

Contract #: Automobile Insurance Fraud FY 08/09 Resolution
CONTRACT ROUTING SHEET

Date Prepared: 11/12/08

Need Date: 11/18/08

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: _____

CO. Counsel
EL DORADO COUNTY COUNSEL
2008 NOV 13 PM 3:29

CONTRACTING DEPARTMENT:

District Attorney
Service Requested: FY 08/09 Resolution
Contract Term: One Year Contract Value: \$108,556.00
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: 11-14-08 By: [Signature]
Approved: _____ Disapproved: _____ Date: _____ By: _____

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HUMAN RESOURCES DEPT
08 NOV 14 AM 11:14

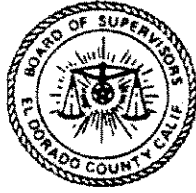
RISK MANAGEMENT: (Must approve all contracts, MOU's and boilerplate grant agreements) N/A

Approved: ✓ Disapproved: _____ Date: 11/14/08 By: [Signature]
Approved: _____ Disapproved: _____ Date: _____ By: _____

PLEASE CALL JODI AT #6421 FOR PICKUP

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 Program to be funded in part from funds made available through the California Insurance Code Section 1872.8, California Code of Regulations Subchapter 9, Article 3 Section 2698.65 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 _____, 200__, by the following vote of said Board:

Attest:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

Ayes:
Noes:
Absent:

By: _____
Deputy Clerk

Chairman, Board of Supervisors

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

DATE: _____

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

By: _____



STEVE POIZNER
Insurance Commissioner

October 1, 2008

The Honorable Vernon Pierson
El Dorado County District Attorney's Office
515 Main Street
Placerville, CA 95667

RE: Grant Award for Automobile Insurance Fraud Program, Fiscal Year 2008-09

Dear District Attorney Pierson:

I am very pleased to inform you that El Dorado County has been awarded the amount of \$108,556 under the Automobile Insurance Fraud Program for fiscal year 2008-09. This grant award is contingent on the total amount collected and is to be used for the investigation and prosecution of automobile insurance fraud and economic car theft pursuant to the California Insurance Code, Section 1872.8 and the California Code of Regulations, Section 2698.63.

For fiscal year 2008-09, the available funding for local assistance was appropriated at **\$13,051,000**. It is possible that the total collection could fall short of the projected amount. Therefore, the final disbursement will reflect the county's portion.

The grant award totaling \$108,556 for El Dorado County was based on the following criteria:

- **Qualifications** - personnel assigned to the program
- **County Statistics** - warrants, arrests, convictions, fines and restitutions in relation to the turn of investment to the program
- **Problem Statement** - a description of the problem in the county and what is needed to resolve the problem, including supporting data, evidence, or indicators of fraudulent activity related to automobile insurance
- **Strategies and Coordination** - used the joint plan as a roadmap to conduct automobile insurance fraud investigations and prosecutions
- **Outreach Plan** - defined as to return on investment
- **Budget** - request was specific and justified

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OCT 1 2008

DISTRICT ATTORNEY

If you have any questions regarding your participation in the Automobile Insurance Fraud Program, please contact Ms. Vicki Griner, Manager, Fraud Division Headquarters, Local Assistance Unit, at (916) 854-5786 or at grinerv@insurance.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Poizner", written over a horizontal line.

Steve Poizner
Insurance Commissioner

cc: Richard Jones, Lead Attorney, Insurance Fraud Program
Jodi Albin, Financial Officer

**CALIFORNIA DEPARTMENT OF INSURANCE
FRAUD DIVISION**

**AUTOMOBILE INSURANCE
FRAUD PROGRAM**

REQUEST-FOR-APPLICATION

FISCAL YEAR 2008-09

**SECTION III
APPLICATION AND INSTRUCTIONS**

REVISED 2/28/08

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

**AUTOMOBILE INSURANCE FRAUD
INVESTIGATION/PROSECUTION PROGRAMS
FISCAL YEAR 2008-09 GRANTS**

**Grant Application
Checklist and Sequence**

The Request for Application MUST include the following:

	<u>YES</u>	<u>NO</u>
1. Is the Grant Application Transmittal sheet completed and signed by the District Attorney?	X	
2. Is the Program Contact Form completed?	X	
3. Is an original or certified copy of the Board Resolution included? If NOT, the cover letter must indicate the submission date.		X
4. The County Plan includes:		
a) County Plan Qualifications	X	
b) Staff Qualifications	X	
c) Organization chart	X	
d) County Plan Problem Statement	X	
e) County Plan Program Strategy	X	
f) Joint Plan (Attachment A)	X	
5. Is the Project Budget included?	X	
a) Line-item totals are verified?	X	
6. Case Descriptions (Attachment B)	X	

GRANT APPLICATION TRANSMITTAL FACE PAGE

Instructions for Fiscal Year 2008-09

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 Carry Over Funds: Enter the estimated carry-over funds from the previous fiscal year(s).

5. Program Director: Enter the name, title, mailing address and telephone number of the individual ultimately responsible for the program.

6. Financial Officer: Enter the name, title, mailing address and telephone number 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 fax version) must be on at least one copy of the Grant Application Transmittal.

