insurance insurance fraud cases.**

**Applicant Response:**

The funding received from the California Department of Insurance, coupled with District Attorney Vern Pierson's commitment to the appropriate handling of automobile insurance fraud cases, has provided our office with the ability to establish and maintain a strong relationship with a number of agencies. These agencies include the El Dorado County Sheriff's Department, Placerville Police Department, South Lake Tahoe Police Department, California Highway Patrol, Department of Insurance, and the Department of Motor Vehicles. Our investigations often include collaborating with agencies outside our jurisdiction. Our office continues to provide outreach to local law enforcement agencies through our liaison program. This interactive program was developed by District Attorney Vern Pierson, which provides attorneys the ability to sit down with local law enforcement on a regular basis to provide additional training on a variety of topics and to act as a venue for officers to have their questions answered by the attorney who will be handling their cases.

---

**3. Applicant Question:** Unfunded Contributions

**Specify any unfunded contributions and support (i.e., financial, equipment, personnel, and technology) your county provided in Fiscal Year 22-23 to the automobile insurance fraud program.**

**Applicant Response:**

Unfunded contributions include El Dorado County District Attorney Vern Pierson's time to promote the Automobile Insurance Fraud Program. District Attorney Pierson allocates his time attending the Annual California District Attorney's Association Insurance Fraud Symposium as well as emphasizing the importance of his staff's attendance. Additional unfunded contributions include the District Attorney's Office management staff time (Assistant District Attorney and Assistance Chief Investigator) providing supervision to the assigned investigators and attorneys, along with the task of overseeing all grant programs. Their level of support towards the program includes training, approving grant-related purchases, attending monthly meetings with fiscal staff, and providing Information Technology support resources.

---

**4. Applicant Question:** Personnel Continuity

**Detail and explain the turnover or continuity of personnel assigned to your automobile insurance fraud program. Include any rotational policies your county may have.**

**Applicant Response:**

During this fiscal year, the Deputy District Attorney (DDA) assigned to the Automobile Insurance Fraud Grant was rotated out and a new DDA was assigned. The Investigator remained the same for the fiscal year. Assistant District Attorney James Clinchard will continue to supervise the Special Prosecutions Unit, which includes the Auto Fraud Unit. DDA Ryan Whyte will be assigned as the vertical prosecutor for the cases countywide. DDA Ryan Whyte is an upper-level DDA in the office and has 6 years of experience as a DDA prosecuting a variety of cases. District Attorney Investigator Andrea Luckenbach remains the dedicated investigator assigned to the program.

---

**5. Applicant Question:** Frozen Assets Distribution

**Were any frozen assets distributed in the current reporting period?**

*If yes, please describe. Assets may have been frozen in previous years.*

**Applicant Response:**

No

---

**Sub Section Name:** Staffing

---

**1. Applicant Question:** Staffing List

**Complete the chart and list the individuals working the program. Include prosecutor(s), investigator(s), support staff, and any vacant positions to be filled.**

---

All staff listed in your application budget must be included in the chart.

For each person, list the percentage of time dedicated to the program and the start and end dates the individual is in the program. The entry in the "% Time" field must be a whole number, i.e. an employee who dedicates 80% of their time to the program but is only billed 20% to the program, would be entered as "80" in the "% time Dedicated to the Program".

**Applicant Response:**

Name	Role	Start Date	End Date (leave blank if N/A)	% Time Dedicated to the Program
Andrea Luckenbach	District Attorney Invstigator	07/01/2023		70
Deputy District Attorney	Ryan Whyte	07/01/2023		10
Vacant	Sr. Paralegal	07/01/2023		20

**Applicant Comment:**

Billing towards the program is not limited to the positions and individuals listed above. Our office utilizes all available resources as-needed to support program objectives. This includes the use of other employed investigators, attorneys, and support staff.

---

**2. Applicant Question:** FTE and Position Count

**The staff and FTE included in the chart below MUST MATCH the staff and FTE listed in your application budget. Do not include unfunded personnel.**

The "# of Positions" field represents people and must be entered in whole numbers. The "FTE" field must be entered as a decimal and represents the Full Time Equivalent (FTE) for all budgeted personnel in that position.

E.g. Two Attorneys who are billed to the program at 80% each would be entered as "2" in the # of Positions field and "1.60" in the FTE field.

*Reminder: This chart MUST match your application budget.*



**Applicant Response:**

Salary by Position	# of Positions (whole numbers)	FTE (1.00 = 2080 hours/year)
Supervising Attorneys		
Attorneys	1	.10
Supervising Investigators		
Investigators (Sworn)	1	.70
Investigators (Non-Sworn)		
Investigative Assistants		
Forensic Accountant/Auditor		
Support Staff Supervisor		
Paralegal/Analyst/Legal Assistant/etc.	1	.20
Clerical Staff		
Student Assistants		
Over Time: Investigators		
Over Time: Other Staff		
Salary by Position, other		
	<b>Total: 3.00</b>	<b>Total: 1.00</b>

---

**3. Applicant Question:** Organizational Chart

**Upload and attach to this question an Organizational Chart; label it "23-24 AUTO (county name) Org Chart".**

*The organizational chart should outline:*

- *Personnel assigned to the program. Identify their position, title, and placement in the lines of authority to the elected district attorney.*
- *The placement of the program staff and their program responsibility.*

**Applicant Response:**

[FY 23-24 AUTO El Dorado Org Chart.pdf](#) - PDF FILE

---

**Sub Section Name:** Problem Statement & Program Strategy

---

**1. Applicant Question:** Problem Statement

**Describe the types and magnitude of automobile insurance fraud (e.g., applicant, medical/legal provider, staged collisions, insider fraud, fraud ring, capping, and economic vehicle theft) relative to the extent of the problem specific to your county.**

*Use local data or other evidence to support your description.*

## Applicant Response:

El Dorado County has an estimated population of 190,678. The County sits on Highway 50, which is a major thoroughfare allowing people to travel from San Francisco and Sacramento to the gold country, foothill wineries, South Lake Tahoe, and other tourist destinations in the County. This thoroughfare along with the multiple tourist destinations along the route result in a substantial number of defendants stealing cars in other jurisdictions and bringing them into El Dorado County. Said defendants are then caught, arrested, and prosecuted in this County. Auto theft crimes continue to be on the rise in our County for a number of reasons: (1) the increased use of narcotics, (2) the lowering of punishments and an increase in pretrial release for automobile insurance fraud crimes (3) the earlier release of state prison inmates, (4) the Red Hawk Casino, and (5) the economy. Narcotics offenses, and the theft crimes related to them, continue to be an issue in El Dorado County. These offenses were a large part of the caseload handled by our office prior to 2014. However, in recent years several legislative enactments have changed the way that these cases are handled by the justice system and lessened the maximum sentence for many offenders. In many cases, simple possession of drugs will often lead to a pre-plea sentence in which the offender must complete a diversion program.

Prior to 2011, a violation of Vehicle Code section 10851 (auto theft) and Penal Code section 550 (insurance fraud) were both punishable in the state prison. However, that same year Penal Code section 1170(h) (state prison realignment) passed, ensuring that offenders of V.C. 10851 and P.C. 550 would serve their time in county jail rather than in state prison. Additionally, the statute provides that a portion of the prison sentence should be served on supervised release in the community rather than in custody. The result is a decreased deterrent effect on offenders of automobile insurance fraud cases. In addition, repeat offenders are released back into the community with no supervision, allowing them to violate the law again.

