

## Auto Insurance Fraud Prosecution

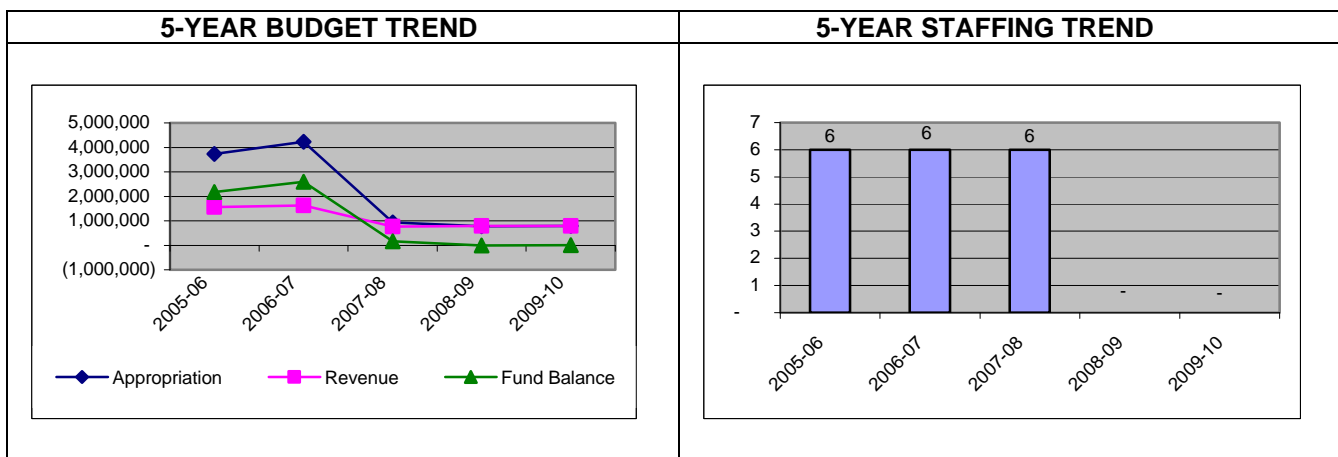
### DESCRIPTION OF MAJOR SERVICES

Insurance fraud is a particular problem for automobile policyholders. It is one of the biggest and fastest growing segments of insurance fraud and contributes substantially to the high cost of automobile insurance with particular significance in urban areas. Prevention of automobile insurance fraud can significantly reduce insurance claim payments and may therefore produce a commensurate reduction in automobile insurance premiums.

Under the direction of the Insurance commissioner, the California Department of Insurance makes funds available, as authorized by Section 18971 of the California Insurance Code, to the District Attorney's Office for investigation and prosecution of automobile insurance fraud.

Staff that provides these services are now budgeted in the District Attorney's Criminal main criminal budget unit. This budget unit transfers funds to pay for two investigators and two Deputy District Attorneys.