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CALIFORNIA DEPARTMENT OF INSURANCE AUTOMOBILE INSURANCE FRAUD PROGRAM

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PROGRAM CONTACT FORM
Instructions for Fiscal Year 2008-09

Complete the Program Contact Form on the following page. For the purpose of this RFA, the contact person for CDI is Vicki Griner at (916) 854-5760.

**DEPARTMENT OF INSURANCE
PROGRAM CONTACT FORM**

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

Name: Richard Jones

Title: Deputy District Attorney

Address: 515 Main Street

Placerville, CA 95667

E-mail address: rajones@co.el-dorado.ca.us

Telephone Number: (530) 621-6490 Fax Number: (530) 621-1280

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

Name: Jodi Albin

Title: Financial Officer

Address: 515 Main Street

Placerville, CA 95667

E-mail address: jodi.albin@edcgov.us

Telephone Number: (530) 621-6472 Fax Number: (530) 621-1280

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

Name: Richard Jones

Title: Deputy District Attorney

Address: 515 Main Street

Placerville, CA 95667

E-mail address: rajones@co.el-dorado.ca.us

Telephone Number: (530) 621-6490 Fax Number: (530) 621-1280

BOARD OF SUPERVISORS' RESOLUTION

Instructions for Fiscal Year 2008-09

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 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 2008-09 fiscal year. If the Resolution cannot be submitted with the application, a letter must be included which indicates when CDI can expect to receive it (no later than December 31, 2008). 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).
4. Enter the full title of the administrator or executive (e.g. District Attorney) who 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***

FORM 04

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

COUNTY PLAN

Overall Instructions for Fiscal Year 2008-09

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.
- **Forms** containing narrative requirements are 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** (Forms 09 and Form 10)

In order to complete the County Plan, reference the definitions on page 11.

Definitions

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

- Documented Case Referral means:
 - 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
- Investigations
 - Investigation opened means cases in which an investigator or DDA has been assigned to a case. 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.
- 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.
- Arrest
 - For purposes of the grant application and reporting, arrests include surrenders and citations.
- Cases in court
 - Filed cases, up to and including sentencing hearing, excluding warrants, and appeals
- Fines
 - Are defined as fines imposed by the court. Penalty assessments may be included. Do not include booking fees, probation supervision fees or restitution.
- 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.
- Insider fraud
 - Defined as fraud committed by employees or agents of an insurance company, self-insured employer, third party administrator as defined in California Insurance Code Section 1877.
- Chargeable fraud
 - Is the total amount of fraud that would result from all the counts that would be or are actually charged.

THE DOCUMENTED REFERRAL

Summary	<p>This chapter covers the reporting of <i>substantiated</i> fraud cases. Once all four 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, any time there is suspected fraud within the workers' compensation 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 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 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 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, reports or interview or 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.

**Section II.
Narrative
Statement,
(continued)**

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
- 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 is 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- Fax 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 was 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 (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 (i.e. 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 workers' compensation 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

(letter, 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 Boards
- 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 California Department of Insurance, Criminal Investigations 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:

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

Medium Case:

1. Loss from \$10,000 up to \$49,999

Complex Case:

1. Loss from \$50,000 up to \$250,000

Very Complex Case:

1. 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-insured 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 2008-09

In accordance with the California Code of Regulations, Title 10, Section 2698.60, the County must submit a County Plan. Please complete forms 5-10.

In answering the questions on Forms 05, 06, and 07, also 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 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 2698.60.

1. What areas of your automobile insurance fraud operation were successful and why?
2. Specify what unfunded contributions i.e. financial, equipment, personnel, 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.

INTRODUCTION

The El Dorado County District Attorney's Office is going into its fifteenth year with our Automobile Insurance Fraud Unit. However, for the last several years, during the prior administration, the unit was devoid of leadership and basically ineffective and has produced very few new cases. Under the new leadership of Vern Pierson, the recently elected District Attorney and former Chief Assistant District Attorney of Amador County, new and innovative programs are being planned and new life given to the unit. Mr. Pierson has assigned a Senior Deputy District Attorney to the program as well as a part-time experienced criminal investigator in the Placerville office, as well as a part-time criminal investigator in our South Lake Tahoe office as it appears greater attention needs to be focused in the Lake Tahoe area. Also, Mr. Pierson has been authorized by the

Board of Supervisors to add a position of a legal secretary (part-time), which has now been accomplished, to the staff of the unit.

Since the program's inception in El Dorado County, our relationship with the Department of Insurance Fraud Division had not been optimum but with our new dedication to the goals and objectives set by the Commissioner and the Fraud Division and Mr. Pierson's known dedication to the program, as exemplified in Amador County, this relationship has matured rapidly.

El Dorado County District Attorney Vern Pierson has initiated and extended El Dorado County's proactive and aggressive insurance fraud program. The deputy district attorney working this unit is Richard A. Jones who is responsible for the review and prosecution of all cases. Mr. Jones has been practicing law for over 30 years and prior to joining the El Dorado County District Attorney was with a major California insurance company as the manager of a unit dedicated to investigating internal fraud. His duties involved the investigation of internal fraud matters that were then presented to the Fraud Bureau or other law enforcement agencies. District attorney investigator Paul Fisher, who had been assigned to the unit, has retired from service after a long illness. Mr. Fisher's illness and subsequent retirement caused significant delay in replacing him within the fraud unit, which has just recently been accomplished. In our ongoing effort to combat fraud not only has a full time Auto Fraud Investigator been appointed in Placerville, we have also appointed a full time investigator in South Lake Tahoe. However, as in the last year, all case investigations and filings will occur in Placerville under the direct supervision of Mr. Jones. Note that the assignment of investigators, as described, is predicated on approval of sufficient funding in this grant.