In 2014, California voters passed Proposition 47. That law reduced many of our theft and narcotics offenses from felonies to misdemeanors. Following the passage of that law, the County saw numerous offenders move from attempting to treat their addiction while in custody or on supervision to being released without supervision or accountability for their actions. It is thought that this is what allowed offenders to continue with their addiction. In early 2018, the landscape of Proposition 47 changed through various court decisions. Case law is now indicating that economic vehicle theft and possession of a stolen vehicle are often times misdemeanor offenses if the vehicle is not worth more than \$950. Change in case law and the application of Prop 47 has changed the standards for filing a felony offense. Thus, one of the auto insurance fraud unit's main goals is to continue to educate law enforcement on the changes in the law and to ask the necessary questions at the time of the investigation.

In 2016, California voters passed Proposition 64 decriminalizing several narcotics offenses specifically related to marijuana. Our office continues to see the same trends that were present post-Proposition 47. The issue presented with narcotics offenders as it relates to fraud cases is that these offenders often do not have the funds to support their addictions. Therefore, they turn to unlawful means of obtaining funds. In our County, we have seen addicts turn to theft offenses of both automobiles and personal property because of their addiction and in an effort to support their addiction. Also in 2016, California voters passed Proposition 57, which allows greater time credits for state prison inmates as well as earlier release on parole. Even though state prison is confined to some of the most serious offenses in our system, now those offenders are also entitled to an earlier release, resulting in violent and serious offenders being released back into society to continue to commit new crimes.

Additionally, vehicle thieves are now committing violent and serious crimes as part of their crime spree including evading police as well as other forms of theft including identity theft, property theft, and burglary. We routinely see these offenders break into a victim's home (a serious felony), and then steal the victim's car from the garage. Many times, the victim's belongings and forms of identification are also in the car. These cases require greater attention to detail because of their increased complexity and the increased punishments associated with serious felonies. Sometimes, when police attempt to initiate a traffic stop of the stolen vehicle, these individuals will lead police on a pursuit often putting the lives of other motorists at risk. Therefore, there is an increased demand on the attorney and investigator resources to ensure these complex cases are investigated and prosecuted appropriately.

Red Hawk Casino serves as a location for criminal activity in El Dorado County. The casino opened its doors in 2009 and is an attractive destination for residents in the Sacramento area. Visitors to the casino are often attracted to the parking garage where they will sit in their cars and consume narcotics, thinking they are concealed from view. These individuals are often detected through a high-technology surveillance system, which views nearly every area of the parking garage. Given the increased use of narcotics at the property, we have also seen an increase in economic auto thefts coming out of Red Hawk Casino. As previously mentioned, these two crimes often go hand in hand to fuel the offenders' addiction. These offenders also commonly steal cars outside of our jurisdiction and are captured at Red Hawk Casino.

El Dorado County is primarily a rural county. Rural areas are often still affected by the economic downturn. Impoverished individuals will often steal a car simply to obtain a means of transportation from one place to another or even for use as a place to live. Cars are also stolen to sell in whole or in parts. Additionally, we have seen a rise in individuals renting a vehicle and keeping it beyond the contract end date because they do not have the ability to pay or because they have a continuing need for the vehicle. As illustrated, El Dorado County has various factors that contribute to the ongoing issue of automobile insurance fraud crimes. The use of narcotics, the lessening of punishment for auto fraud crimes, the early release of state prisoners, Red Hawk Casino, and the economic downturn all contribute to the issue present in our County.

In El Dorado County, the DA's Office handles mostly economic auto theft. In dealing with economic auto theft and auto insurance fraud cases, the DA's Office strives to make the victim whole by ensuring that a restitution order is in place at the time of resolution. At the time of filing, a letter and a restitution claim form are sent to the victim. This claim form includes various categories under which the victim can claim restitution including inter alia: expenses resulting from stolen or damaged property, medical expenses, and wages or profits lost. There is an additional section where the victims are asked about payments made by insurance, and there is a checkbox relating to whether it was the victim's insurance or the defendant's insurance that paid. In many cases, victims do not include an insurance amount. There are a few reasons that this may occur. First, oftentimes the vehicle recovery happens quickly after the original theft occurred and there is not enough time for the insurance company to issue a claim. Second, in some cases, the victims do not involve their insurance company. Third, the victim may be uninsured. The restitution claim form does not require the victim to answer whether or not they are insured.

We continue to have difficulty increasing the number of applicant/insured fraud cases our office investigates and prosecutes, primarily due to the transitory nature of El Dorado County as well as the low number of Suspected Fraudulent Claims (SFC) received. However, we continue to work with insurance company Special Investigative Units in an effort to increase this caseload. We are prepared to investigate and prosecute other types of automobile insurance fraud crimes such as staged collisions or insider fraud, but our County does not typically see these types of cases.

Usually, the total amount of restitution requested on the claim form is the amount sought out at the time of the resolution of the case. These restitution amounts are often for more than just the amount relating to the vehicle theft itself. The losses the victim suffers can also include lost wages, mental health counseling expenses, and security system upgrades, just to name a few. Additionally, in many cases when a vehicle is stolen there is property damage and/ or other property loss that occurs. In these cases, the victim could request a restitution amount in excess of the value of the vehicle to include the value of other items taken, and the cost to repair any broken or damaged items.

Finally, the District Attorney's Office received 77 auto fraud investigating referrals from law enforcement agencies in this fiscal year. To build on the successes outlined from last fiscal year in investigating and prosecuting auto fraud cases the District Attorney's Office is requesting additional funding to meet these funding gaps. The continued support from the Department of Insurance is appreciated and critical to the success of this program within our community.

---

## 2. Applicant Question: Problem Resolution Plan

**Explain how your county plans to resolve the problem described in your problem statement. Include**

**improvements in your program.**

*Information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).*

**Specify how the district attorney will address the automobile insurance fraud 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.**

**The response 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, CDI, public agencies such as California Highway Patrol, Bureau of Automotive Repairs, U.S. Customs, and local law enforcement agencies.

**Applicant Response:**

Through our vertical prosecution program for auto insurance fraud, the DDA and DAI work closely with law enforcement partners who submit referrals to the office. The DAI conducts follow-up investigations which are necessary for the DDA to determine whether or not charges are warranted. Communication with CDI is crucial in identifying cases that can be handled by this office in the event CDI does not have the resources. The DAI routinely requests the SFCs from CDI that have been closed in order to determine if this office can prove fraud was committed.

---

**3. Applicant Question:** Plans to Meet IC Goals

**What are your plans to meet the 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. Include your strategic plan to accomplish these goals. *Copies of the Goals can be found in the Announcement Attachments, 4g.*

## **Applicant Response:**

### **Public Safety**

Public safety is a main priority in the DA's office as well as with the Insurance Commissioner. It is a goal of the DA's office to protect the public by ensuring that offenders are held accountable for their criminal actions. By continuing to prosecute crimes of auto insurance fraud and economic auto theft even in the face of changing laws lessening sentences and changing the level of criminality of the offenses, the DA's office is working to ensure the community, both the individuals that live within it and their property remain safe. The DA's office is committed to continuing to investigate and prosecute these types of crimes, as well as continue to work with outside agencies and train local law enforcement agencies on the changes in the law and proper investigation techniques in these types of cases. The DA's office will continue to fight for bail to be set in our cases as an effort to keep the community safe while the case is pending. Additionally, when a defendant does not appear in court, the DAI will work to find the defendant in an effort to keep the case progressing forward. As these cases are often times connected to more serious crimes as well as other types of theft, having a specially assigned DDA and DAI that are familiar with all of the cases within the unit gives the ability to recognize repeat offenders and make appropriate sentencing recommendations to ensure the safety of the community for as long as possible.

### **Medical-Legal Fraud**

This goal is not realistic for our county because this type of fraud would fall under a different category than auto insurance fraud and economic auto theft. Additionally, El Dorado County does not see these types of crimes often.

