



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** District Attorney  
**Department No.:** 021  
**For Agenda Of:** December 14, 2021  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director: Joyce E. Dudley, District Attorney, x.82308  
Contact Info: John Savrnock, Chief Deputy District Attorney, x82369  
**SUBJECT: Renewal of Agreement with the California Department of Insurance for a Workers' Compensation Insurance Fraud Program in the District Attorney's Office, Fiscal Year 2021-2022**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

It is recommended that the Board of Supervisors:

- a) Adopt and authorize the Chair to execute a Resolution approving, ratifying, and authorizing the District Attorney to execute a Grant Award Agreement with the California Department of Insurance for a Workers' Compensation Insurance Fraud Program to provide services for the period of July 1, 2021 through June 30, 2022 in the amount of \$286,230 in total funding; and
- b) Approve and authorize the District Attorney, or designee, to execute any future amendments to extend the term of the Grant Award Agreement through December 31, 2022, or to increase the grant award in an amount not to exceed an additional \$50,000, with the concurrence of Risk Management, County Counsel, and Auditor-Controller; and
- c) Determine that the above recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because they consist of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

The Workers’ Compensation Insurance Fraud Program is designed to investigate and prosecute workers’ compensation insurance fraud cases. Board approval is required to receive grant revenue and continue this program in Fiscal Year 2021-22. In order to meet state deadlines and properly receive the grant funding, the District Attorney preliminarily executed the grant agreement pending formal authority from the Board of Supervisors.

**Background:**

The California Department of Insurance (DOI) Workers’ Compensation Insurance Fraud Program was established in 1991. The California legislature made workers’ compensation fraud a felony, required insurers to report suspected fraud, and established a mechanism for funding enforcement and prosecution activities. The program is funded by an assessment on California employers, who are legally required to be insured or self-insured.

This is the eighteenth year that the Santa Barbara County District Attorney’s Office has participated in the program to investigate and prosecute workers’ compensation fraud, as well as conduct outreach and education in the community in an effort to reduce the instances of fraud. Since 2017, the Santa Barbara program has conducted twenty-three outreach sessions throughout Southern California, targeting insurance professionals and employer groups looking for more information on Workers’ Compensation Fraud. Since July 1, 2021, the Office has received seven fraud referrals. Of these, three investigations have been opened, and four are under review.

**Fiscal and Facilities Impacts:**

Budgeted: Yes. Revenues and appropriations are included in current and future budgets.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State	\$ 286,230.00		
Federal			
Fees			
Other:			
Total	\$ 286,230.00	\$ -	\$ -

A part-time Deputy District Attorney (DDA), a part-time District Attorney Investigator and one part-time Legal Office Professional - Senior will work on workers’ compensation insurance fraud efforts Countywide. Fiscal Year 2021-22 funding includes \$257,754 in Salaries and Employee Benefits and \$28,476 in operating costs associated with the program. There is no match requirement for this award.

**Key Contract Risks:**

The District Attorney has been awarded this grant from the California Department of Insurance annually for multiple years. There is minimal risk to the County.

**Staffing Impacts:**

<b><u>Legal Positions:</u></b>	<b><u>FTEs:</u></b>
District Attorney Investigator II	0.53 FTE
Deputy District Attorney III	0.52 FTE
Legal Office Professional - SR	0.20 FTE

**Special Instructions:**

Please return one (1) Minute Order and one (1) duplicate original Resolution to John DeAlba, DA Department Business Specialist (x82434).

**Attachments:**

- A. Resolution
- B. Grant Award Agreement
- C. Grant Budget

**Authored By:**

Danielle Spahn, DA Team Project Leader (EXH)