1. What areas were successful and why?

As indicated earlier, the automobile fraud unit has not been as productive and viable as anticipated this last year. Although we certainly have investigated and prosecuted a number of cases and there are several pending investigations, there were significant interruptions to our anticipated plans that were scheduled to commence in June of 2007, Mr. Jones' second month as lead attorney of the Consumer Fraud unit.

The first issue that arose was relating to the Angora fire in South Lake Tahoe. Per our "Joint Plan" in the Workers Compensation program, Mr. Jones responded as part of the joint Fraud Interdiction Team. As the only attorney in the Auto Fraud unit and Workers Compensation unit his time was completely consumed from June, when the fire started, thru most of September and he was unable to devote the time planned to the program.

Thereafter, when Mr. Jones' attentions returned to the day-to-day duties of the office, Mr. Fisher, our full time investigator, sustained a debilitating illness keeping him out of the office and leading to his retirement in April of 2008 after 32 years of service. It was only at this juncture the recruitment for his replacement could begin.

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

Support includes:

Police radios, vests, firearms, safety equipment, district attorney's time to promote program, secure funding from the board of supervisors, meet with fellow District Attorneys to apprise them of the program, use of lap top computers, investigative and attorney staff that assists the automobile fraud investigator in the service of search warrants, arrest warrants and investigations, Deputy District Attorneys that assist the assigned attorney and supervising

Deputy District Attorney.

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

For the year 2007-2008 we maintained one full-time investigator until his retirement in February of 2008. Prior to his retirement, Mr. Fisher had been incapacitated with an illness. As a result of this situation and until his retirement we were unable to seek a replacement for him .

Since his retirement we have undertaken a recruitment and have one investigator to fill a full-time position in the Placerville office. As stated above, we have determined that it will be more effective and productive to also have an investigator, a full-time position, in our South Lake Tahoe office. To that end, Mr. William Dillard an investigator in our Placerville office, will undertake the duties of the Auto Fraud Investigator as part of his assignment. Mr. Dillard is an experienced peace officer from the Antioch California Police Department and is presently our Arson Investigator. As it appears to be a good match to auto fraud, we feel Mr. Dillards background will bring a positive influence to our investigations. As we have said in the past, El Dorado County does not take these assignments lightly and we anticipate Mr. Dillard being in the unit well into the future.

As to the South Lake Tahoe office, we are going to bring into our unit a long time investigator, Tim Mazzoni. Mr. Mazzoni has been with the El Dorado County District Attorneys office for ten years and before that was with the El Dorado County Sheriff's Office for a number of years. Mr. Mazzoni is well qualified for this position and he too is approaching this assignment with vigor and enthusiasm.

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

Presently, the District Attorneys' Office has established working relationships with the local police agencies as has the Deputy District Attorney assigned to the fraud unit.

Additionally, the assigned Deputy District Attorney has met with the Fraud Bureau representatives from Sacramento as well as SIU agents from Kemper Auto and Home, AIG Insurance, Farmers Insurance, GEICO and Esurance. Also, Mr. Jones, the assigned DDA, has a strong working relationship with the local office of the California Highway Patrol.

Additionally, Mr. Pierson has implemented an outreach program with each of the law enforcement agencies in the county. Each agency has two Deputy District Attorneys assigned to the agency and they meet with the officers at each briefing about every two weeks. Mr. Jones has met with these teams and has arranged to attend these briefings, along with Mr. Mazzoni and Mr. Dillard, to discuss upgrading reports of vandalism and fire losses to automobiles. By way of example, Mr. Jones has just filed an amended complaint dealing with a hit and run case to add an insurance fraud count, as a felony. It appears the defendant reported the damage to his vehicle from hitting two pedestrians as damage from unknown persons vandalizing his auto while parked in front of his home.

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 have the prosecutor(s)/investigator(s) been with the program?

Prosecutors	% Time	Time With Program Start date/End date
Richard Jones	50%	May, 2007 to present

Investigators	% Time	Time With Program Start date/End date
Bill Dillard	100%	June, 2008 to present
Tim Mazzoni	100%	June, 2008 to present

ORGANIZATIONAL CHART
Instructions for Fiscal Year 2008-09

The Organizational Chart is to be an attachment provided by the county and is to be labeled as Form 06(b).

ORGANIZATION CHART

Provide an organization chart outlining:

- The lines of authority within the District Attorney's Office from the elected District Attorney to the program, and
- The lines of authority within the program.
- Clearly demonstrate the placement of the program staff and their programmatic responsibility.

If there are any changes of personnel as shown on Form 02 and Form 03, the county must notify the Fraud Division, Local Assistance Unit in writing within 30 days.

ORGANIZATIONAL CHART

PROGRAM REPORT
Instructions for Fiscal Year 2007-08

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, 2007 to June 13, 2008**.

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 to each other. Use these tips to help complete the Program Report.