### **Performance and Continuity within the Program**

District Attorney Vern Pierson is aware of the Commissioner's desire to maintain consistency within the program and is committed to enforcing that goal. In addition, the goal of any vertical prosecution team is to limit the turnover of the personnel within the program. This inevitably cuts down on the initial training required for new personnel and allows all personnel to foster a continued working relationship. Assistant District Attorney James Clinchard remains the supervisor of the Special Prosecutions Unit, which includes the Automobile Insurance Fraud Unit. Mr. Clinchard has been an invaluable resource, contributing his twenty years of experience to the program. Deputy District Attorney Ryan Whyte has spent 6 years as a prosecutor and 4 of those in El Dorado County as a prosecutor in the Auto Fraud Unit, Sexual Assault & Domestic Violence Unit (a vertical prosecution unit), and the Trial Team Unit and is familiar with the type of work necessary to succeed in such a vertical prosecution position. Investigator Andrea Luckenbach remains the Unit's investigator this year.

### **Outreach**

For the last several years our office has reached out to members of the community by establishing a booth at the El Dorado County Fair. This booth provides a forum for District Attorney Investigators and Deputy District Attorneys to educate residents of our County as to the job and responsibility of the District Attorney's Office as well as answer questions or concerns they may have. Our office will continue to attend the Fair with the hopes of further bridging the gap between our office and the community.

### **Balanced Caseload**

Our office will continue to send Deputy District Attorneys and Investigators to appropriate training. One such training will be the Annual Anti-Fraud Conference hosted by the California District Attorneys Association. These trainings are essential as they often provide attorneys and investigators with updates on the law and updates on techniques for the successful investigation and prosecution of cases.

---

## **4. Applicant Question: Multi-Year Goals**

**What specific goals do you have that require more than a single year to accomplish?**

### **Applicant Response:**

El Dorado County continues in our efforts to increase the number of applicant/insured fraud cases we investigate and prosecute. We continually reach out to develop relationships with investigators of the Department of Insurance, the Bureau of Automotive Repair, as well as insurance company investigators within Special Investigative Units. These continued relationships are vital to ensuring the continued successful investigation and prosecution of applicant/insured fraud cases. Increasing the number of applicant/insured fraud cases remains a goal of primary importance to District Attorney Vern Pierson.

As previously mentioned, given the tourist destinations throughout El Dorado County, we often have economic auto theft cases that originate in other jurisdictions. This results in both the Deputy District Attorney and District Attorney Investigator collaborating with those outside agencies. It is our goal to continue fostering these relationships through an open line of communication with outside agencies. Working with our regional partners will be a vital component of that goal, as it provides a forum for a diverse group of agencies to sit down and bring our collective knowledge together on the issues that confront the Sacramento area.

---

## **5. Applicant Question: Restitution and Fines**

**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.**

**Applicant Response:**

Since District Attorney Vern Pierson was elected in January of 2007, securing restitution for victims of crimes has been a major goal of the office. Just two years into Mr. Pierson's tenure, our fraud unit assisted the Court in creating a restitution tracking system. This tracking system allows our support staff in our office to track whether restitution payments are being made and to ensure they are being made at regular intervals. If scheduled payments are missed, the staff is able to notify the Deputy District Attorney assigned to the case.

Another tool that has been utilized regularly within the auto fraud unit is to obtain a stipulation from the defendant to the amount of victim restitution when possible. This process ensures (1) the victim is compensated for his or her losses as a result of the defendant's conduct, and (2) the victim is not further harassed by being forced to come into court for a contested restitution hearing.

Our office also attempts to contact the victim to determine if restitution is being requested. This process typically begins by sending a letter to the victim's address. This letter outlines the victim's rights under Marsy's Law, and also provides the victim with a restitution claim form that they can submit to our office. Victims often send the claim form back to our office in a timely manner. To the extent that we do not hear back from the victim, our office will attempt to contact the victim by telephone. This policy is designed to ensure that we are obtaining victim restitution for as many victims as possible.

**6. Applicant Question:** Restitution Numbers

**Provide the amount of restitution ordered and collected for the past five fiscal years.**

If this information is not available, provide an explanation.

**Applicant Response:**

Fiscal Year	Restitution Ordered	Restitution Collected
2022-23	\$521,007.21	\$7,001.34
2021-22	\$368,937.73	\$335.50
2020-21	\$65,533.00	\$3,297.00
2019-20	\$51,825.00	\$3,255.00
2018-19	\$119,670.00	\$2,146.00
	<b>Total: \$1,126,972.94</b>	<b>Total: \$16,034.84</b>

**Applicant Comment:**

The Superior Court of El Dorado County tracks our restitution amounts.

**7. Applicant Question:** Utilization Plan

**Your budget provides the amount of funds requested for Fiscal Year 23-24.**

**Provide a brief narrative description of your utilization plan for the Fiscal Year 23-24 requested funds.**

*If an increase is being requested, please provide a justification. Any information regarding investigations should be given a reference number and details provided only in the Confidential Section, question 1 (County Plan Confidential Investigation Details).*

**Applicant Response:**

The El Dorado County District Attorney's Office is requesting a total of \$232,798 for the 2023-2024 fiscal year under the Automobile Insurance Fraud (Auto Fraud) Program. The office plans to fund 0.70 FTE Investigator position dedicated towards investigating Auto Fraud cases, 0.10 FTE Attorney position dedicated towards prosecuting applicable program cases, and 0.20 FTE Support Staff/Sr. Paralegal position providing legal/clerical assistance specific to the program. There are no notable changes in salaries and benefits from prior year budget, other than standard annual increases in salary costs per labor MOUs.

Operating expenses include various items that are critical in the participation of the Auto Fraud program such as, but not limited to, training/travel, research database software, office supplies, audit services, vehicle maintenance and fuel costs (for grant-funded vehicles only), outreach, and general liability insurance. The office is not requesting any equipment at this time. However, it is anticipated that carryover funds from 2022-2023 will be requested to complete the purchase of a vehicle that was originally initiated in fiscal year 2022-2023, but is not expected to be received in time to be considered billable, due to supply/chain issues. A budget modification will be submitted accordingly to include any approved carryover funds during the grant period.

The District Attorney's Office was awarded \$207,469 during fiscal year 2022-2023. The increase in funds, as compared to the prior award amount, requested on this application can primarily be attributed to standard annual salary increases.

---

**Sub Section Name:** Training and Outreach

---

**1. Applicant Question:** Training Received

List the **insurance fraud** training received by each county staff member in the automobile fraud unit during Fiscal Year 22-23.

*If it is a multiple day training/conference (e.g. CDAA, AFA, etc.), only one entry is required; enter the first day for the "Training Date" field.*

*For the "Hours Credit" field, enter the combined total hours of credit for all attendees.*

**Applicant Response:**

Number of Personnel	Training Date	Provider	Location	Topic	Hours Credit (combined total)
30		Deputy District Attorney Miles Perry	El Dorado County District Attorney's Office	Investigations and Prosecutions of Auto Fraud	2

---

**2. Applicant Question:** Training and Outreach Provided

**Upload and attach the Training and Outreach Provided form in Excel; label it "23-24 AUTO (county name) Training and Outreach Provided"**

Do not include training *received*; **only list training and outreach provided during FY 22-23** as outlined in the outreach definition below.

For the purposes of the insurance fraud grant programs, "outreach" is defined as:

Any activity undertaken by a grant awardee to inform and educate the public on the nature and consequences of insurance fraud and the training and sharing of best practices with industry stakeholders and allied law enforcement agencies. The results will be crime prevention, the generation of quality referrals from the public, business community, insurance industry, and law enforcement, and improved strategies for the investigation and prosecution of insurance fraud.