### BUDGET HISTORY



### PERFORMANCE HISTORY

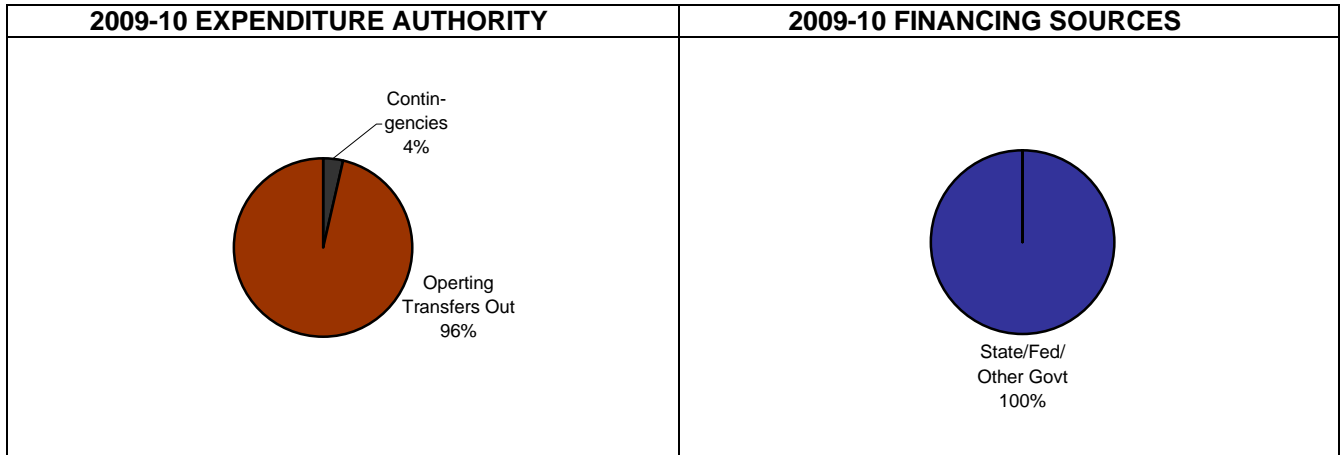
	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	776,554	922,561	914,774	745,036	741,000
Departmental Revenue	653,228	655,754	746,269	750,269	746,334
Fund Balance				(5,233)	

Estimated appropriation for 2008-09 is anticipated to be lower than budget. The program award was lower due to a mid-year grant reduction by the Department of Insurance which impacts the amount to transfer out. The transfers out also reflect lower than the modified grant award because of a negative fund balance at the beginning of the year.

Estimated departmental revenue for 2008-09 is anticipated to be slightly lower than budget as a result of reduced grant funding as described above. Additionally, interest revenue was lower than budget because disbursements are made quarterly and monies are used immediately resulting in very little interest being generated.



**ANALYSIS OF PROPOSED BUDGET**



GROUP: Law and Justice  
 DEPARTMENT: District Attorney  
 FUND: Auto Insurance Fraud Prosecuion

BUDGET UNIT: RIP DAT  
 FUNCTION: Public Protection  
 ACTIVITY: Judicial

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate		2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
<b>Appropriation</b>								
Salaries and Benefits	694,207	834,356	845,309	-		-	-	-
Services and Supplies	57,959	61,127	40,238	-		-	-	-
Central Computer	3,192	4,525	5,724	-		-	-	-
Transfers	21,196	22,553	23,503	-		-	-	-
Contingencies	-	-	-	-		561	28,174	27,613
<b>Total Appropriation</b>	<b>776,554</b>	<b>922,561</b>	<b>914,774</b>	<b>-</b>		<b>561</b>	<b>28,174</b>	<b>27,613</b>
Operating Transfers Out	-	-	-	741,000		783,206	756,927	(26,279)
<b>Total Requirements</b>	<b>776,554</b>	<b>922,561</b>	<b>914,774</b>	<b>741,000</b>		<b>783,767</b>	<b>785,101</b>	<b>1,334</b>
<b>Departmental Revenue</b>								
Use Of Money and Prop	6,542	3,904	-	65		4,000	-	(4,000)
State, Fed or Gov't Aid	646,639	651,850	746,269	746,269		785,000	785,000	-
Other Revenue	47	-	-	-		-	-	-
<b>Total Revenue</b>	<b>653,228</b>	<b>655,754</b>	<b>746,269</b>	<b>746,334</b>		<b>789,000</b>	<b>785,000</b>	<b>(4,000)</b>
Fund Balance:						(5,233)	101	5,334

Operating transfers out of \$756,927 cover the cost of four employees in the District Attorney's main criminal budget unit who investigate and prosecute auto insurance fraud cases. Staffing working on these cases has been reduced by 1 secretary in order to keep expenses below projected grant award.

Contingencies are increased based on projected grant award in 2009-10.

Interest is reduced as grant distribution occurs quarterly and the money does not remain in this budget unit long enough to generate interest.

Grant revenue of \$785,000 is budgeted at the same level as the 2008-09 amounts. The department will return to the Board and modify budget to match actual award when grant received.