**CALIFORNIA DEPARTMENT OF INSURANCE - FRAUD DIVISION
 AUTOMOBILE INSURANCE FRAUD PROGRAM
 FISCAL YEAR 2007-2008**

PROGRAM REPORT FOR _____ COUNTY

I. NUMBER OF SUSPECTED FRAUD CLAIMS REVIEWED from July 1, 2007 through June 13, 2008	
---	--

II. DOCUMENTED CASE REFERRALS	PENDING	ACCEPTED	REJECTED	APPLICANT CASES	NON APPLICANT CASES
A. CDI - Fraud Division					
B. Private Carrier					
C. Local Law Enforcement					
D. Third Party Administrator					
E. Other					
F. Total (A-E)	0	0	0	0	0

III. INVESTIGATIONS - PRE FILING DECISIONS	CASES	SUSPECTS
A. Number of cases/suspects carried forward on 6/30/07 to FY 2007-2008		
B. Number of NEW cases and suspects initiated from 7/1/07 through 6/13/08		
C. TOTAL cases/suspects (A+B)	0	0
1. Declinations - Rejections		
2. Number of CDI Joint Investigations (from A & B)		
D. Investigative Assist(s)		
1. Number TO outside agency		
2. Number FROM an outside agency		
E. Number of unassisted investigations by District Attorney		

III. INVESTIGATIONS - PRE FILING DECISIONS CONTINUED							
F. Case Investigations by Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES		
1. Applicant Fraud					0		
2. Fraud Ring					0		
3. Staged Accident					0		
4. Capping					0		
5. Medical Provider Fraud					0		
6. Insider Fraud					0		
7. Economic Car Theft					0		
8. Legal Firm Fraud					0		
9. Other					0		
Total (1-9)	0	0	0	0	0		
IV. ARRESTS THIS REPORTING PERIOD					CASES	DEFENDANTS	
A. Arrests by District Attorney - Felony							
B. Arrests by CDI - Felony							
C. Arrest by joint effort CDI/DA - Felony							
D. Arrests by other - Felony							
E. Total (A-D) - Felony					0	0	
F. Arrests by District Attorney - Misdemeanor							
G. Arrests by CDI - Misdemeanor							
H. Arrest by joint effort CDI/DA - Misdemeanor							
I. Arrests by other - Misdemeanor							
J. Total (F-I) - Misdemeanor					0	0	
K. Total (E+J) - Felonies and Misdemeanors					0	0	
V. CASES IN COURT							
A. Cases carried forward on 6/30/07 to FY 07/08 by Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	TOTAL CHARGE-ABLE FRAUD (in dollars)
1. Applicant Fraud					0		
2. Fraud Ring					0		
3. Staged Accident					0		
4. Capping					0		
5. Medical Provider Fraud					0		
6. Insider Fraud					0		
7. Economic Car Theft					0		
8. Legal Office Fraud					0		
9. Other					0		

V. CASES IN COURT CONTINUED								
B.	New Case filings/indictments initiated 7/1/07 through 6/13/08 by Categories and Complexities	STAN-DARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	TOTAL CHARGEABLE FRAUD (in dollars)
	1. Applicant Fraud					0		
	2. Fraud Ring					0		
	3. Staged Accident					0		
	4. Capping					0		
	5. Medical Provider Fraud					0		
	6. Insider Fraud					0		
	7. Economic Car Theft					0		
	8. Legal Firm Fraud					0		
	9. Other					0		
C.	Total cases in court - Categories and Complexities (A+B)	STAN-DARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	TOTAL CHARGEABLE FRAUD (in dollars)
	1. Applicant Fraud	0	0	0	0	0	0	\$0.00
	2. Fraud Ring	0	0	0	0	0	0	\$0.00
	3. Staged Accident	0	0	0	0	0	0	\$0.00
	4. Capping	0	0	0	0	0	0	\$0.00
	5. Medical Provider Fraud	0	0	0	0	0	0	\$0.00
	6. Insider Fraud	0	0	0	0	0	0	\$0.00
	7. Economic Car Theft	0	0	0	0	0	0	\$0.00
	8. Legal Office Fraud	0	0	0	0	0	0	\$0.00
	9. Other	0	0	0	0	0	0	\$0.00
	10. Total cases in court from (C)	0	0	0	0	0	0	\$0.00

V. CASES IN COURT CONTINUED			
D. Total Cases by Filing Classification	CASES	DEFENDANTS	
1. Felony Cases from (C)			
2. Misdemeanor Cases from (C)			
3. Civil Cases from (C)			
E. Court Proceedings	CASES	DEFENDANTS	MOTIONS/ HEARINGS
1. Number of Preliminary Hearings			
2. Number Held to Answer			
3. Number of Grand Jury Indictments			
4. Number of Motions requiring a response			
5. Number of Court Hearings			

VI. FELONY DISPOSITIONS	CASES	DEFENDANTS
A. Convictions	0	0
1. Pled Guilty/No Contest		
2. Convicted by Trial		
B. Sentences		
1. State Prison Imposed		
2. County Jail Imposed		
3. Probation, no Jail Imposed		
C. Reduction to Misdemeanor		
D. Municipal Court Dismissals		
E. Superior Court Dismissals		
	AMOUNT ORDERED	AMOUNT COLLECTED
F. Amount of Fines & Penalty Assessments		
G. Amount of Restitution		