*If, in the form, you listed any "Other, Specify" provide a brief explanation here; other additional comments are optional. The blank form is located in the Announcement Attachments, 1a.*

**Applicant Response:**

Label attachment "23-24 AUTO (county) Training and Outreach"

**Attachment:**

[23-24 AUTO El Dorado County Training and Outreach Provided.xlsx](#) - EXCEL DOCUMENT

---

**3. Applicant Question:** Future Training and Outreach

**Describe what kind of training/outreach you plan to provide in Fiscal Year 23-24.**

**Applicant Response:**

El Dorado County will continue to provide local law enforcement with regular trainings through our liaison program, educating law enforcement officers on how to investigate certain classes of crimes and providing them a forum to voice their concerns as well. To the extent that officers have immediate concerns that need to be addressed, we will continue to be available in person, by phone, or by email to be a resource and ensure that proper investigative techniques are utilized in all cases.

Deputy District Attorneys and District Attorney Investigators will attend the 2023 El Dorado County Fair to educate the community on our office's job and responsibility in prosecuting cases as well as to provide a platform for members of the community to have their concerns heard.

Our office will continue to improve, implement, and expand a variety of social media outreach efforts.

The Deputy District Attorney and District Attorney Investigator will attend the 2023 Southern California Fraud Investigators Conference in Palm Springs, CA in November.

---

**Sub Section Name:** Joint Plan

---

**1. Applicant Question:** Joint Plan

**Upload your AUTO Joint Plan and label it "23-24 AUTO (county name) Joint Plan".**

*Each County is required to develop a Joint Plan with their CDI Regional Office, to be signed and dated by the Regional Office Captain and the Prosecutor in Charge of the Grant Program. Additional information is in the Announcement Attachments, 3c, and also copied into the attached instructions to this question.*

**Applicant Response:**

Confirm signed and dated by all parties.

**Attachment:**

[23-24 AUTO El Dorado County Joint Plan.pdf](#) - PDF FILE

---

**Section Name:** Investigation Case Reporting

**Sub Section Name:** Investigation Case Information Relating to Questions

---



---

**1. Applicant Question:** County Plan Confidential Investigation Details

**If you discussed any confidential cases throughout the County Plan section and provided a reference number, please include additional confidential details on an attachment uploaded here.**

*The reference number/citation used in the County Plan narrative responses should be repeated in your document upload. Task Force cases should specifically name the task force and your county personnel's specific involvement / role in the case.*

*Upload your own attachment and label it "23-24 AUTO (county name) County Plan Confidential Investigation Details" **upload and mark confidential**, then attach to this question. If no investigation information was referenced, mark the N/A response.*

**Applicant Response:**

See attachment.

**Attachment:**

[23-24 AUTO El Dorado County Plan Confidential Investigation Details.docx](#) - WORD DOCUMENT

---

**Sub Section Name:** Reporting on All Investigations

---

**1. Applicant Question:** Investigation Case Activity Report (ICAR)

**Upload, mark Confidential, and attach the completed 23-24 AUTO (county name) ICAR.** *This document requires information regarding each investigation case that was reported in the DAR, Section III C (Investigations). Two of the three reporting components ask for case counts only. The total of the case counts in Part 1 and Part 2, along with the number of case entries in Part 3, should equal your total investigation case count reported in the DAR section III (Investigations). The blank form is located in the Announcement Attachments, 1bii.*

**Do NOT substitute descriptions in Part 3 in lieu of case counts for Part 1 and Part 2.**

**Reminders:**

1. The total of the case counts in the ICAR Parts 1, 2, and 3, should equal your total investigation case count reported in the DAR Section III.
2. Vertical Prosecutions should not be counted as an Investigation or a Joint Investigation.

**Click the "SHOW INSTRUCTIONS" link above to view directions on how to properly complete the report.**

**Applicant Response:**

[23-24 AUTO El Dorado County Investigation Case Activity Report \(ICAR\).docx](#) - WORD DOCUMENT

---

**Sub Section Name:** New Investigation Information for Cases in Court

---

**1. Applicant Question:** Cases in Court - Investigation Case Activity

**Do you have NEW Investigation Information for cases that started the year in prosecution that you want to include? This report is optional.**

*If you do have cases to report, download Announcement Attachment 1c, label it "**23-24 AUTO (county name) Cases in Court Investigation Case Activity**" **upload and mark confidential**, then attach to this question. Provide only investigation information for case(s) that started the fiscal year in prosecution, but required additional investigation during the reporting period. **Other than current status, no prosecution case information should be included.***

**Applicant Response:**

Yes

**Attachment:**

[23-24 AUTO El Dorado County Cases in Court - Investigation Case Activity.docx](#) - WORD DOCUMENT

---

**BUDGET REPORT**



FY 23-24 AUTO EIDorado

EIDorado

App-23-195

**Project Name:**

**Applicant Organization:**

**Application ID:**

**Requested Amount:**

**Funding Announcement Name:**

FY 23-24 Automobile Insurance Fraud Program

	Expand All	Direct	Total
▶ Salary By Position		\$ 140,039.00	\$ 140,039.00
Supervising Attorneys			
Attorneys		\$ 15,207.00	\$ 15,207.00
Supervising Investigators			
Investigators (Sworn)		\$ 110,285.00	\$ 110,285.00
Investigators (Non-Sworn)			
Investigative Assistants			
Forensic Accountant/Auditor			
Support Staff Supervisor			
Paralegal/Analyst/Legal Assistant/etc.		\$ 14,547.00	\$ 14,547.00
Clerical Staff			
Student Assistants			
Over Time: Investigators			
Over Time: Other Staff			
Salary By Position - other			

Expand All		Direct	Total
Benefits		\$61,984.00	\$61,984.00
▶ Operating Expenses, General		\$20,317.00	\$20,317.00
Grant Indirect Costs - 10% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)		\$14,004.00	\$14,004.00
Grant Indirect Costs - 5% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)			
Outreach		\$175.00	\$175.00
Audit		\$5,200.00	\$5,200.00
Forensic Accounting Services			
Expert Consultant Fees			
Witness Fees/Litigation Fees			
Undercover Operation Expenses			
Office Supplies		\$500.00	\$500.00
Office Space/Facility Fees			
IT Services			
Communications (phone, etc.)		\$438.00	\$438.00
Membership Dues/Publications			
Operating Expenses, General - other			
▶ Operating Expenses, Detailed		\$7,904.00	\$7,904.00
Insurance (i.e., General Liability, Workers' Comp, etc.; identify in narrative)		\$4,305.00	\$4,305.00
Vehicle Fuel and Maintenance for grant purchased vehicles (identify number of vehicles in narrative)		\$2,639.00	\$2,639.00
Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased vehicles; identify number of vehicles in narrative)			

Expand All		Direct	Total
Vehicle Parking (identify number of vehicles in narrative)			
Software Renewal (identify in narrative)		\$960.00	\$960.00
Software Purchase (identify and provide justification in narrative)			
Minor Equipment as defined in instructions (identify in narrative IF over \$1,000 combined total)			
Equipment Lease/Maintenance (identify in narrative)			
Operating Expenses, Detailed - other			
▶ Operating Expenses, Travel and Training		\$6,860.00	\$6,860.00
Travel - In CA (include costs such as hotel, airfare, and rental car for travel associated with investigation and/or training)		\$5,810.00	\$5,810.00
Travel - Out of CA (identify state and purpose in narrative and include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training)			
Training - In CA (include registration fees)		\$1,050.00	\$1,050.00
Training - Out of CA (identify state and purpose in narrative, and include registration fees)			
Operating Expenses, Travel and Training - other			
▶ Equipment			
Computers (provide justification and % billed to each program in narrative)			
Printers/Scanners (provide justification and % billed to each program in narrative)			
Vehicles (provide justification and % billed to each program in narrative)			
Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)			
Equipment - other			
<b>Total</b>		\$237,104.00	\$237,104.00

