



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 14, 2008
Placement: Administrative
Estimated Tme:
Continued Item: Select_Continued
If Yes, date from:
Vote Required: Select_Vote

TO: Board of Supervisors

FROM: District Attorney Name & Phone: Christie Stanley, x2308
Contact Info: Name & Phone: Marnie Pinsker, x2304

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

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Select_Other

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

- a) Adopt the attached resolution authorizing the District Attorney to renew the agreement with the California Department of Insurance for a Workers' Compensation Insurance Fraud Prosecution Unit for Fiscal Year 08-09.

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.

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, is passed on to the consumer through an increase in costs of goods and services we use every day. These factors led the District Attorney's Office to develop the Workers' Compensation Fraud Program which brings local businesses, the Department of Insurance, and the District Attorney's Office together to tackle Workers' Compensation Fraud in Santa Barbara County. This was authorized by the Board of Supervisors in November 2003. The Workers' Compensation Insurance Fraud Program is a collaborative effort in North County involving the District Attorney, business community and the California Department of Insurance. CDI

is financed through fees assessed by the State Insurance Commissioner as part of the workers' compensation insurance rates and has been an effective program in other California counties. 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 includes a .5 Prosecutor, .5 Criminal Investigator and .5 Sr. Investigative Assistant dedicated to workers' compensation insurance fraud cases. In fiscal year 2007/2008, 21 new fraud referrals were received and 16 carryover cases of suspected Worker's Compensation Fraud were reviewed and investigated by the Unit. Many of these did not result in criminal filings and were returned for further action through the Workers Compensation Appeals Board. Of the three new cases filed for criminal prosecution, one resulted in conviction; additionally another case that had been pending in court was completed. These cases resulted in over \$68,000 in restitution orders, and over \$21,000 in fines. Approximately thirteen cases will be carried forward for additional investigation next fiscal year.

Performance Measure:

Vertically prosecute 20% of the workers' compensation insurance fraud cases investigated by the Workers' Compensation Insurance Fraud Unit.

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	\$ 244,063.00	\$ 255,860.00	
Federal			
Fees			
Other:			
Total	\$ 244,063.00	\$ 255,860.00	\$ -

Narrative:

The staff is located in the North County District Attorney Office. The DOI financing request has increased to \$255,860 for FY 08-09, largely attributed to COLA adjustments. It includes \$222,141 in salary and benefit costs, along with \$9,536 in operating costs, \$5,000 for expert witness fees, and \$19,183 in overhead and audit charges associated with the program. Expenses and revenues are budgeted in the District Attorney's FY 08-09 budget, department 021, program 1010.

Staffing Impacts:

<u>Legal Positions:</u>	<u>FTEs:</u>
DA Investigator	.5
Deputy DA	.5
Legal Office Professional	.5

Special Instructions: Please return executed Resolution to DA: ATTN Marnie Pinsker

Attachments: Board Resolution

Authored by: Marnie Pinsker, DA Administrative Director