FORM 07

VII. MISDEMEANOR - DISPOSITIONS	CASES	DEFENDANTS
A. Convictions	0	0
1. Pled Guilty/No Contest		
2. Convicted by Trial		
B. Sentences		
1. County Jail Imposed		
2. Probation no Jail Imposed		
C. Dismissals		
	AMOUNT ORDERED	AMOUNT COLLECTED
D. Amount of Fines & Penalty Assessments		
E. Amount of Restitution		

VIII. CIVIL CASES	NUMBER FILED	NUMBER OF JUDGMENTS
A. Cases carried forward on 7/1/07 to FY 07/08		
B. New Cases filed this reporting period from 7/1/07 through 6/13/08		
C. Total Cases (A+B)	0	
D. Cases Concluded this reporting period.		
	AMOUNT ORDERED	AMOUNT COLLECTED
E. 1. Restitution		
2. Fines and Penalties		
3. Costs		

IX. SEARCH WARRANTS	NUMBER	SUSPECTS	LOCATIONS
A. Total Search Warrants Issued			
B. Special Masters Search Warrants			

X. OUTREACH TRAINING		
A. Number of training sessions		
B. Total number of trainees		

**CONVICTION INFORMATION
COUNTY:**

CASE#	SUBJECT NAME	ROLE *	SENTENCE	ASSETS FROZEN	RESTITUTION/ LOSS	CIVIL FINE	CRIMINAL FINE	VICTIM	REFERRAL SOURCE **	DDA NAME
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										

*** Role**

Applicant	Insider
Fraud Ring	Economic Car Theft
Staged Collision	Legal Firm
Capping	Other
Medical Provider	

**** Insert appropriate letter**

CDI - Fraud Division	A
Private Carrier	B
Local Law Enforcement	C
Third Party Administrator	D
Other	E

PROBLEM STATEMENT
Instructions for Fiscal Year 2008-09

In answering the questions on Form 08, also 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:

- Self-insured employers
- 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

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

INTRODUCTION

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 state of Nevada to the east. El Dorado County consists of a rural population of approximately 180,000 including an estimated work force of 91,700, the majority of who reside in the Western Slope communities of Placerville, Shingle Springs, Cameron Park and El Dorado Hills. There has been significant growth in the number of businesses and companies that have opened or relocated to the Western Slope area of the county, particularly in the communities of Cameron Park and El Dorado Hills.

There are approximately 6,613 businesses in El Dorado County. Of the businesses in the county, 42% are in the service sector, 20% is retail trade, 12% in the construction area, and 7% in the area of finance and real estate, 4% in wholesale trade and 4% in agriculture, forestry and fishing. Large office complexes staffed by Health Maintenance Organizations, and smaller businesses such as grocery stores, coffee shops and restaurants contributed to the rapid growth of El Dorado Hills and larger retailers like Home Depot have opened in the Placerville area. That growth has contributed significantly to the increase in commercial and residential construction. The area offers a variety of tourist attractions and locally-owned retail businesses and modest amount of agricultural and timber products. It also serves as a bedroom community for adjacent counties offering greater employment opportunities.

The recently elected District Attorney, Vern Pierson, has set a goal of making our office very active in the arena of consumer protection, generally, and fighting insurance fraud specifically. This effort, being undertaken by the District Attorney, dovetails directly with the stated goals of the commissioner and the Fraud Division. This office will enforce consumer protection laws, inform consumers of their rights and allow citizens of the county access to the office for protection of their rights, as well as a forum to report situations of potentially illegal activity. In prior years, suspected fraudulent cases involving automobile insurance fraud were investigated or prosecuted on a limited basis. Though some grant monies were provided to El Dorado County little was accomplished, either because of the substantial turnover in the office or neglect by the prior management of the office. Now that the new management is in place, and with Mr. Pierson's known accomplishments in this field, El Dorado County is instituting a very

aggressive program, staffed with a highly qualified staff of investigators, and a senior experienced trial attorney.

To that end, Mr. Jones, the DDA assigned to the program, in conjunction with investigators Bill Dillard and Tim Mazzoni, now collect copies of all 10851 and selected vandalism reports from all the agencies in El Dorado County on a monthly basis. These reports are reviewed in an effort to identify trends that may occur within the county. Although this review was commenced under Paul Fisher who recently retired, it has become clear that more training of the officers on the street is needed to help identify cases where economic theft may be occurring. The investigators and Mr. Jones will be attending briefings of the officers so as to direct their attention to the insurance fraud issue. After about one year of review, it does appear that many reports are deficient as pertains to insurance information thereby increasing the potential of economic fraud to pass unnoticed. As this effort continues, we will be better able to identify the breadth and depth of the automobile fraud problem in El Dorado County.

From a review of the past cases in the county and having received new cases from the Fraud Bureau and other agencies, the cases seem to be individuals who are acting randomly and are responding to circumstances as they arise. The latest case of insurance fraud is a situation relating to a hit-and-run matter wherein the suspect filed a vandalism report, with the local sheriff, so as to cover up the damage really done when the suspect hit two pedestrians. Mr. Dillard's continued investigation determined the suspect had, in fact, reported this claim to his carrier. The similarity of cases seems to indicate unsophisticated efforts, as determined by a given set of circumstances, by the suspects in the perpetration of insurance fraud. As our history is only just beginning at this time, it is not yet possible to identify the complete nature and breadth of the problem.