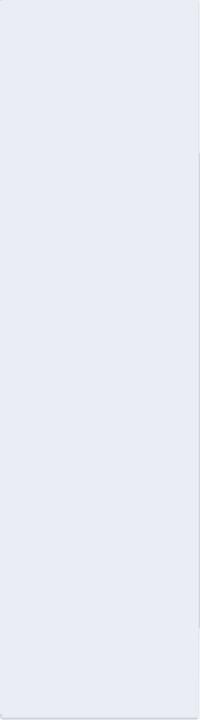

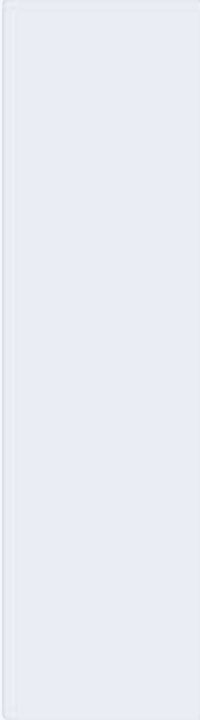
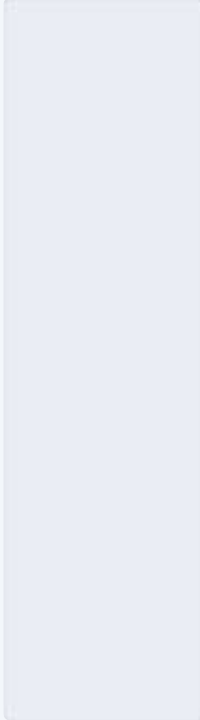
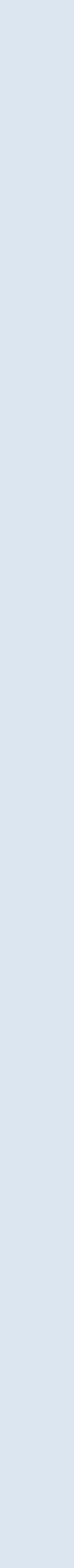
Budget Justification	Budget Calculations	Budget Narrative
<p>▶ Salary By Position</p>		

Supervising Attorneys	
Attorneys	No. of Positions: 1 Total FTE: 0.1 Total Cost: \$15,207.00 Total Requested Amount: \$15,207.00
Supervising Investigators	
Investigators (Sworn)	No. of Positions: 1 Total FTE: 0.7 Total Cost: \$110,285.00 Total Requested Amount: \$110,285.00
Investigators (Non-Sworn)	
Investigative Assistants	
Forensic Accountant/Audit or	
Support Staff Supervisor	
Paralegal/Analyst/Legal Assistant/etc.	No. of Positions: 1 Total FTE: 0.2 Total Cost: \$14,547.00 Total Requested Amount: \$14,547.00
Clerical Staff	
Student Assistants	
Over Time: Investigators	
Over Time: Other Staff	
Salary By Position - other	
Benefits	

<p>► Operating Expenses, General</p>	<p>Grant Indirect Costs - 10% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)</p>
<p>Grant Indirect Costs - 5% method; grant indirect cost plan must be uploaded in application (choose only 1 indirect cost method)</p>	<p>Outreach</p>
<p>Audit</p>	<p>Forensic Accounting Services</p>
<p>Expert Consultant Fees</p>	<p>Witness Fees/Litigation Fees</p>
<p>Undercover Operation Expenses</p>	<p>Office Supplies</p>



Office Space/Facility Fees	
IT Services	
Communications (phone, etc.)	
Membership Dues/Publications	
Operating Expenses, General - other	
▶ Operating Expenses, Detailed	
Insurance (i.e., General Liability, Workers' Comp, etc.; identify in narrative)	Rate distribution for General Liability insurance cost = \$2,462. Rate distribution for Workers' Comp insurance cost = \$1,843
Vehicle Fuel and Maintenance for grant purchased vehicles (identify number of vehicles in narrative)	Vehicle maintenance costs for (1) vehicle assigned to (1) Investigator. Anticipated maintenance costs for the year total \$1,400. Fuel costs for (1) Investigator is anticipated to total \$1,239. Vehicles are used for grant related travel at the assigned investigator rate of 70%, dedicated to the AUTO program.

<p>Vehicle Mileage (not to exceed federal standard mileage rate; not allowed for grant purchased vehicles; identify number of vehicles in narrative)</p>	
<p>Vehicle Parking (identify number of vehicles in narrative)</p>	
<p>Software Renewal (identify in narrative)</p>	<p>Software expenses for Transunion Criminal Search Database. Average monthly cost is \$80/month.</p>
<p>Software Purchase (identify and provide justification in narrative)</p>	
<p>Minor Equipment as defined in instructions (identify in narrative IF over \$1,000 combined total)</p>	
	

<p>Equipment Lease/Maintenance (identify in narrative)</p>	
<p>Operating Expenses, Detailed - other</p>	
<p>► Operating Expenses, Travel and Training</p>	
<p>Travel - In CA (include costs such as hotel, airfare, and rental car for travel associated with investigation and/or training)</p>	<div data-bbox="820 157 1096 850" style="border: 1px solid gray; padding: 5px;"> <p>No of People: 2. (1) Investigator and (1) Attorney are expected to attend the California District Attorney Association (CDA) Annual Insurance Fraud Seminar or other TBD program-related training. Additionally, (1) Investigator is expected to attend the Northern California Fraud Insurance Association (NCFIA) Conference. Estimated Travel Expenses: Meals/Per Diem (per County Travel Policy &amp; GSA Guidelines) = \$1,110 Ground Transportation = \$500 Airfare (est. \$500 per travel) = \$1,500 Lodging (per County Travel Policy &amp; GSA Guidelines) = \$2,700 Note: all travel costs are per the County travel policy and GSA guidelines.</p> </div> <div data-bbox="909 871 998 1585" style="border: 1px solid gray; padding: 5px; margin-top: 10px;"> <p>No. of People: 2  Total Cost: \$5,810.00  Total Requested Amount: \$5,810.00</p> </div>

<p>Travel - Out of CA (identify state and purpose in narrative and include costs such as hotel, airfare, and rental car for out of state travel associated with investigation and/or training)</p>	
<p>Training - In CA (include registration fees)</p>	<p>No. of People: 2</p> <p>Total Cost: \$1,050.00 Total Requested Amount: \$1,050.00</p> <p>No of People: 2. (1) Investigator and (1) Attorney are expected to attend the California District Attorney Association (CDA) Annual Insurance Fraud Seminar or other TBD program-related training. Additionally, (1) Investigator is expected to attend the Northern California Fraud Insurance Association (NCFIA) Conference. Anticipated registration cost is \$350/person. (3) Trainings x \$350/registration = \$1,050</p>
<p>Training - Out of CA (identify state and purpose in narrative, and include registration fees)</p>	
<p>Operating Expenses, Travel and Training - other</p>	
<p>► Equipment</p>	

<p>Computers (provide justification and % billed to each program in narrative)</p>	<div style="border: 1px solid black; height: 100%; width: 100%;"></div>
<p>Printers/Scanners (provide justification and % billed to each program in narrative)</p>	<div style="border: 1px solid black; height: 100%; width: 100%;"></div>
<p>Vehicles (provide justification and % billed to each program in narrative)</p>	<div style="border: 1px solid black; height: 100%; width: 100%;"></div>
<p>Vehicle Code 3 Equipment (provide number and % billed to each program in narrative)</p>	<div style="border: 1px solid black; height: 100%; width: 100%;"></div>
<p>Equipment - other</p>	<div style="border: 1px solid black; height: 100%; width: 100%;"></div>



# **CALIFORNIA DEPARTMENT OF INSURANCE FRAUD DIVISION**



## **AUTOMOBILE INSURANCE FRAUD PROGRAM**

**FISCAL YEAR 2023-2024**

**ADMINISTRATIVE REQUIREMENTS  
AFTER AWARD**

**AUTOMOBILE INSURANCE FRAUD PROGRAM  
AFTER AWARD  
SUMMARY OF IMPORTANT DEADLINES  
FISCAL YEAR 2023-2024**

*This table summarizes the Reports/Documents required to comply with Insurance Code Section 1872.8 and California Code of Regulations, Title 10, Section 2698.60, et seq.*

