



COUNTY OF HUMBOLDT

AGENDA ITEM NO.  
**C-13**

For the meeting of: November 4, 2014

Date: October 15, 2014  
To: Board of Supervisors  
From: Paul V. Gallegos, District Attorney *KN for AVG*  
Subject: Grant Award for Fiscal Year (FY) 2014-15 Automobile Insurance Fraud Program

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached Resolution accepting the Grant Award from the State of California for the Automobile Insurance Fraud Program FY 2014-15 ;
2. Approve the attached supplemental budget in Fund 1100, Budget Unit 205, District Attorney (4/5 vote); and
3. Direct the Clerk of the Board to process and return the Resolution to the District Attorney's Office, attention Kevin Furtado, for further processing and submission to the State.

SOURCE OF FUNDING:

State of California, Department of Insurance and the General Fund

DISCUSSION:

The Office of the District Attorney (DA) has received notification of grant funding through the State of California – Department of Insurance, for the period July 1<sup>st</sup> 2014 through June 30<sup>th</sup> 2015, to continue the Automobile Insurance Fraud Program in the amount of \$67,934. The money is available by special funding

Prepared by: Kevin Furtado

CAO Approval *Cheryl Dillingham*

REVIEW:

Auditor *AD* County Counsel \_\_\_\_\_ Personnel \_\_\_\_\_ Risk Manager \_\_\_\_\_ Other \_\_\_\_\_

TYPE OF ITEM:

Consent  
 Departmental  
 Public Hearing  
 Other \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Lovelace*  
Seconded by Supervisor *Sundberg*  
And unanimously carried by those members present,  
The Board hereby adopts the recommended action contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_

Dated: *Nov. 4, 2014*  
Kathy Hayes, Clerk of the Board

Meeting of: \_\_\_\_\_

By: *Ann Huntwell*

through premiums paid by companies for Automobile Insurance. The total funds of \$15,259,000 are distributed to thirty-seven counties in California.

This is the sixth year the District Attorney has participated in this program. The funds will be used locally to continue to fund a .50 extra help District Attorney Investigator and a .20 full time equivalent (FTE) Deputy District Attorney to investigate and prosecute all forms of claimant and premium fraud. Both Del Norte and Trinity County District Attorney's Offices have entered into an agreement with the Humboldt County District Attorney to develop a regional Insurance Fraud Unit. The resources here will be available to investigate and prosecute automobile insurance fraud cases in those counties.

In addition, the Insurance Fraud Unit will be involved in community outreach to inform insurance companies that provide automobile insurance in the region, as well as, the community at large of exactly what constitutes automobile insurance fraud and how to report it.

FINANCIAL IMPACT:

Acceptance of the one year grant award will allow the District Attorney to be reimbursed up to a maximum of \$67,934 for services performed in accordance with the scope of work described in the grant for the period of July 1, 2014 through June 30, 2015. The program will fund .70 FTE employees. \$34,334 is allocated for the salary and benefits costs of the .50 FTE District Attorney Investigator Position. \$22,050 is allocated for the salary and benefits costs of the .20 FTE Deputy District Attorney Position. \$11,550 is allocated for program applicable operating expenses. These funds are \$5,757 greater than what was included in the approved FY 2014-15 County Budget. A supplemental budget is included to reflect these augmented funds.

Approval of this agenda item supports the Board's strategic framework by creating opportunities for improved public safety and providing community appropriate levels of service with the use of outside funding sources to benefit Humboldt County needs.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide not to accept the grant award from the State of California, however, this is not recommended. Non acceptance of the grant award will cause a loss of revenue for the Humboldt County District Attorney. This would leave the community, as well as, the region without an Automobile Insurance Fraud Investigator. Additionally, the lack of this position will reduce the staff and effectiveness of the Humboldt County District Attorney's office, since this position also provides an additional resource for other investigative needs within the District Attorney's office.

