



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: November 4, 2014
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department: Joyce Dudley, District Attorney, x2308
Contact Info: Kerry Bierman, Director of Administration, x2304

SUBJECT: Contract for Deputy District Attorneys in Workers' Compensation Insurance Fraud program and Automobile Insurance Fraud program

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Human Resources, Risk

Recommended Actions:

It is recommended that the Board of Supervisors:

- a.) Approve and authorize the Chair to execute a Professional Services Contract with Jillian Ostrove for the District Attorney Office Workers' Compensation Insurance Fraud Unit, effective November 24, 2014 through June 30, 2015, in the amount of \$56,300.
- b.) Approve and authorize the Chair to execute a Professional Services Contract with James Daloisio for the District Attorney Automobile Insurance Fraud Unit, effective November 10, 2014 through June 30, 2015, in the amount of \$59,815.

Summary Text:

The Workers' Compensation Insurance Fraud and the Automobile Insurance Fraud programs were designed to investigate allegations of fraud and arrest offenders, prosecute violators, and seek restitution for funds lost through fraudulent claims, or business practices. The District Attorney receives grant funding through the California Department of Insurance, Fraud Division for a limited time period to administer both of these programs. This requires that the District Attorney hire two Deputy District Attorneys on contract for a limited period of time.

Background:

Workers' Compensation Insurance 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 Insurance Fraud Program, which brings together local businesses, the California Department of Insurance, and the District Attorney to tackle Workers' Compensation Insurance Fraud in Santa Barbara County.

In addition, the Santa Barbara County District Attorney Automobile Insurance Fraud unit prosecutes automobile insurance fraud cases which are investigated by a variety of law enforcement agencies. The latest data from the California Department of Insurance indicates that automobile insurance fraud is on the rise in Santa Barbara County. False insurance claims are a serious problem across the United States and result in higher insurance premiums across the industry.

The two contract positions will report directly to the lead Deputy District Attorney for Workers Compensation Insurance and Automobile Insurance Fraud. The positions in both the Workers' Compensation Insurance Fraud and Automobile Insurance Fraud units will have the following day to day responsibilities:

1. Review incoming fraud referrals from the insurance industry and the California Department of Insurance and make recommendations for investigation and prosecution.
2. Prepare assigned cases for court proceedings which will include arraignment, preliminary hearings, settlement conferences and trial.
3. Conduct bi-weekly outreach and education about Workers' Compensation Insurance Fraud and Automobile Insurance Fraud to the community, employers, employees and the general public.
4. Provide weekly reports for District Attorney on the status of cases.
5. Attend meetings as needed with Department of Insurance detectives on case status and new prosecutions.
6. Occasional travel between North and South County to handle cases as needed.

The District Attorney has administrative and fiscal oversight of this program.

Fiscal Analysis:

Contract expenses for Workers' Compensation Insurance Fraud include \$56,300 in salary and benefit costs, including retirement and FICA. The Deputy District Attorney position is fully funded by grant funds from the California Department of Insurance.

Contract expenses for Automobile Insurance Fraud include \$59,815 in salary and benefit costs, including retirement and FICA. The Deputy District Attorney position is fully funded by grant funds from the California Department of Insurance.

Staffing Impacts:

Legal Positions:

2 Contractor on Payroll

Special Instructions:

Please return a copy of the signed contract to Kerry Bierman, DA Director of Administration

Attachments:

- a) Contract between County of Santa Barbara and Ms. Jillian Ostrove
- b) Contract between County of Santa Barbara and Mr. James Daloisio

Authored by:

Kerry Bierman, DA Director of Administration

cc: Human Resources