



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:** October 11, 2011  
**Placement:** Administrative  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Joyce Dudley, District Attorney, 568-2308  
Head:  
Contact Info: Kimbra McCarthy, DA Director of Administration, 568-2304

**SUBJECT:** Renewal of Agreement with the California Department of Insurance for a Workers' Compensation Prosecution Unit in the District Attorney's Office

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

As to form: No

**Recommended Actions:**

It is recommended that the Board of Supervisors:

Adopt the attached resolution authorizing the District Attorney to renew an agreement with the State Department of Insurance for a Workers' Compensation Insurance Fraud Prosecution Unit in FY 2011-12.

**Summary Text:**

The Workers' Compensation Insurance Fraud program is designed to investigate allegations of Workers' Compensation Fraud, arrest offenders, prosecute violators, and seek restitution for funds lost through fraudulent claims, or business practices. Board approval is required to receive grant revenue and continue this program in FY 2011-12.

**Background:**

Workers' Compensation Fraud is a community and statewide issue which impacts industry, employers, the medical profession, insurance companies, employees, and local businesses. There is a direct correlation between workers' compensation fraud and increases in insurance premiums. Fraud results in higher insurance premiums for all employers which, in turn, are passed on to the consumer through an increase in costs of goods and services we use every day. These factors led the Santa Barbara County District Attorney to develop the Workers' Compensation Fraud Program, which brings together local businesses, the California Department of Insurance (CDI), and the District Attorney to tackle Workers' Compensation Fraud in Santa Barbara County. This program was originally authorized by the Board of

Supervisors in November 2003, making FY 2011-12 the ninth year of the Workers' Compensation Fraud Program in Santa Barbara County.

The Workers' Compensation Fraud Program is financed through fees assessed by the State Insurance Commissioner as part of the workers' compensation insurance rates. The long term goal of this initiative is to reduce workers' compensation insurance fraud in Santa Barbara County through crime prevention and deterrence, to be accomplished through a combination of community education and criminal prosecution of fraud cases.

The unit currently has 15 open investigations, 4 of which are in court and 1 case pending criminal filing. The open cases include 11 applicant fraud cases, 3 employer fraud cases and 1 open case in court involving the failure to secure workers' compensation insurance. During FY 2011-12, the District Attorney anticipates initiating between 30-40 new investigations.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 290,000.00	\$ 290,000.00	
Federal			
Fees			
Other:			
Total	\$ 290,000.00	\$ 290,000.00	\$ -

Deputy District Attorneys in Santa Barbara and Santa Maria will be assigned part-time to this grant, while the full-time Investigator will provide countywide coverage. Revenue totaling \$290,000 in FY 2011-12 is consistent with funding in FY 2010-11. The FY 2011-12 budget includes \$261,255 in salary and benefit costs, along with \$12,015 in operating costs, and \$16,730 in overhead associated with the program.

**Staffing Impacts:**

<u>Legal Positions:</u>	<u>FTEs:</u>
DA Investigator	1.00
Deputy DA	.32
Deputy DA	.20

**Special Instructions:** Please return executed Resolution to Jo Ann Slattery, DA Business Manager

**Attachments:** Board Resolution

**Authored by:** Jo Ann Slattery, DA Business Manager