Due Date	Report/Document	Comments	Completed
Within 30 days of change	Program Contact changes	County ADMIN-USER should update user information in Grant Management System	
As needed	Budget Modification Request(s)	Submit change(s) to original or last approved budget in Grant Management System	<input type="checkbox"/>
With Application or by Jan. 2, 2024	Board of Supervisors Resolution	Upload document in Grant Management System	<input type="checkbox"/>
Thursday, Aug. 29, 2024	Annual Program Report FY 2023-24 Year End DAR	Submitted online on CDI Website DA Portal	<input type="checkbox"/>
Thursday, Oct. 31, 2024	Annual Expenditure Report FY 2023-24	Submitted online in Grant Management System  CDI will provide submittal instructions at a later time	<input type="checkbox"/>
Thursday, Oct. 31, 2024	Audited Unexpended Funds and Carry Over Utilization Request  FY 2023-24 into FY 2024-25 <i>A written justification and budget must be submitted if you wish to utilize the requested carry over.</i>	Submitted online in Grant Management System  CDI will provide submittal instructions at a later time	<input type="checkbox"/>
Thursday, Oct. 31, 2024	Financial Audit Report FY 2023-24  Financial Audit Guidelines are provided as Attachment B in this document.	Submitted as an upload in Grant Management System	<input type="checkbox"/>



**AUTOMOBILE INSURANCE FRAUD PROGRAM  
ADMINISTRATIVE REQUIREMENTS AFTER AWARD  
FISCAL YEAR 2023-2024**

When a county's application is selected for funding, the County will be notified of their selection and the amount of the award. The following is a discussion of the county's administrative requirements after award.

**The grant period will begin on July 1, 2023 and end on June 30, 2024.**

**A. ACCOUNTING SYSTEM**

The County will maintain an accounting system for grant expenditures that conforms to generally accepted accounting principles and practices and allows CDI to determine whether the county district attorney's office spent its grant funds for the purposes of the applicable insurance fraud program.

Accounting systems include such practices as:

- Ensure adequate separation of duties
- Use fiscal policies and procedures that ensure grant expenditures comply with statute, regulation and guidelines set herein
- Maintain evidence of receipts of grant revenue received from CDI
- Maintain source documentation to support claimed expenditures (invoices, receipts, travel expense claims, detailed time keeping records that demonstrate time spent on eligible program activities, etc.)
- Include account reconciliations
- Maintain all other records necessary to verify account transactions
- Maintain documentation to confirm interest income earned from program funds was used to further local program purposes.

The California State Controller's Office (SCO), in its Accounting Standards and Procedures for Counties manual (Government Code Section 30200 and California Code of Regulations, Title 2, Division 2, Chapter 2), also specifies minimal required accounting practices for counties. Counties may download a copy of this manual at the SCO website <http://www.sco.ca.gov>.

**NOTE:** **Support of Salaries and Wages, Attachment A**, which sets forth the documentation standards for grant funded employees, is provided at the end of this document.

## **B. FUNDING CYCLE AND GRANT LIQUIDATION PERIOD**

The program period will begin on July 1, 2023 and end on June 30, 2024. Counties responding to this funding announcement must budget funds for 12 months.

There shall be a grant liquidation period of ninety (90) days following the termination of the program period for costs incurred but not paid. Payment may be made and deducted from the program budget during this period.

## **C. PROGRAM CONTACT UPDATE(S)**

Program Contacts should be updated within 30 days of the change by the County's ADMIN-USER in the Grant Management System.

## **D. BUDGET MODIFICATION REQUEST(S)**

A budget modification is required if the grant award amount is different than the amount requested in the application. Additional Budget Modification Requests may be submitted for approval in the Grant Management System as needed.

Additional budget modifications to the original or last approved budget are allowable as long as they do not change the grant award amount. Items needing CDI approval include:

- Budget modifications across budget categories (i.e., personnel services, operating expenses, and equipment)
- Indirect Costs/Administrative Overhead/Methodology Change
- Equipment Purchases.

## **E. RESOLUTION**

If the Resolution cannot be submitted with the application, it must be submitted in the Grant Management System by **January 2, 2024**.

A Resolution from the Board of Supervisors (BOS) authorizing the applicant to enter into a Grant Award Agreement with CDI is required. A Resolution for the new grant period must be submitted in the Grant Management System to receive funding for the 2023-2024 fiscal year.

The Resolution must designate the official authorized by title to sign the Grant Award Agreement for the applicant. The Resolution must include a statement accepting liability for the local program. A sample BOS Resolution is included in the Program's Funding Announcement in the Grant Management System under Attachments.

## F. GRANT AWARD AGREEMENT

CDI will provide the County with a Grant Award Agreement (GAA) for signature by the authorized official. This document will be submitted in the Grant Management System.

By signing the GAA the county agrees to participate in the CDI Automobile Insurance Fraud Program and the district attorney assumes the responsibility for the proper utilization, accounting, and safeguarding of the program funds.

**NOTE:** Grant funds will not be distributed to the county until CDI has received the Resolution and the Grant Award Agreement is fully executed.

## G. DISTRICT ATTORNEY ANNUAL REPORT

Each district attorney receiving annual funds pursuant to Section 1872.8 of the California Insurance Code shall submit an annual report to the Insurance Commissioner on the local program and its accomplishments. The Annual Report includes two documents—statistical and financial. These documents are referred to as the Program Report and the Expenditure Report and discussed below.

These documents shall be submitted at the close of the regular grant period and within the deadlines specified below. Failure to submit the annual report shall affect subsequent funding decisions.

### ANNUAL PROGRAM REPORT

The Annual Program Report is due by **August 29, 2024**. For the 2023-2024 fiscal year, the Annual Program Report will continue to be submitted on the CDI Website DA Portal.

The Annual Program Report is the collection of the statistical information required in Section 1872.8 of the California Insurance Code. California Code of Regulations, Title 10, Section 2698.67(d) and (e)(2), further specifies that Annual Program Reports must be submitted no later than two (2) months after the close of the program period.

The Program Report should include:

- The number of investigations initiated related to automobile insurance fraud, with the number of defendants indicated;
- The number of arrests or civil suits filed related to automobile insurance fraud, with the number of defendants indicated;
- The number of prosecutions or civil suits filed related to automobile insurance fraud;

- The number of convictions or civil awards related to automobile insurance fraud, with the number of defendants, trials, pleas and/or settlements indicated, and names of all convicted fraud perpetrators;
- The dollar savings realized as a result of automobile insurance fraud case prosecutions, as evidenced by fines and penalty assessments ordered and collected, and restitution ordered and collected, with the number of defendants indicated;
- The number of warrants issued; and
- A summary of activity with respect to pursuing a reduction of automobile fraud in coordination with the following:
  - a. Fraud Division
  - b. Insurance companies

## **ANNUAL EXPENDITURE REPORT**

The Annual Expenditure Report is due by **October 31, 2024**. CDI will provide submittal instructions at a later time.

California Code of Regulations, Title 10, Section 2698.67 (e)(1), specifies that Expenditure Report must be submitted to the CDI no later than four (4) months after the close of the program period.

If an organization-wide audit will delay the submission of the Expenditure Report, a county may request an extension of time. The extension request should be submitted to the Program Analyst for approval and clearly explain the need and planned submittal date.

The Expenditure Report is **prepared by the county** and should include:

- Personnel expenses: breakdown between total salaries and total benefits;
- Operating expenses: with totals per line item;
- Equipment: with totals per line item.

The report should reflect all actual allowable expenditures, including unbudgeted expenditures as well as expenditures in excess of the budgeted amount. The report should also include an explanation of any significant variances from the district attorney's most recently approved budget plan.