ATTACHMENTS:

1. Supplemental Budget
2. Grant Award Letter
3. Resolution

cc: Auditor-Controller



**Attachment 1**

**District Attorney  
Automobile Insurance Fraud Program  
Supplemental Budget FY 2014-15**

**REVENUE:**

|                 |                    |         |
|-----------------|--------------------|---------|
| 1100 205 515042 | Workers Comp Fraud | \$5,757 |
|-----------------|--------------------|---------|

**EXPENDITURES:**

|               |                        |         |
|---------------|------------------------|---------|
| 1100 205 1400 | Extra Help             | \$5,297 |
| 1100 205 1450 | Unemployment Insurance | \$55    |
| 1100 205 1600 | FICA/MC                | \$405   |

**TOTAL EXPENDITURES:**

**\$5,757**



**DAVE JONES**  
Insurance Commissioner

**RECEIVED**

AUG 18 2014

**DISTRICT ATTORNEY**

August 13, 2014

The Honorable Paul Gallegos  
Humboldt County District Attorney's Office  
825 5th Street  
Eureka, CA 95501

RE: Grant Award for the Automobile Insurance Fraud Program, Fiscal Year 2014-15

Dear District Attorney Gallegos:

I am pleased to inform you that Humboldt County has been awarded \$67,934 under the Automobile Insurance Fraud Program for Fiscal Year 2014-15. This grant award is to be used for the investigation and prosecution of automobile insurance fraud pursuant to Section 1872.8 of the California Insurance Code.

For Fiscal Year 2014-15, the available funding for local assistance was appropriated at \$15,259,000. This grant award is contingent on the total amount collected and it is possible that the total collection could fall short of the projected amount. Therefore, the final disbursement to your county could be adjusted accordingly.

Thank you for your efforts in submitting the Request for Application. I look forward to working with you in the battle against automobile insurance fraud.

If you have any questions regarding your participation in the Automobile Insurance Fraud Program, please contact Mary Spaid, Manager of the Local Assistance Unit, at (916) 854-5774 or at [mary.spaid@insurance.ca.gov](mailto:mary.spaid@insurance.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Dave Jones".

**DAVE JONES**

Insurance Commissioner

cc: Wayne Cox, Chief Investigator

300 CAPITOL MALL, SUITE 1700  
SACRAMENTO, CALIFORNIA 95814  
PHONE (916) 492-3500 • FACSIMILE (916) 445-5280

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of November 4, 2014

RESOLUTION NO. 14-90


**RESOLUTION AUTHORIZING RECEIPT OF FUNDING FROM THE CALIFORNIA DEPARTMENT OF INSURANCE FOR FISCAL YEAR 2014-2015 FOR THE AUTOMOBILE INSURANCE FRAUD GRANT PROGRAM**

**WHEREAS**, the County of Humboldt desires to undertake a certain program designated Automobile Insurance Fraud to be funded in part from funds made available through the Automobile Insurance Fraud Grant Program and administered by the California Department of Insurance.

**NOW, THEREFORE, BE IT RESOLVED** that the District Attorney of the District Attorney's Office is authorized, on its behalf, to submit the attached proposal to the California Department of Insurance and is authorized to execute on behalf of the Board of Supervisors the grant award including any extensions or amendments thereof which covers the period July 1, 2014, through June 30, 2015, in the amount of \$67,934; and

**BE IT FURTHER RESOLVED** that the Chair of the Humboldt County Board of Supervisors be and hereby is authorized to sign and execute said Agreement on behalf of the County of Humboldt.

Dated: November 4, 2014

  
\_\_\_\_\_  
REX BOHN, Chair  
Humboldt County Board of Supervisors


Adopted on motion by Supervisor Lovelace, seconded by Supervisor Sundberg, and the following vote:

AYES: Supervisors Sundberg, Lovelace, Bohn, Fennell, Bass  
NAYS: Supervisors --  
ABSENT: Supervisors --  
ABSTAIN: Supervisors --

STATE OF CALIFORNIA )  
County of Humboldt )

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.

  
\_\_\_\_\_  
By ANA HARTWELL  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California