



OFFICE OF THE DISTRICT ATTORNEY

COUNTY OF VENTURA, STATE OF CALIFORNIA

ERIK NASARENKO
District Attorney

March 28, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: Adoption of a Resolution Authorizing the District Attorney to Accept Grant Funds and to Execute the Grant Agreement and Any Extensions or Amendments Thereof for Grant Funds in the Amount of \$330,202 from the California Department of Insurance for the Automobile Insurance Fraud Program

RECOMMENDATION:

It is recommended that your Board adopt the attached resolution authorizing the District Attorney to accept grant funds and to execute a grant agreement and any extensions or amendments thereof for grant funds in the amount of \$330,202 from the California Department of Insurance in order to continue the Automobile Insurance Fraud Program funded pursuant to California Insurance Code section 1872.8, and California Code of Regulations, Title 10, Section 2698.60 et. seq., for the grant period of July 1, 2022, through June 30, 2023.

FISCAL/MANDATE IMPACT:

Mandatory:	Yes – Penal Code section 550
Source of Funding:	Department of Insurance California Insurance Code section 1872.8
Funding Match Required:	None
Impact on Other Departments:	No Additional Impact

Summary of Revenue and Total Costs:

	<u>FY 2022-23</u>	<u>FY 2023-24</u> (Estimated)
Revenue:	\$ 330,202	\$ 330,202
Costs:		
Direct:	\$ 330,202	\$ 330,202
Indirect:	Minimal	Minimal
Total Costs:	\$ 330,202	\$ 330,202
Net County Cost Including Indirect:	\$ 0	\$ 0
Recoverable Indirect:	\$ 0	\$ 0

Sufficient appropriations were included in the FY 2022-23 Adopted Budget.

CURRENT BUDGET PROJECTIONS:

Current FY 2022-2023 Budget Projection for DAO/2101 as of February 23, 2023:

	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Deficit/Savings
Appropriations	\$13,039,953	\$13,501,076	\$12,651,770	\$849,306
Revenue	\$10,134,878	\$10,134,878	\$9,657,148	(\$477,730)
Net Cost	\$2,905,075	\$3,366,198	\$2,994,622	\$371,576

DISCUSSION:

The passage of the Insurance Frauds Prevention Act in 1989, California Insurance Code section 1871 et seq., established funding to support automobile insurance fraud prevention, investigation, and prosecution. Since fraudulent activities account for a significant amount of all auto insurance premiums and payouts, the goal of the Insurance Frauds Prevention Act is to reduce auto insurance premiums by preventing fraudulent claims.

Ventura County continues to experience significant auto insurance fraud-related crimes. The grant funds enable the District Attorney's Office to staff the auto insurance fraud unit with an experienced prosecution team able to target criminals who attempt to defraud auto insurance providers. One such case was *People v. Timothy Hoag*. In that case, the defendant drove under the influence and crashed his car into a tree. After his conviction for driving under the influence and lying to a police officer, the defendant tried to collect on his auto insurance policy by claiming someone else stole his car and caused the accident. The defendant ultimately admitted he was driving and was also convicted of auto insurance fraud. He was placed on formal probation and ordered to serve nine months in jail.

In another case, *People v. Juan and Elizabeth Reza*, the defendants submitted a vehicle damage claim to their insurance company, which was denied. The defendants then bought insurance from another company and submitted a falsely dated claim for the same vehicle damage. The new insurance company paid for repairs before the fraud was discovered. The defendants were convicted, placed on probation, and ordered to serve 30 and 10 days in jail respectively. They also paid \$5,439 in restitution.

The proposed grant funding will facilitate our ongoing and aggressive prosecution of these types of crime. A grant award of \$330,202 for fiscal year (FY) 2022-23 will provide funding for one-half of a senior prosecutor and three-fourths of an investigator to continue automobile insurance fraud prevention, investigation, and prosecution. Grant revenue and costs associated with this program were included in the FY 2022-23 adopted budget. Although this ongoing grant was included on the list of recurring grants for the fiscal year, the Department of Insurance has requested a certified copy of a Resolution of the Board of Supervisors specifically authorizing the District Attorney's acceptance of these funds. I respectfully urge your Board's continued support of this important program by adopting the Resolution authorizing the District Attorney to accept the funds and to execute the grant agreement and any amendments or extensions thereof.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office and County Counsel. Questions regarding this item may be

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directed to Chuck Hughes, Director of Fiscal and Administrative Services, at 805-477-1635 or Chief Deputy District Attorney Kevin Drescher at 805-662-1701.

Sincerely,



ERIK NASARENKO
District Attorney

EN/sg

Attachments:

Resolution of the Board of Supervisors

cc: Sevet Johnson, PsyD., County Executive Officer
Jeffery S. Burgh, Auditor-Controller