## **H. AUDITED UNEXPENDED FUNDS AND CARRY OVER UTILIZATION REQUEST**

The Audited Unexpended Funds and Carry Over Utilization Request form is due **October 31, 2024**. CDI will provide submittal instructions at a later time.

Section 2698.64(c) of the California Code of Regulations stipulates that any portion of distributed funds not used at the termination of each program period shall be returned to the Insurance Fraud Account to be reapportioned for use in the subsequent program

year. Counties shall provide CDI with an estimate of unused funds within sixty (60) days after the termination of the grant period.

However, Section 2698.64(d) states that a district attorney who has undertaken investigations and/or prosecutions that will carry over into the following program year may carry over the distributed but unused funds. That district attorney must (1) specify and justify in writing to CDI how the funds will be used at the end of the program period and (2) submit a modified budget showing how the funds will be used in the subsequent application period. **If the carry over exceeds 25%**, the justification must also include an explanation of the extenuating circumstances resulting in the carry over.

## I. FINANCIAL AUDIT REPORT

The Financial Audit Report is due by **October 31, 2024** and will be submitted as an upload in the Grant Management System.

California Code of Regulations, Title 10, Section 2698.67 (e)(1) requires each district attorney receiving funds to submit a Financial Audit Report. The Financial Audit Report must be submitted to the CDI no later than four (4) months after the close of the program period.

If an organization-wide audit will delay the submission of the Financial Audit Report, a county may request an extension of time. The extension request should be submitted to the Program Analyst for approval and clearly explain the need and planned submittal date.

The Financial Audit Report 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 county may include the cost of the Financial Audit in their budget as a line-item in Operating Expenses.

The audit report shall:

- Certify whether expenditures were made for the purposes of the program. (CIC Section 1872.8 and CCR, Title 10 Section 2698.60 et seq.)
- Indicate that the auditor shall use county policies and procedures as the standard for verifying the appropriateness of personnel and support costs.
- Separately show revenues and expenditures for the local program.

**NOTE:** **Grant Financial Audit Guidelines, Attachment B**, which sets forth the standards for audit preparation, is provided at the end of this document.

## J. AUDITS BY CDI

Sections 2698.59(f), 2698.67(g)(h), 2698.77(e)(f) and 2698.98.1(g)(h) of the California Code of Regulations authorizes CDI to perform audits or reviews of the Insurance Fraud Grant Programs that it administers. To maximize the effectiveness and efficiency of these audits or reviews, and to minimize the disruption to the county's operation, CDI will usually conduct the audits or reviews of the Workers' Compensation Insurance Fraud, Automobile Insurance Fraud, Organized Automobile Fraud Activity Interdiction, Disability and Healthcare Insurance Fraud, Life and Annuity Consumer Protection Program, and/or High Impact Insurance Fraud Programs at the same time.

The principle objective of the CDI audit or review is to evaluate whether the county district attorney's office spent its grant funds for the purposes of the applicable insurance fraud program and that the county complied with applicable laws, regulations, and program administrative requirements. Additionally, CDI may perform such additional audits or reviews of any local program as CDI may deem necessary and shall have access to all reports, working papers, correspondence, or other documents, including audit reports and audit working papers related to the audit report or local program.

The CDI Fraud Grant Audit Program (FGAP) is the unit that will perform the audits. FGAP is part of the CDI Enforcement Branch Headquarters, Support and Compliance Section. The Support and Compliance Chief reports directly to the Enforcement Branch Deputy Commissioner.

FGAP audit procedures typically will include, but are not limited to, the following:

- Determine that the revenue, expenditures and approved prior year carry over are an accurate reflection of the information contained in the county fiscal records for the applicable program;
- Compare the results of the independent financial audit to the expenditure report and approved budget;
- Determine that personnel time charged to the program is limited to personnel funded by the grant, that the time is spent on program investigative and prosecutorial activities, and is properly supported by detailed time keeping records;
- Determine that operating and equipment expenditures (non salary and benefit expenditures) charged to the program were used for program activities;
- Determine that equipment expenditures charged to the program are only for items specifically approved by CDI in the county's program budget;
- Determine that any equipment purchased by the grant is in the custody and use of the personnel funded by the grant;
- Verify that the number of investigations, arrests, prosecutions, convictions, and outreach events reported in the program report is accurately stated and supported by source documents.
- Determine if prior audit findings were resolved.

## **K. RESTITUTION**

Funds resulting from assessments, fees, penalties, fines, restitution, or recovery of costs of investigation and prosecution that are ordered to be deposited in the Insurance Fund shall not be deemed “unexpended” funds for any purpose.

Restitution should be submitted to CDI for deposit into the Automobile Fraud Account.

***NOTE:*** Instructions for Submitting Restitution Payments to CDI, Attachment C, is provided at the end of this document.

## ATTACHMENT A: SUPPORT OF SALARIES AND WAGES

### AUTOMOBILE INSURANCE FRAUD PROGRAM SUPPORT OF SALARIES AND WAGES FISCAL YEAR 2023-2024

**(1) Documented Payrolls-** Charges to CDI grant awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practice of the county and approved by a responsible official(s) of the county.

**(2) Employees 100% Funded by a Single CDI Grant-** For employees that are listed in the Grant Agreement and Application as 100% funded by a single CDI grant award, charges for their salaries and wages shall be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee and supervisory official having first-hand knowledge of the work performed by the employee (**See Exhibit A**). The documentation requirements for employees that are partially funded by a single CDI Grant (**Section 3**) can also be used for employees that are 100% funded by a single CDI Grant.

Should a 100% funded employee not work 100% of their time in that program in a given month, that employee shall account for their time in the same manner as an employee that is partially funded by a single CDI Grant Award (**Section 3-Employees Partially Funded by a Single CDI Grant**). The periodic certification shall also be adjusted to reflect any month(s) where the employee did not work 100% of their time on a single grant award.

**(3) Employees Partially Funded by a Single or Multiple CDI Grant(s)-** Where employees work on multiple CDI grant awards or are partially funded by a CDI grant award, a distribution of their salaries or wages will be supported by Personnel Activity Reports (PAR)/Timesheets which meet the standards below:

- (a) They must reflect an after-the-fact distribution of the actual daily activity of each employee.
- (b) They must account for the total activity, for which the employee is compensated each day.
- (c) They must be prepared at least monthly and must coincide with one or more pay periods.
- (d) They must be signed by the employee and the employee's supervisor.



- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to CDI grant awards but may be used for interim accounting purposes.
- (f) The monthly salary/benefit allocation to the grant program(s) will be determined at the end of each month based on a percentage allocation of the employee's total time worked. This would include any hours worked beyond an employee's regular work hours. For example, an employee's regular work hours for the month is 160 hours but they work 200 hours. The employee is exempt from overtime. The employee works 115 hours on the auto grant program and 85 hours on the workers' compensation grant program. The allocation of the employee's salary/benefit cost for the month would be 58% to auto ( $115/200 = 58\%$ ) and 42% to workers' compensation ( $85/200 = 42\%$ ).

### **PAR/Timesheet Example**

This example illustrates the minimum acceptable information to be included on DA PAR/timesheets. The data elements follow:

1. Date
2. Hours
3. Grant Program (Workers' Compensation, Auto, Organized Auto, Disability & Healthcare, Life & Annuity).

