



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/16/2025

To: Sonoma County Board of Supervisors

Department or Agency Name(s): District Attorney

Staff Name and Phone Number: Carla Rodriguez 565-3098, Gina Michelon 565-3893

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

District Attorney FY 2025-26 Automobile Insurance Fraud Investigation Program

Recommended Action:

Adopt a resolution authorizing the District Attorney, or their designee, to execute a grant agreement with the California Department of Insurance to participate in the Automobile Insurance Fraud Investigation Program and accept \$212,622 in grant funding for the term July 1, 2025, through June 30, 2026, and execute any future amendments or extensions to the Grant Award Agreement, with approval by County Counsel, including rollover funding from prior year or increased funding allocation.

Executive Summary:

Board approval is requested to authorize the District Attorney or their designee to continue participation in the Automobile Insurance Fraud Program funded by the California Department of Insurance in the amount of \$212,622 for Fiscal Year 2025-26 and authorize the District Attorney or their designee to execute any future amendments or extensions to the Grant Award Agreement, with approval by County Counsel, including rollover funding from the prior year or increased funding allocation. This grant aims to protect public safety resulting from criminal enterprises staging traffic collisions and vendors providing faulty vehicle repairs and placing dangerous and unsafe vehicles back on the road. The District Attorney's Office has participated in the Automobile Insurance Fraud Program in Fiscal Years 2009-10 through 2013-14 and 2018-19 through 2024-25. This work is performed by the District Attorney's Office's Environmental and Consumer Fraud Division using grant monies and does not require any General Fund support. The staff assigned to this grant program will consist of existing personnel including Deputy District Attorneys, District Attorney Investigators, a Legal Assistant, a Department Analyst, and an Extra Help District Attorney Investigator. Also included is funding for a required internal audit, outreach materials, training, travel, and indirect costs. The funding should be sufficient to cover the costs of the District Attorney's Office's Automobile Insurance Fraud prosecution work. We budget based on historic trends and we are usually provided additional funding or rollover of unspent funds from the prior fiscal year. If we are notified about reductions, we would reduce our spending appropriately.

Discussion:

The California Department of Insurance (CDI) is the primary law enforcement agency responsible for investigating automobile insurance fraud crimes. The District Attorney first participated in this program in

Fiscal Year 2009-10. The Fraud Division coordinates enforcement operations statewide with municipal, state, and federal agencies. Completed investigations are filed with the District Attorney or the United States Attorney General's Office. The funding for this program comes from an assessment on automobile insurers of forty-four (\$0.44) cents per vehicle for each quarter of a calendar year that it is insured, as set forth in the California Code of Regulations, Title 10, Chapter 5, Subchapter 9 - Insurance Fraud.

Board approval is requested to allow the District Attorney, or their designee, to continue participation in the Automobile Insurance Fraud Program funded by the California Department of Insurance in the amount of \$212,622 for the FY 2025-26 and authorize the District Attorney or their designee to execute any future amendments or extensions of the Grant Award Agreement including rollover funding from prior year or increased funding allocation. The District Attorney participated in the Automobile Insurance Fraud Program in Fiscal Years 2009-10 through 2013-14. As a result of staffing limitations, the District Attorney did not apply for this grant between Fiscal Years 2014-15 and 2017-18, then applied and received funding in Fiscal Years 2018-19 through 2024-25. In FY 2022-23, 90 suspected fraud claims were reviewed by the District Attorney's Office. The number of claims reviewed in FY 2023-24 dipped slightly to 73. The number of fraud claims reviewed in FY 2024-25 rose to 180. We attribute this uptick to economic pressures due to inflation and automobile interest rates remaining high, creating a motive for both first-party fraud and organized schemes.