PROGRAM STRATEGY
Instructions for Fiscal Year 2008-09

In answering the questions on Form 09 and Form 10, also 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.
- 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 on page 30 question #1. Include improvements in your program.

Please refer to the description of condition of the office of the District Attorney as presented last year and the shortcomings we have been attempting to overcome. Now that our office is under the new administration we are moving forward to meet the demands of a responsive, consumer-oriented office consistent with goals of the Insurance Commissioner. Last year Mr. Pierson appointed a senior and experienced trial attorney with a strong insurance background to lead the automobile fraud unit and Mr. Jones will continue to fill that role moving forward. Also, as of June 2008, Mr. Pierson has appointed two investigators to replace the recently retired investigator Paul Fisher. With the combination of background and experience brought to the unit by these investigators, it is felt that the unit is more well rounded and strategically placed within the community. The following plan has been implemented:

- Maintain a close working relation with the Fraud Bureau
- Institute an outreach program to reconnect with insurance carriers generally and their SIUs in particular, and other professionals in the insurance field.
- Maintain the recently established working relationship with the California Highway Patrol and the local law enforcement agencies in El Dorado County.
- Continue using the fraud "hotline" that is directly connected to our fraud unit, which is in both English and Spanish.
- Continue "fraud hot-line" newspaper advertising in the county's local newspapers to inform the public of our fraud unit.

As was discussed earlier in the RFA, the DDA and Fraud Investigators now review all 10851 reports and selected vandalism reports from each of the law enforcement agencies in the county on a monthly basis. That has revealed the need for training of each agency to insure the completeness of the report for accurate insurance and other needed information. The DDA and Investigators will attend agency briefings and review the need of such reporting in light of the issues of economic auto theft.

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?

The next step in the equation will be more concentrated contact with insurance company SIUs relative to losses within the county, as well as to notify the SIUs that the District Attorney's Office is now available to assist them in the investigation and prosecution of insurance fraud. The need for closer contact with SIUs is to help in the pinpointing of provider fraud as relates to medical services billed but not provided or for services for which the provider is overbilling. With the contact recently developed with NICB and our participation in WSAT I and SVATI our team members are connecting with various SIW members from a wide range of insurance carriers.

From a review of the past cases in the county and having received new cases from the Fraud Bureau, the cases seem to be individuals who are acting randomly and are responding to circumstances as they arise. The latest case of insurance fraud is a situation relating to a hit and run matter wherein the suspect filed a vandalism report, with the local sheriff, so as to cover up the damage really done when the suspect hit two pedestrians. Mr. Dillard's continued investigation determined the suspect had, in fact, reported this claim to his carrier. The similarity of cases seems to indicate unsophisticated efforts, as determined by a given set of circumstances, by the suspects in the perpetration of insurance fraud. As our history is only just beginning at this time, it is not yet possible to identify the complete nature of the problem.

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

The single most important goal of the office will be the effort to identify the extent and nature of the automobile insurance fraud problem in the county. It is clear that there is such a problem from a review of theft cases generally, but more effort is needed. As the office suffered greatly in the fighting of insurance fraud under the direction of the previous District Attorney, it is anticipated the rebuilding of prior relations and establishing new relations with insurance fraud professionals will take substantial time and effort. It is with this in mind that an effective outreach program is being planned and implemented to bring the District Attorney's office back into the mainstream of fighting fraud through adequate and proper investigation and prosecution of those committing such acts.

4. Training and Outreach

- List the training **received** by each county staff member in the automobile fraud unit during the fiscal years 2006-07 and 2007-08.
- Describe what kind of training/outreach **you provided** in Fiscal Year 2007-08 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 2008-09 to local Special Investigation and prosecution of automobile insurance fraud; and/or coordination with the Fraud Division, insurers or other entities.

As a result of our last years experience efforts are now being made to continue with our newly established communication with SIUs for the various insurance carriers. Also, contact has been made with NICB and Mr. Jones, the attorney assigned to the unit, and the investigators will be attending the meetings sponsored by NICB. In this fashion the professionals in our unit will become known to these groups and be available to assist them with any questions that arise in their investigations in our county. As it becomes clear that our District Attorney's office is again engaged in the fraud effort, we anticipate renewed connection to fighting insurance fraud. We will be attending various trainings sponsored by the CDE and CDAA as well as other groups as presented. As indicated in question One above, this effort will require time to accomplish. The effort has begun in earnest to build a reputation as a team player with the industry and the public.

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 as the legislative intent specifies.

In prior years, little if any effort was expended in tracking payment of fines and restitution. Restitution is a primary goal of our unit and Mr. Jones, now overseeing the fraud unit, has begun to correct this situation. Mr. Jones has met with various of the judges and in particular court staff. As a result a program has been commenced as between the District Attorney's Office and the Court. This program allows the Fraud Units Administrative Assistant to access the court records in a read only mode to follow the payments of each defendant. The effort to monitor a defendants progress 45 days post conviction or plea to determine if payments have been received. This first contact is, of course, gauged to some degree upon the order of the court relative to when payments by the defendant commence. Thereafter, if no payment has been received within this period another inquiry is made within 30 days. If no payment has been made at that juncture, a violation of probation will be filed. Also, the court has agreed to work with our office relative to ensuring restitution will be included in sentencing.

