



# COUNTY OF SONOMA

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

## SUMMARY REPORT

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**Agenda Date:** 1/14/2025

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**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** District Attorney  
**Staff Name and Phone Number:** Gina Michelon 565-3893  
**Vote Requirement:** Majority  
**Supervisorial District(s):** Countywide

**Title:**

District Attorney FY 2024-2025 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 \$177,025 in grant funding for the term July 1, 2024, through June 30, 2025, and execute any future amendments or extensions to the Grant Award Agreement 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 sign a contract to continue participation in the Automobile Insurance Fraud Program funded by the California Department of Insurance in the amount of \$177,025 for Fiscal Year 2024-25 and authorize the District Attorney or their designee to execute any future amendments or extensions to the Grant Award Agreement 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 2023-24. This work is performed by the District Attorney 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, Department Analyst, and 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 involved in 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

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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 sign a contract to continue participation in the Automobile Insurance Fraud Program funded by the California Department of Insurance in the amount of \$177,025 for the FY 2024-25 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 2023-24. 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. We attribute this slight decrease to an underreporting of suspected fraud by insureds, due in part to a fear that their premiums will increase.

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. This sophisticated automobile insurance fraud adversely impacts all citizens in California through higher insurance rates. Examples of sophisticated fraud also include 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 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 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 by the county.

During FY 2024-25, 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 others, 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**

<b>Expenditures</b>	<b>FY 24-25 Adopted</b>	<b>FY 25-26 Projected</b>	<b>FY 26-27 Projected</b>
Budgeted Expenses	\$177,025		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$177,025</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$177,025		
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$177,025</b>		

**Narrative Explanation of Fiscal Impacts:**

The 2024-25 State of California Department of Insurance Automobile Insurance Fraud Investigation grant award is \$177,025. The current grant will fund activities through June 30, 2025, 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 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 \$355,520, 5% of which, or \$17,776 will be paid by these grant funds; a Deputy District Attorney III with an estimated yearly cost of \$257,071, 5% of which, or \$12,854 will be covered by these grant funds; a Legal Assistant at an estimated annual cost of \$144,567, 5% of which, or \$7,228 will be paid by these grant funds; a Department Analyst at an estimated yearly cost of \$203,971, 5% of which, or \$10,199 will be paid by these grant funds, two District Attorney Investigator II with a combined approximate annual cost of \$549,947, 13.7% of which, or \$37,671 will be defrayed by these grant funds; and one Extra Help District Attorney Investigator with an estimated yearly cost of \$166,594, which will be 100% covered by these grant funds. The remaining funding of approximately \$25,574 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 2024-25 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.

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

**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