Automobile insurance fraud is economically costly and increases risk to citizens when traveling Sonoma County roads. Grant funds afford the District Attorney's Office additional resources to focus on cases that are, by nature, more obscure and traditionally difficult to detect. Automobile insurance fraud is committed by criminal enterprises staging traffic collisions and automobile repair vendors placing unsafe vehicles back on the roads. These are serious crimes. The District Attorney's Office will focus efforts on detecting and prosecuting this type of fraud. Sophisticated automobile insurance fraud adversely impacts all citizens in California through higher insurance rates. Examples of sophisticated fraud can also include (1) medical-legal fraud committed by medical-legal providers in the personal injury system who include false information regarding unnecessary treatments or services that are rarely furnished in order to secure insurance company payments, and (2) applicant fraud, which is committed by an insured who reports that they were driving, when in fact another driver was behind the wheel during an accident. In addition, the District Attorney's Office will continue to work with the Department of Insurance investigators to reduce the risk to public safety by investigating and prosecuting auto repair rings and auto body shops that provide faulty repairs. This focus will help ensure that the types of cases being prosecuted in this county are truly reflective of the nature of fraud actually experienced in the County.

During FY 2025-26, the District Attorney wishes to continue prosecuting automobile insurance fraud crimes, which requires increased outreach and education efforts. This effort is a multi-year pursuit, and various strategies and plans are being refined, including identifying and strengthening relationships with other partners, including law enforcement agencies such as the Sonoma County Auto Theft Task Force. The District Attorney's Office also knows that holding auto insurance fraud offenders accountable helps deter other potential offenders.

Strategic Plan:

N/A

Racial Equity:**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

Prior Board Actions:

The Board has approved Resolutions authorizing the Automobile Insurance Fraud grant each year between Fiscal Years 2009-10 and 2013-14, and for Fiscal Years 2018-19 through 2022-23; and most recently in Fiscal Year 2023-24.

FISCAL SUMMARY

Expenditures	FY 25-26 Adopted	FY 26-27 Projected	FY 27-28 Projected
Budgeted Expenses	\$212,622		
Additional Appropriation Requested			
Total Expenditures	\$212,622		
Funding Sources			
General Fund/WA GF			
State/Federal	\$212,622		
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$212,622		

Narrative Explanation of Fiscal Impacts:

The 2025-26 State of California Department of Insurance Automobile Insurance Fraud Investigation grant award to Sonoma County is \$212,622. The current grant will fund activities through June 30, 2026, and the staff will cost code their time when working on Automobile Insurance Fraud-related task work so that the grant funds will pay for those associated costs. These funds will allow the District Attorney's Office to continue the dedicated work of this program and expand outreach efforts. The personnel assigned to this grant program are from the District Attorney's Office's Environmental and Consumer Fraud Unit, and this special prosecution will be performed by existing staff, including a Deputy District Attorney IV, with an estimated annual cost of \$369,399, 8% of which, or \$29,552 will be paid by these grant funds; a Deputy District Attorney III with an estimated yearly cost of \$306,069, 10% of which, or \$30,607 will be covered by these grant funds; a Paralegal at an estimated annual cost of \$150,116, 5% of which, or \$7,506 will be paid by these grant funds; a Department Analyst at an estimated yearly cost of \$208,217, 7% of which, or \$14,575 will be paid by these grant funds, one District Attorney Investigator II with annual cost of \$285,156, 10% of which, or \$28,516 will be defrayed by these grant funds; and one Extra Help District Attorney Investigator with an estimated yearly cost of \$130,526, which will be 50% covered by these grant funds. The remaining funding of approximately \$36,603 will be used for indirect costs, fees for a required fiscal audit, outreach materials, training, and travel costs. This grant revenue was already assumed and incorporated in the District Attorney's 2025-26 fiscal year budget. There is no impact on the Sonoma County General Fund, and no match is required. The District Attorney's Office will apply for annual grant renewals in future fiscal years.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

There is no staffing impact.

Attachments:

Program Resolution

Grant Award Agreement

Related Items “On File” with the Clerk of the Board:

N/A