<b>Date</b>	<b>Hours</b>	<b>Grant Program / Other</b>
10/1/19	7	W Comp
10/1/19	1	Non-grant
10/2/19	4	W Comp
10/2/19	4	Auto

**SEE EXHIBIT B FOR ADDITIONAL ACCEPTABLE PAR/TIMESHEET FORMATS.**

## Other Acceptable PAR/Timesheet Formats

DAs may elect to document additional information in their timekeeping systems should they have internal program management needs for this information. A few examples of acceptable formats are shown below:

### Option A

Date	Hours	Grant Program	Description of Work Performed
10/1/19	7	W Comp	Review status of pending cases, Case 2019-WC-034, W Comp outreach fraud presentation at AA Corp.
10/1/19	1	Other	Non-grant
10/2/19	4	W Comp	Prepare Program Report
10/2/19	4	Auto	Prepare Program Report

### Option B

Date	Hours	Grant Program	Description of Work Performed
10/1/19	2	W Comp	Review status of pending cases
10/1/19	3	W Comp	Case 2019-WC-034
10/1/19	2	W Comp	W Comp fraud presentation at AA Corp.
10/1/19	1	Other	Non-grant
10/2/19	4	W Comp	Prepare Program Report
10/2/19	4	Auto	Prepare Program Report

### Option C

Date	Hours	Grant Program	Activity Type	Description
10/1/19	2	W Comp	Program Mgmt.	Review status of pending cases
10/1/19	3	W Comp	Case	Case 2019-WC-034
10/1/19	2	W Comp	Outreach	W Comp fraud presentation at AA Corp.
10/1/19	1	Other	Non-grant	Non-grant
10/2/19	4	W Comp	Program Admin	Prepare Annual Program Report
10/2/19	4	Auto	Program Admin	Prepare Annual Program Report

**Exhibit A - Certification- Employee 100% Funded from One Grant**

**Semi-Annual Certification for Salaries & Benefits Charged to a Single Grant**

**County:**

**Grant Title:**

**Time Period:**

**Employee:**

**Supervisor:**

**Per the criteria contained in the California Department of Insurance (CDI) Fraud Grant Request for Application, if an employee is expected to work solely on one CDI Grant Award, such work must be supported with a periodic certification that substantiates the employee worked solely on that CDI grant award for the period covered by the certification.**

**I certify that the employee listed above spent 100% of their time on activities related to the CDI Grant Award listed above, and those activities were in compliance with this grant award during the period listed above. The information on this form is true and correct to the best of my knowledge.**

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Employee's Supervisor Signature\***

\_\_\_\_\_  
**Date**

**\*Must be signed by a supervisory official having firsthand knowledge of the work performed by the employee.**

# Exhibit B- Monthly Personal Activity Reports (PAR)/Timesheet- Employees that are not 100% Funded from One Grant

**Personnel Activity Report (PAR)**

Office of: \_\_\_\_\_ For the Month of: \_\_\_\_\_  
 Employee: \_\_\_\_\_ Year: \_\_\_\_\_  
 PIN #: \_\_\_\_\_  
 Supervisor: \_\_\_\_\_

PROGRAM or ACTIVITY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Leave Time</b>															
<b>TOTAL</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

hours reported \_\_\_\_\_


Employee signature \_\_\_\_\_ Date \_\_\_\_\_

Immediate Supervisor signature \_\_\_\_\_ Date \_\_\_\_\_

## Sample Personnel Activity Report

**Personnel Activity Report**

Employee Name: John Smith  
 Employee ID: 7199999  
 Grant Manager: Robert Bell  
 Pay Period End Date: 03/14/10

  
 Fairbanks North Star Borough School District  
 Accounting Services Department  
 520 5th Avenue  
 Fairbanks, AK 99701

Cost Center	Week One:							Week Two:							Total Hrs
	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	
Holidays and Annual, Personal, or Sick Leave * ---->				8.00				2.00							10.00
General Fund Cost Center: 97021	3.00	4.00	3.00		3.50			3.00	3.00	4.00	3.50	3.00			30.00
CC 8303-Title IA, Basic Program	5.00	5.00	5.00		5.00			3.00	5.00	5.00	5.00	5.00	2.00		45.00
Totals	8.00	9.00	8.00	8.00	8.50			8.00	8.00	9.00	8.50	8.00	2.00		85.00

\* Charge professional and administrative leave to individual cost center based on purpose of leave.

**I certify that this is an after-the-fact determination of my actual activity for the above pay period.**

Employee Signature: \_\_\_\_\_ Authorized By: (Supervisor or Grant Manager) \_\_\_\_\_  
 Date: \_\_\_\_\_ Date: \_\_\_\_\_

### ATTACHMENT B: FINANCIAL AUDIT GUIDELINES

**AUTOMOBILE INSURANCE FRAUD PROGRAM  
FINANCIAL AUDIT GUIDELINES  
FISCAL YEAR 2023-2024**

The financial audit of the district attorney's office participation in CDI's Automobile Insurance Fraud Program must be conducted using generally accepted auditing standards and the most recent Government Auditing Standards (GAS) and related guidance published by the Comptroller General of the United States. The audit must include an examination of the internal control structures of the district attorney's office as it applies to this program. The audit report must certify whether local expenditures were made for the purposes of the program as specified in the Insurance Code. Additionally, the report must include a schedule of operating expenses and equipment.

The following are specific, minimum areas of examination that are applicable for conducting an audit of the Automobile Insurance Fraud Program. These guidelines are not intended to be all-inclusive but, rather, specific areas to be examined during the performance of the audit of this program.

1. Verify the appropriateness of personnel and support costs, including equipment purchases, using the county's policies and procedures as the standard for verification. Note any conflicts with program requirements and potential disallowed expenses.
2. Determine the approved budget for the audited grant period by line item within each budget category. Examine district attorney's office records, the grant applications, grant amendments and augmentations, CDI grant award letter(s) and, if any, CDI approved prior year carry over. Compare the approved budget to the year-end Expenditure Report. Note any exceptions.
3. Determine that the Expenditure Report is an accurate reflection of information contained in the County Auditor/Controller's records for this program. Note any differences between the two.
4. Determine that grant revenues from CDI for the grant period are included in the Financial Report even if they were deposited by the county after the end of the grant period (i.e., treats grant revenues from CDI on an accrual basis).
5. Ensure that the Audit Report reflects the correct amount of grant revenues received for the grant period and, if applicable, the correct amount of prior year carry over. Note any differences between the calculated carry over found as a result of the audit and the amount approved by CDI.
6. Determine that personnel time charged to the program was expended only for the purpose of enhancing investigations and prosecutions of automobile insurance fraud.

7. Determine that personnel expenses charged to the program are limited to personnel funded by the grant.
8. Determine that direct charges to the program are not also included in indirect costs (i.e., space charges) charged to the program.
9. Determine that equipment purchases made with grant funds are only for items specifically approved by CDI in the applicant's budget.
10. Determine that no vehicle purchases have been charged against this program without specific written approval by CDI.
11. Determine that equipment purchased by the grant is in the custody and use of the personnel funded by the grant.
12. Compare the results of the audited expenses to the end-of-the-year Expenditure Report and note any exceptions, particularly variances between audited expenditure, claimed and budgeted line items within each category.
13. Identify non-compliance with applicable statute, regulation, county policy or grant application requirements, and any questionable or disallowed grant amounts received for the grant period.

## ATTACHMENT C: SUBMITTING RESTITUTION

### INSTRUCTIONS AND ADDRESS FOR COUNTY TO SUBMIT RESTITUTION, FINES, AND PENALTIES FISCAL YEAR 2023-2024

#### **County Should Mail Restitution, Fine, and Penalty Payments to:**

California Department of Insurance  
Accounting - Cashiering Unit  
300 Capitol Mall, 14<sup>th</sup> Floor  
Sacramento, CA 95814

**Payable to:** California Department of Insurance

#### **Acceptable forms of payment:**

- Money Order
- Cashier Check
- County Check

#### **Cover letter or stub should include:**

- Defendant's Name
- County Name
- County Case Number
- Program: Auto
- Type of payment (such as fines, restitution, etc.)

*If you have any questions, please contact the CDI Local Assistance Unit at [LAU@insurance.ca.gov](mailto:LAU@insurance.ca.gov).*

**NOTE: The county is responsible for tracking collections.**