In our county restitution may be collected through the Probation Department and arrangements are in place for the Fraud Unit to be kept apprised of the status of those restitution payments. The involvement of probation generally is related to felony level matters.

Also, the legal secretary assigned to this unit at 50% FTE, will create necessary spreadsheets to track restitution as it is ordered by court and received.

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

Project:

- a. 20 new investigations will be initiated during FY 2008-09.
- b. 12 new prosecutions will be initiated during FY 2008-09.

**COUNTY PLAN
PROGRAM STRATEGY (CONT.)**

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?

As our budget proposal outlines, we are building a program from the beginning. The funds will be used to staff the program with 2.0 investigators, as described above, who will work closely with the DDA assigned to the fraud unit that has been established by Mr. Pierson. A legal secretary will assist the unit with support functions and keep statistics thus allowing the investigators and DDA more time to perform their duties. The Board of Supervisors will be requested to increase the personnel allocation for this office by one District Attorney Investigator, which at the present time and due to the economic condition of the county, appears to dubious.

BUDGET
Instructions for Fiscal Year 2008-09

In preparing to provide the information requested on Forms 11-14, 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 on page 18, question #2. However, applicants should not include any funds or expenses from these sources in the program budget.

DETAILED BUDGET CATEGORY INSTRUCTIONS

PROGRAM BUDGET

The purpose of the Program Budget is to demonstrate how the Program will implement 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 CDI modifications and approval.

CDI requires the applicant to develop a line item budget that will enable them to meet the intent and requirements of the program, ensure the successful implementation of the Program, and that it is cost-effective. 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 of 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 so 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 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 a motor vehicle that is specifically requested and justified to the Commissioner.
- Interest payments.
- Food and beverages, except as purchased in connection with program-related travel.
- Weapons or ammunition unless included as part of a benefit package.

BUDGET CATEGORY INSTRUCTIONS (Continued)

2. Allowable Budget Items

Allowable costs are those costs incurred in direct support of local program activities, including 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 11
- B. Operating Expenses – Form 12
- C. Equipment – Form 13

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 fund distribution. **This section must be completed and submitted even if there are 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.

BUDGET CATEGORY INSTRUCTIONS (Continued)

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 1-1/2 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) and 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 **50.5 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 44.5 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 for facility rental. 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:** Confidential fund expenditures are costs that will be incurred by grant-funded personnel working in an undercover or other investigative capacity. It may include the purchase of information, physical evidence, or services.

BUDGET CATEGORY INSTRUCTIONS (Continued)

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 of personnel salaries (excluding benefits and overtime), or 5 percent 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 this amount.

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 budgets may include a line item for the cost of obtaining an independent financial audit. The financial audit is to be prepared by an independent auditor who is a qualified state or local government auditor or 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 Request for Application and County Plan.

C. **Equipment:**

Equipment is defined as nonexpendable 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.

BUDGET CATEGORY INSTRUCTIONS (Continued)

Automobiles: The purchase of automobiles is not allowable, except when specifically requested and justified to the Commissioner. If justified, 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 allocated for the program.

OTHER PROGRAM FUNDS

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

BUDGET CATEGORY AND LINE ITEM DETAIL		COST
A. Personnel Services - Salaries/Employee Benefits		
(Including Tahoe differential, bi-lingual, standby, longevity, overtime and deferred comp)		
Salaries		
DA Investigator	2.00 FTE	
Deputy DA	0.50 FTE	150,178.09
Legal Secretary	0.50 FTE	57,892.77
		22,990.24
Benefits		
Medicare:		
DA Investigator	2.00 FTE	
Deputy DA	.50 FTE	774.19
Legal Secretary	.50 FTE	333.35
Health/Flex:		
DA Investigator	2.00 FTE	15,374.31
Deputy DA	.50 FTE	5,835.36
Legal Secretary	.50 FTE	6,005.60
Retirement/PERS:		
DA Investigator	2.00 FTE	45,272.54
Deputy DA	.50 FTE	10,705.25
Legal Secretary	.50 FTE	4,609.53
Disability Insurance:		
DA Investigator	2.00 FTE	490.14
Deputy DA	.50 FTE	192.21
Legal Secretary	.50 FTE	82.76
Unemployment Insurance:		
DA Investigator	2.00 FTE	1,021.16
Deputy DA	.50 FTE	400.44
Legal Secretary	.50 FTE	172.41
TOTAL		322,330.34

FORM 12

BUDGET CATEGORY AND LINE ITEM DETAIL		COST
B. Operating Expenses		
Equipment:		
Printer to connect to Superior Court records for Legal Secretary		250.00
Software License:		
License to connect to Superior Court records for Legal Secretary		250.00
Audit Fee:		
El Dorado County Auditor/Controller (required)		4,400.00
Publication & Legal:		
\$69.80 x 12mo Mt. Demo/\$48.85 x 12/mo Ahora/\$51.25/mo x 12 Clipper		2,039.00
Transportation & Travel:		1,000.00
Staff Development:		2,500.00
Indirect / Administrative Cost Allocation: 10% of Personnel Salaries		23,106.11
TOTAL		33,545.11

BUDGET CATEGORY AND LINE ITEM DETAIL	COST
C. Equipment Computer for Investigator SLT .50 FTE	1,300.00
CATEGORY TOTAL	1,300.00
PROGRAM TOTAL	357,175.45
INTEREST TOTAL	

EQUIPMENT LOGS

Equipment Log for FY 2007-08
County of El Dorado

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

Rows can be inserted as needed.

