



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 19, 2019  
**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, 568-2308  
Contact Info: Michael Soderman, Chief Financial & Administrative Officer, 568-2303  
**SUBJECT:** Agreement with the California Department of Insurance for a Workers' Compensation Insurance Fraud Program in the District Attorney's Office, Fiscal Year 2019 - 2020

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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 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, 2019 through June 30, 2020 in the amount of \$287,707, plus carryover from Fiscal Year 2018-19 in the amount of \$123,474, for total funding of \$411,181; and
- b) Approve and authorize the District Attorney to execute any future amendments or extensions thereof through December 31, 2020, not to exceed \$100,000, with the concurrence of County Counsel and Auditor-Contoller; and
- c) Determine that the above action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because it consists 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 2019-20. 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 sixteenth 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 seven outreach sessions throughout Southern California, targeting insurance professionals and employer groups looking for more information on Workers’ Compensation Fraud. In addition, it is projected that five new workers’ compensation insurance fraud investigations and three new prosecutions will be initiated during FY 2019-2020.

**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	\$ 411,181.00		
Federal			
Fees			
Other:			
Total	\$ 411,181.00	\$ -	\$ -

One District Attorney Investigator, one part-time Deputy District Attorney (DDA), and one part-time Legal Office Professional will work on workers’ compensation insurance fraud efforts Countywide. Fiscal Year 2019-20 funding includes the award of \$287,707, as well as prior year carryover of \$123,474, for a total allocation of \$411,181. This includes \$341,720 in Salaries and Employee Benefits, \$44,500 in operating costs, \$2,500 in equipment, and \$22,461 in overhead associated with the program. There is no match requirement for this award.

**Staffing Impacts:**

<b><u>Legal Positions:</u></b>	<b><u>FTEs:</u></b>
District Attorney Investigator I	1.00 FTE
Deputy District Attorney IV (COP)	0.70 FTE
Legal Office Professional SR	0.25 FTE

**Special Instructions:**

Please return one (1) Minute Order and one (1) duplicate original Resolution to Nicole Lee-Rodriguez, DA Business Manager (x82413).

**Attachments:**

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

**Authored By:**

Danielle Spahn, EXH Team-Project Leader