STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

December 18, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT 15th YEAR GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (SCDI) FOR THE AUTOMOBILE INSURANCE FRAUD (AIF) PROGRAM FOR FISCAL YEAR (FY) 2007-08 (ALL DISTRICTS) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution authorizing the District Attorney to accept grant funds for the AIF Program from the SCDI. Funds in the amount of $4,248,405 have been awarded for the period of July 1, 2007 to June 30, 2008. There is no required County match for this grant.

2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.

3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as project director and to sign and approve any revisions to the GAA that do not increase the net County cost of the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 29, 2007 the District Attorney's Office (DA) submitted an application to the SCDI to continue funding for the AIF Program in FY 2007-08. The DA was awarded $4,248,405 for the period of July 1, 2007 to June 30, 2008. The SCDI has awarded funding to the DA for the AIF Program for the past fourteen years.

The objective of the DA's AIF Program is to enhance its efforts in the identification, investigation, and prosecution of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. Perpetrators include unscrupulous doctors, chiropractors, lawyers and others engaged in organized automobile insurance fraud.

In FY 2006-07, 44 investigations were initiated involving 81 suspects. The number of arrests made increased by 39% in FY 2006-07, from 56 to 78. The number of felony convictions increased by 100% from 42 to 84.

Board approval is required to accept grant funds and the SCDI requires an approved resolution as part of the GAA. The enclosed resolution has been approved as to form by County Counsel and adoption of the resolution will satisfy County and State requirements.

Implementation of Strategic Goals

Acceptance of the grant funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing available revenue to offset program costs. This program directly supports the District Attorney's core mission of prevention, deterrence and prosecution of felony crime throughout the County.

FISCAL IMPACT/FINANCING

The amount of $4,248,405 has been awarded to the DA for the AIF Program covering the period of July 1, 2007 to June 30, 2008. In addition, $516,532 in carryover funding has been approved by SCDI. The program total for FY 2007-08 is $4,764,937. There is no net County cost associated with this program.

If funding for this program were terminated, an evaluation would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of Section 1872.8 of the California Insurance Code, the State Department of Insurance is authorized to award and distribute certain funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent automobile insurance claims. The DA has been awarded funding for this Program for the last fourteen years.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This program does not propose attorney staff augmentation. Therefore, the District Attorney's Office is not subject to the Board motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to call Ms. Emily Aidells at (213) 202-7674 when one (1) copy of the adopted Board letter and two (2) copies of the executed Resolution, containing original signatures are available for pick up. Any questions may be directed to Ms. Aidells.

Respectfully submitted,

S.L. Cooley

STEVE COOLEY
District Attorney

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Attachments

c: Chief Executive Officer
County Counsel

BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES

RESOLUTION

Authorization to Accept a Grant Award from the
State of California, Department of Insurance
Pursuant to California Insurance Code
Chapter 12 commencing with Section 1871, et seq.

WHEREAS, the provisions of Section 1872.8 of the California Insurance Code authorize the State Department of Insurance to award and distribute certain funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent automobile insurance claims; and the District Attorney is charged with providing prosecution of all felony offenses committed within this County; and

WHEREAS, the County of Los Angeles, acting through its Board of Supervisors, desires to combat automobile insurance fraud by undertaking a certain project designated the "Automobile Insurance Fraud Program" by the District Attorney to be funded through funds made available by the Insurance Fraud Prevention Act as provided for pursuant to California Insurance Code 1872.8, administered by the California Department of Insurance; and

WHEREAS, the State of California Department of Insurance approved the fraud reduction plan submitted by the Los Angeles County District Attorney's Office for Fiscal Year 2007-2008 for the Automobile Insurance Fraud Program and awarded funding to the Program;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Los Angeles hereby authorizes and approves acceptance of grant funds from the State of California, Department of Insurance, to be used exclusively for the

program designated the "Automobile Insurance Fraud Program" for the period covering July 1, 2007 to June 30, 2008;

BE IT FURTHER RESOLVED that the County of Los Angeles hereby authorizes the District Attorney, or his designee, to serve as Project Director and to perform all further tasks necessary for the completion of the project, including any extensions, execution and submission of amendments, progress reports, and payment requests relating to the Grant Award Agreement;

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I DO HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of the County of Los Angeles, on the 18 day of December, 2007, the forgoing Resolution was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Board of Supervisors of the County of Los Angeles this 18 day of December, 2007.

County of Los Angeles

By _____
Chair, Board of Supervisors

SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

RAYMOND G. FORTNER, JR.

By _____
Deputy

65 of DEC 18 2007

BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES

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Los Angeles County Chief Administrative Office
Grant Management Statement for Grants Exceeding $100,000

Department: District Attorney

Grant Project Title and Description — **Auto Insurance Fraud Program**

The objective of this program is to enhance prosecutorial efforts and criminal investigations of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (SCDI) to identify, investigate and prosecute organized automobile insurance fraud rings (staged accidents, cappers, etc.). Perpetrators also include unscrupulous doctors, chiropractors, lawyers and others who profit from fraudulent automobile insurance claims.

Funding Agency	Program (Fed. Grant # /State Bill or Code #)	Grant Acceptance Deadline
California Department of Insurance	California Insurance Code Section 1872.8	

Total Amount of Grant Funding: $4,248,405 **County Match:** $0
Grant Period: FY2007-2008 **Begin Date:** July 1, 2007 **End Date:** June 30, 2008
Number of Personnel Hired Under This Grant: 30 **Full Time:** 26 **Part Time:** 4

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ✓ No __

Will all personnel hired for this program be placed on temporary ("N") items? Yes ✓ No __

Is the County obligated to continue this program after the grant expires? Yes __ No ✓

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes __ No ✓

b). Identify other revenue sources Yes __ No ✓
(Describe)_____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ✓ No __

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature S. L. Cu **Date** 12/03/07

Los Angeles County Chief Administrative Office
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