X No Equipment Purchased

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

Name: Vern Pierson

Title: District Attorney

Signature: _____

Date: _____

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 attorneys 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 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 will the named prosecutor(s) and investigator(s) 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/prosecution 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 Chief Investigator of the Fraud Division office responsible to 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.

JOINT INVESTIGATIVE PLAN

Memorandum of Understanding

Introduction

- a) 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.

1. 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) As the primary investigative agency in the field of insurance fraud, the fraud division will have "first claim" to an SFC or case referral package sent by an insurer for investigation. There can be exceptions to this provision if the referring insurer specifically requests that the investigation be done by the district attorney's office. The fraud division will be notified immediately to discuss the situation and avoid any duplication of investigative efforts.
- e) 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.
- f) 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.

- g) 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 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 provide 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.

ATTACHMENT B

THIS ATTACHMENT IS SUBMITTED AS A SEPARATE ADDENDUM TO THE APPLICATION AND IS CONSIDERED CONFIDENTIAL.

1. Please include in this attachment information considered confidential, specifically criminal investigations, whether active or inactive.
2. Briefly describe all cases that have been or are being investigated and/or pending prosecution during Fiscal Year 2007-08.
3. Include those being worked jointly with CDI. (These descriptions shall also include investigated cases with no result). List case prosecutor(s) and investigator(s).
4. Under Description, provide a brief overview of specific case activity (i.e. number of suspects, fraud type, criminal activity discovered).
5. Outcomes achieved through county or other funding sources shall be designated separately.

Name	Investigation Case #	Prosecutor(s) Investigator(s)	Date Assigned	Description
LOPEZ, ALBERT TRAN, TIEP	2008-067	R. JONES/DDA M. MESSIER/INV.	02/21/08	CO-DEF PENDING Case received from State Farm SIU, Provider Fraud
POLLARD, SHAWN	2008-072 08-03-001384	R. JONES/DDA M. MESSIER/INV	01/01/08	550(A)PENDING, Case received from GEICO SIU, insured obtains insurance coverage after loss

CAPARELLA, JASON	2007-287 08-03-001685	R. JONES/DDA P. FISHER/INVE	10/19/07	PENDING 550(A)/550(B)(3), Case received from Esurance SIU insured obtained coverage post loss
MORGAN, MARK	P08CRF0262	R. JONES/DDA	05/08/08	OPEN 550(A)(1), case received from CHP, re: hit & run w/2pedestrian victim DA invest. Shows false insurane claim of vandalism to cover damage caused by hitting pedestrians
THOMAS, ERIC	P08CRF0271	R. JONES/DDA	06/03/08	OPEN 550(A)(1)/550(B)(1) DOI referral, insured adds excluded wife to policy post loss
BROWN, AUNDRE	2008-158	R. JONES/DDA M. MESSIER/INV	05/09/08	CLOSED/REJECTED referred by GIECO SIU
KOTSYUBCHUK, LILYA	P07CRF0425	R. JONES/DDA	08/31/07	CLOSED, Plea, 550(b)(3)case referred by DOI, insured aquired insurance post loss

SURITA, EDDIE	2008-146	R. JONES/DDA W. DILLARD/INV	04/30/08	PENDING INS. COMP. LOSS Case received from GMAC SIU, insured torches vehicle as he is behind on payment
MCCORMICK, JONATHAN	2008-147	R. JONES/DDA M. MESSIER/INV	04/30/08	PENDING, Case received thru NICB for Farmers Ins. Investigating false claim of loss with auto dealer involvement
TODD, CARYN	P07CRF0378	R. JONES/DDA	09/05/07	OPEN 487(A) Insured received two settlement checks knowing she was entitled to only one but cashed both
SANDERS, SHELBY ESPINOZA, ROBERT	P07CRF0234	R. JONES/DDA	05/24/07	CLOSED, 550(B)(1) Pled, one Felony, one misdemeanor DOI insured acquired insurance from Esurance after loss

LEE, THOMAS	DOI	R. JONES/DDA G. RODRIGUEZ/INV	6/1/08	PENDING, case to be referred by DOI but there has been on going consultation with DOI investigators, delay in referral was investigator attended Police Academy
MORRIS, LEO	P08CRF0033	R. JONES/DDA	11/14/07	CLOSED 10851, 496, Pled, received from EDSO 2 yrs SP
CARTER, SEBASTIAN	2007-250	R. JONES/DDA W.DILLARD/INV	07/18/07	PENDING, Case received from EDSO, case among other issues, involves falsifying auto registration documents and was sent to DMV for assistance and to date none has been received, DA Investigator will now reassume investigation
MORALES, RICARDO	2007-108	R. JONES/DDA S. EASTMAN/INV	3/14/07	PENDING, case received from State Farm SIU, insured reports car stolen, many NICB Fraud

						indicators
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Rows can be inserted as needed.