



Legislation Text

File #: 21-1532, **Version:** 1

District Attorney recommending the Board consider the following:

- 1) Adopt and authorize the Chair to sign Resolution **130-2021** authorizing the District Attorney to execute a Grant Award Agreement with the California Department of Insurance for the Automobile Insurance Fraud Program for Fiscal Year 2021-2022 in the amount of \$198,464 including any extensions or amendments thereafter which would not increase net county costs;
- 2) Adopt and authorize the Chair to sign Resolution **131-2021** authorizing the District Attorney to execute a Grant Award Agreement with the California Department of Insurance for the Workers' Compensation Insurance Fraud Program for Fiscal Year 2021-2022 in the amount of \$437,474 including any extensions or amendments thereafter which would not increase net county cost; and
- 3) Approve and authorize the Chair to sign Fiscal Year 2021-2022 budget transfer increasing appropriations and revenue in both the Workers' Compensation Fraud Special Revenue Fund and the District Attorney's Office; and decreasing appropriations and revenue in the Automobile Fraud Special Revenue Fund and the District Attorney's Office. (4/5 vote required)

FUNDING: Worker's Compensation and Automobile Fraud Grants.

DISCUSSION / BACKGROUND

The District Attorney's Office has received the Automobile Insurance Fraud and Workers' Compensation Insurance Fraud grants since Fiscal Year 2004-05. El Dorado County has been commended by the California Department of Insurance for program operation and compliance. It is through the dedicated commitments of prosecutors and investigators that fraud prevention, investigation, and prosecution has been so successful over the last few years.

Automobile Insurance Fraud Grant

The District Attorney's Office actively investigates and prosecutes both auto theft and insurance fraud and continually seeks to expand their fraud unit to initiate and prosecute additional cases. In addition, the District Attorney's Office seeks new ways to educate the community and law enforcement agencies on automobile insurance fraud and resources available to assist victims. The District Attorney's Office also allows citizens of El Dorado County access to the office for protection of their rights, as well as a forum to report situations of potentially illegal conduct. As a result, the automobile insurance fraud program has become a significant component of the District Attorney's consumer protection effort.

The 2021-22 Auto Fraud award amount is \$198,464, which is less than what was anticipated on the FY 2021-22 Adopted Budget. A budget transfer reducing estimated revenue and operating expense appropriations is being requested. It's possible this shortfall could be absorbed by other general fund savings within the department. The Department and CAO will monitor expenditures and return, if necessary.

Workers' Compensation Insurance Fraud Grant

The District Attorney's Office has received this grant for the past eleven years and continues to be active in the investigation and prosecution of workers' compensation insurance fraud. In addition, the District Attorney's Office continues to develop and maintain relationships with outside agencies working in this field, as well as engaging in outreach to the public for the purpose of reducing violations by providing education to employers and employees.

The 2021-22 Workers' Compensation Fraud award amount is \$437,474, which is greater than what was anticipated on the FY 2021-22 Adopted Budget. A budget transfer increasing estimated revenue and operating expense appropriations is being requested to account for the change in funding amount. In addition, the FY 2020-21 program carries forward an unused grant award amount of \$177,199 which will be used to fund expenses under the FY 2021-22 grant program. The significant grant carryover is a result of a delay in processing a high-profile workers' comp case which is anticipated to continue into the current fiscal year.

A signed resolution is required in order for the District Attorney to sign the Grant Award Agreements with the California Department of Insurance (CDI). Approval of these recommendations will allow the District Attorney's Office to continue receiving grant funds that support their consumer protection efforts.

ALTERNATIVES

Should the Board choose to not accept the Grant Agreements, the County would be ineligible to participate in the programs.

PRIOR BOARD ACTION

Board Item 20-1331, October 20, 2020: Board approved the acceptance of FY 2020-21 Grant Award Agreement with the California Department of Insurance for the Automobile Insurance Fraud Program in the amount of \$197,697 and for the Workers' Compensation Insurance Fraud Program in the amount of \$446,750.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Due to the variance between actual awards for both CDI Programs as compared to the projections included on the FY 2021-22 Adopted Budget, a budget transfer is necessary to account for the program changes. The proposed budget transfer increases appropriations and revenue for the Workers' Comp Program with significant increase in anticipated expenditures under Professional Services related to an ongoing case. The budget transfer also decreases anticipated expenditures under Salaries to account for the Auto Fraud Program revenue shortfall.

Approval of this budget transfer will have no impact to Net County Cost. There is no matching requirement relative to these grants.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Upon approval, Clerk of the Board to:

- 1) Return one certified copy of each resolution to the CAO Central Fiscal Unit, Attn: Audra Anderson;
and
- 2) Forward executed budget transfer to the Auditor Controller's Office.

STRATEGIC PLAN COMPONENT

Public Safety

CONTACT

Vern Pierson, District Attorney